



The ACORN story: An analysis of crisis response strategies in a nonprofit organization

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ABSTRACT

In 2009, two political activists published hidden-camera recordings of their visits to the offices of a national, community-based, nonprofit organization. In the videos, the activists posed as a prostitute and a pimp in order to elicit damaging information from the organization's employees. This incident was just the latest in a series of disastrous situations for the Association of Community Organizations for Reform Now (ACORN). In the year prior to the video controversy, the organization addressed allegations of voter registration fraud in the 2008 presidential election and reacted to the expose of a hidden embezzlement by a family member of ACORN's founder. This study employs the Situational Crisis Communication Theory (SCCT) to analyze how ACORN responded to this series of damaging public relations attacks. The study investigated ACORN's crisis response strategies through an analysis of media coverage about the crises.

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1. Introduction

In September 2009, two political activists made public their hidden-camera videos that they taped during visits to the offices of the Association of Community Organizations for Reform Now (ACORN). The videos purported to show ACORN employees providing advice to the two activists, who were posing as a prostitute and a pimp, on how to evade taxes and engage in child prostitution.

This incident was just the latest in a series of disastrous situations for ACORN. In the year prior to the video controversy, the organization was forced to deal both with allegations of voter-registration fraud in the 2008 presidential election and the fallout from an exposé of an embezzlement of organization funds by a family member of ACORN's founder. The domino effect of these three crisis situations ultimately led to the demise of the organization.

The study reported in this article employs the Situational Crisis Communication Theory (SCCT) in a post hoc analysis of how ACORN responded to this series of damaging public attacks. The study examined media coverage of the three crises to compare the crisis response strategies suggested by the SCCT to the strategies actually employed by ACORN. This research concludes that the poor handling of a crisis could potentially end a nonprofit organization.

1.1. Association of Community Organizations for Reform

Established in 1970 and originally known as the Arkansas Community Organization for Reform Now, ACORN was founded by Wade Rathke. By 2008 ACORN was one of the United States' largest, non-profit, grassroots community organizations with

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more than 400,000 members in 1200-plus local chapters in 40 states (ACORN, 2010). ACORN's stated mission was to improve the communities of low- and moderate-income families through issue campaigns aimed at raising minimum wages, creating affordable housing, improving education in urban public schools and counseling people on various topics. These included federal and state benefit programs, the basics on mortgages and foreclosures for first-time homeowners and tax preparation (ACORN, 2010). As the ACORN website noted, the organization "helps those who have historically been locked out become powerful players in our democratic system" (ACORN, 2010, Who is ACORN? para. 1).

ACORN had a long history of serving as an advocate for lower-income communities on a variety of issues. In 1993, for example, the organization strongly supported the National Voter Registration Act, which allowed people to register to vote at their local DMV offices (Associated Press, 2008). Also in the early 1990s, ACORN fought to encourage homeownership for low-income citizens by helping to convince banks to offer low-interest loans with minimal or no collateral. Earlier efforts included advocating for expanding welfare in numerous cities throughout the country in the 1970s and 80s, establishing "living wages," creating universal health care and fighting against insurance redlining through the Community Reinvestment Act (Associated Press, 2008).

One of the primary ways in which ACORN helped people become more active in politics was by encouraging them to vote. According to their website, ACORN assisted more than 1.7 million people in registering to vote between 2004 and 2010. ACORN also aspired to empower citizens by giving them a voice in ACORN's decision-making process. "ACORN believes that low- to moderate-income people are the best advocates for their communities, and so ACORN's low- to moderate-income members act as leaders, spokespeople, and decision-makers within the organization" (ACORN, 2010, Mission Statement para. 1).

ACORN operated outside of the national spotlight for most of its tenure until the organization's ties to Barack Obama began to appear in the media during the 2008 presidential campaign. ACORN gained considerable public attention when it endorsed Obama's 2008 presidential bid and for stories about the organization's early connections to the future President's career when he had participated in community-training sessions in Chicago. In 1995, the President also served as one of ACORN's legal counsel in suing the State of Illinois for failure to implement the National Voter Registration Act (Holmes & Flaherty, 2008). News about this relationship with Mr. Obama began to shift the public's perceptions of ACORN from simply being a community organization to a liberal political actor.

Initially, media attention increased the awareness and recognition of ACORN and its mission. Unfortunately for the organization, it also shed light on internal mismanagement in its national headquarters. According to news reports, ACORN's executive director, Wade Rathke, hid the fact that his brother had embezzled \$948,607.50 from ACORN and other charity organizations through misuse of company credit cards (Strom, 2008a).

