

SPLC Caught Paying Klan Members to Stay in KKK

The Southern Poverty Law Center used \$4.1 million in tax-exempt donor funds to pay Ku Klux Klan members to remain inside the hate group, reimbursing them for cross-burning materials and KKK robes and hoods, the Justice Department alleged Tuesday in a superseding federal indictment.

The grand jury in the Middle District of Alabama returned the superseding indictment against the SPLC on Tuesday, adding new details to charges first filed in April. The organization still faces 11 counts of wire fraud, bank fraud, and conspiracy to commit money laundering.

According to the new indictment, the SPLC funneled money through a shell corporation called Rare Books Warehouse to pay informants inside extremist organizations without disclosing the practice to donors. The charges allege the organization raised millions by advertising it was fighting hate groups, then secretly used those donations to keep Klan members on its payroll.



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Two Klan members, identified in court documents only as F-31 and F-32, approached the SPLC in 2010 saying they feared for their safety and wanted to leave the group. Prosecutors allege the SPLC instead paid them \$1,200 a month to stay. Among the expenses they were reimbursed for, according to the indictment, were all costs incurred for cross-burning events, to include the wood and fuel used.

The informants also allegedly used the money to recruit new members and purchase materials for KKK robes.

The SPLC's defense attorney, Abbe Lowell, pushed back on the new filing. 'The SPLC did not lie to its donors, it did not mislead banks it did business with, and its informant program prevented violence and saved lives,' Lowell said in a statement provided to CBS News.

Lowell also took issue with the Justice Department appearing to share the superseding indictment with news outlets before it was formally unsealed in federal court, calling it 'another example of the government's troubling and unusual handling of this case.'

The SPLC pleaded not guilty to the April charges and has asked the court to dismiss the case, claiming the prosecution is politically motivated.

The superseding indictment also addressed a legal flaw from the original filing. The prior version alleged an SPLC employee made 'false or misleading statements' to banks, but the Supreme Court ruled last year in *Thompson v. USA* that the relevant bank fraud statute only criminalizes false statements, not merely misleading ones. The new version drops the word 'misleading' from the bank-related allegations.

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