Rathke decided to try to keep the issue quiet and internal. ACORN executives didn't alert board members or law enforcement because of fear of conservative criticism and embarrassment (Strom, 2008a). Instead, ACORN made a deal with the Rathke family to have them pay back the embezzled funds at \$30,000 a year starting in 2001. Rathke's brother remained employed with the organization at a salary of \$38,000 a year, which was not included in the reparations to ACORN (Strom, 2008a). Later that year, an anonymous donor agreed to pay the remaining balance that the family owed shortly after a whistle-blower revealed the embezzlement to the media and Rathke's brother was let go (Strom, 2008a).

Also in 2008, ACORN was accused of voter registration fraud in several states as a result of hired canvassers submitting registration forms with fictitious information. In addition to the fictitious information allegations, the state of Nevada charged ACORN with engaging in voter registration fraud because of its incentive program, called "blackjack," in which canvassers were paid if they registered 20 voters per shift, with an additional \$5 bonus per registrant for those who registered more than 21 (Friess, 2009). Of the 91,002 voter registration forms submitted in Clark County, Nevada, for example, only 25 percent were valid (Friess, 2009). Nevada Secretary of State Ross Miller was quoted as saying, "it is illegal to attach incentives to such work, in part because it encourages canvassers to submit fraudulent forms" (Friess, 2009, para. 4). On a national level, ACORN officials "acknowledged that roughly 1.5 percent of the 1.3 million voter registration cards it collected were fraudulent, and elections officials rejected hundreds of thousands more because they were duplicates or incomplete" (Falcone, 2008, para. 8).

In 2009, ACORN suffered yet another publicly embarrassing incident. Conservative activists James O'Keefe and Hannah Giles posted videos on YouTube of the two going into ACORN offices in different cities, posing as a prostitute and pimp, in an attempt to elicit damaging information from the organization's employees. In the videos, ACORN employees were portrayed as "advis[ing] the pair on how to smuggle Salvadoran girls into the country, falsify a loan application to buy a house for use as a brothel and even claim the under-age prostitutes as dependents for tax purposes" (Shane, 2009, para. 8). In response, ACORN fired several employees and sued O'Keefe and Giles for videotaping its employees without consent (Wheaton, 2009). Unfortunately for the organization, the damage was already done.

Shortly after the videos became public, the combination of ACORN's three crises began to severely impact the organization. In addition to several other nonprofit partners, the U.S. Census Bureau dropped its relationship for fear that ACORN's actions would "taint the 2010 census" (Associated Press, 2009, para. 3). Subsequently, the House of Representatives voted 345 to 75 to halt all federal funding of ACORN (Shane, 2009), and the Internal Revenue Service took ACORN off of its Volunteer Income Tax Assistance program on the rationale that "it is absolutely critical that taxpayers have trust in our. . . partners" (Wheaton, 2009, para. 8). As federal funding ceased, ACORN attempted to fight the allegations, but had little success. In March 2010, the organization announced it was closing all its state affiliates and field offices because there were no longer funds to continue.

Table 1
SCCT crisis response strategies.

Primary crisis response strategies	Attack the accuser
Deny	Denial
	Scapegoat
Diminish	Excuse
	Justification
Rebuild	Compensation
	Apology
Secondary crisis response strategies	Reminder
Bolstering	Ingratiation
	Victimage

1.2. Nonprofit organizations

By nature, nonprofit organizations (NPOs) operate in a tumultuous environment. Because of their reliance on public contributions and public trust, NPOs are often judged by higher standards and face higher expectations than most for-profit companies. As Hafsı and Thomas (2005) describe, “the organizational design and structural arrangement of philanthropic organizations reflects the various forces that come to bear on the successful accomplishment of its goals” (p. 346).

Historically, NPOs have been viewed as far less sophisticated communicators than their corporate counterparts. In 1985, Rouner and Camden found that “while not-for-profits today are acting much like for-profit businesses, they haven’t yet come up to par in their use of professional public relations practices” (p. 31).

Because of their specialized focus, many NPOs may not be well known to large segments of society until scandals push them into the public spotlight (Vernis, 2006). Because NPOs generally are held to high standards by the public, when scandal strikes, they may be fighting to survive. Being able to take control and reassure the public in times of crisis is a crucial part of any organization’s public relations, but is especially vital to NPOs because they are so dependent upon the public trust. If an NPO betrays that trust, and the public loses confidence in the organization, the NPO risks not only its reputation, but also its financial support.

The research on crisis communication suggests that reputation is one of the most important intangible assets of an organization (Doorley & Garcia, 2006). In times of crisis, an organization’s reputation has the greatest chance of being damaged. Therefore, it is imperative that an organization does everything it can to restore a positive image and manage its reputation. Thus, one would assume that if an NPO selects the most appropriate crisis response strategy, it is more likely to maintain support in times of crisis.

1.3. Situational Crisis Communication Theory

Coombs’ Situational Crisis Communication Theory (SCCT) adds new dimensions to the research in crisis communication. Coombs’ (2004) suggests that the SCCT is instrumental in helping “a crisis manager . . . shape the selection of crisis response strategies and/or the effect of crisis response strategies on organizational reputation” (p. 269). Using the SCCT, Coombs found that “attributions of crisis responsibility are negatively related to [positive] perceptions of organizational reputation” (2004, p. 271).

The major crisis response strategies developed by Coombs in a series of research studies comprise the final three propositions in the SCCT. Each of these strategies specifies three reputational objectives: “shape attributions of the crisis, change perceptions for the organization in crisis and reduce the negative affect generated by the crisis” (Coombs, 2007, p. 171). The SCCT posits that crisis managers should use “crisis response strategies with the requisite level of accepting crisis responsibility” (p. 172). Therefore, according to Coombs, in the evaluation of any given crisis situation, crisis managers should choose the crisis response strategy based on the propositions in the SCCT.

In an earlier study, Coombs (2006) proposed that the crisis response strategies in his continuum could be collapsed into what he termed three primary postures; organizations can *deny*, *diminish* or *repair*. The *deny* posture includes the crisis response strategies of clarification, attack and shifting blame. The *diminish* posture includes excuses and justifications. The *repair* posture includes compensation, corrective action and apology. Coombs also suggested a secondary strategy, termed *bolstering*, which includes reminding stakeholders about past works, ingratiation and victimage (see Table 1).

Coombs proposes that in a *victim* situation, organizations should use the *deny* strategy. In an *accident* situation, organizations should use the *diminish* strategy, while in a *preventable* situation organizations should use the *rebuild* strategy. Although the *bolstering* strategies should be used as supplements to the previous postures in order to remind stakeholders of previous good works, Coombs (2007) recognized that *bolstering* has minimal reputational impact.

2. Methods

This study employed a qualitative content analysis of newspaper articles in which ACORN representatives were cited responding to a crisis situation. As Scheufele notes “qualitative content analysis works inductively by summarizing and classifying elements or parts of the text material and assigning labels or categories to them” (p. 431).

2.1. Sampling plan

The population for the study consisted of all news articles about ACORN published in *The New York Times*, *The Washington Post*, and *The Washington Times* from January 2008 through December 2009. The basic sampling unit was one news article.

In the initial sampling process, the researchers employed a LexisNexis Academic search of all the stories in the three newspapers using the specific search term “ACORN.” Next, the author eliminated any article not focusing on ACORN and one of the three identified crises situations. Then, the researcher identified whether there was a response from ACORN representatives present in each article. Those articles without a response from the organization were subsequently excluded from the analysis. This sampling process produced a total of 38 articles from *The New York Times*, 41 from *The Washington Post* and 105 from *The Washington Times*, for a total sample size of 184 for the qualitative content analysis.

Based upon the review of the literature and the interests of the researcher, this study addressed two primary research questions:

RQ1: What crisis response strategies did ACORN use to respond to the major negative public relations incidents that occurred during 2008–2009?

RQ2: Did the response strategies selected by ACORN match the response strategies proposed by the SCCT?

3. Analysis of Response Strategies

3.1. Embezzlement scandal

In July 2008, *The New York Times* reported the embezzlement of a total of \$948,607.50 in the years 1999 and 2000 by Dale Rathke, the brother of ACORN’s founder Wade Rathke. Wade Rathke decided to hide the situation from ACORN’s board members and instead devised a reparations program in which his brother would pay the money back to ACORN. This crisis would fit Coombs’ preventable crisis cluster, in which the public attributes the strongest crisis responsibility to the organization. According to Coombs (2007) “in these crisis types, the organization knowingly placed people at risk, took inappropriate actions or violated a law/regulation” (p. 168). This crisis cluster includes intentional human errors and organizational misdeeds, such as embezzlement.

3.2. Diminish

In ACORN’s initial response to the situation, Maude Hurd, the organization’s president, attempted to minimize the damage of the embezzlement. In a statement, she said, “we thought it best at the time to protect the organization as well as to get the funds back to the organization, to deal with it in-house” (Strom, 2008a, para. 7). She further deflected criticism of the organization’s decision by saying, “it was a judgment call at the time, and looking back, people can agree or disagree with it, but we did what we thought was right” (Strom, 2008a, para. 8).

3.3. Bolstering

Hurd attempted to assure supporters that the organization was now back on track despite the incident. She said “now that this is under our watch, we are putting financial auditors in place, legal counsel in place, a strong management team in place to make sure this organization moves forward another 38 years” (Strom, 2008a, para.16).

3.4. Voter registration fraud scandal

In the season leading up to the 2008 presidential election, ACORN was openly accused of voter registration fraud. The majority of these attacks were spurred by supporters of Republican candidates including presidential candidate John McCain. According to a *New York Times* article, he accused ACORN of “massive voter fraud” and, in the final presidential debate, said that ACORN is “now on the verge of maybe perpetrating one of the greatest frauds in voter history in this country, maybe destroying the fabric of democracy” (“*The Acorn Story*,” 2008). Several local ACORN offices had, in fact, reported the submission of invalid voter registrations by their part-time canvassers. Dan Satterberg, the prosecuting attorney in King County, Wash., said that it “appears that the employees of ACORN were not performing the work that they were being paid for, and to some extent, ACORN is a victim of employee theft” (Associated Press, 2008, para. 7). This crisis would fit Coombs’ second cluster, the accident cluster. In this crisis situation, there is moderate (or shared) crisis responsibility attributed to the organization. According to the SCCT (Coombs, 2007), this crisis would be defined as a challenge, in which “stakeholders claim an organization is operating in an inappropriate manner” (p. 168).

3.4.1. Denial

ACORN repeatedly used the denial strategy in response to any and all voter fraud allegations. Brian Kettenring, the chief organizer for ACORN in Florida, said, “we feel the current strategy from the right is to create and manufacture a so-called crisis of voter fraud” (Shear, 2008, para. 25).

In addition, Bertha Lewis, ACORN's chief organizer, said "it's pretty shocking that anyone would say such a thing. It's a lie, it's irresponsible, and I'm really disappointed that they would say such a thing" (Holmes & Flaherty, 2008, para. 6). Lewis also claimed the accusations had become "greatly exaggerated and to a large extent manufactured" (Strom, 2008b, para. 9).

Hurd protested the organization's innocence, "with so many smears and lies being spread on mainstream and Internet media about ACORN, we thought it was necessary to give the facts" (Bellantoni & Miller, 2008, para. 17). ACORN's national spokesperson, Scott Levenson, defended the accusations, saying, "this is in complete violation of ACORN national policy, and to indict us is a clear case of blaming the victim. We had an errant employee who violated our policy and he was ordered to stop" (Friess, 2009, para. 10).

The organization employed scapegoat strategies and continued to attack Republican supporters and candidates. Lewis claimed, "maybe it is out of desperation that Senator McCain has forgotten that he was for ACORN before he was against ACORN" (Holmes & Flaherty, 2008, para. 15). Further, Ohio ACORN board member Mary Keith stated, "we've seen the Republican playbook used on us before, they cry foul right up through Election Day, then all the accusations melt away" (Bellantoni & Miller, 2008, para. 18).

3.4.2. Bolstering

Ultimately, the organization used the bolstering strategy to reinforce its base supporters. As Bertha Lewis claimed, "groups threatened by our historic success have gone after ACORN because of whom the group registers: as many as 70 percent of the voters are minorities, and half are younger than 30" (Holmes & Flaherty, 2008, para. 10).

3.5. Undercover video scandal

In the wake of the undercover video controversy, ACORN took several steps to re-establish its credibility. The organization initiated an internal review of its practices and training. It also dismissed the errant employees. Unfortunately for ACORN, after the videos were made public, the U.S. Congress voted to eliminate federal funding to the organization. The actions were later nullified in a federal court ruling that the measures were unconstitutional, but, by that point, the organization was already on the verge of bankruptcy. This crisis would fit the SCCT's victim cluster, which refers to those situations in which there is the least amount of organizational responsibility for the crisis. Specifically, this situation would be defined as both rumor, where "false and damaging information about an organization is being circulated" and malevolence, where an "external agent causes damage to an organization" (Coombs, 2007, p. 168).

3.5.1. Denial

Although ACORN called the actions of the employees in the videos "indefensible," they continued to attack their accusers and use scapegoat strategies in response to the crisis. In a press release, Lewis stated that "it is no coincidence that the most recent attacks have been launched just when health care reform is gaining traction, it is clear they've had these tapes for months. We are the boogeyman for the right wing and its echo chambers" (Miller, 2009, para. 4).

After Congress halted federal funding for ACORN, the organization only continued this strategy. Lewis said she was

disappointed that the House took the rare and politically convenient step of attempting to eliminate federal funding for a single organization, one that has been the target of a multi-year political assault stemming variously from former White House, Fox News and other conservative quarters (Miller, 2009, para. 9).

Ms. Lewis also vowed, "we will not be intimidated," and ridiculed the group's critics for trying "to destroy the largest community organization of black, Latino, poor and working-class people in the country" (Miller, 2009, para. 10). Junette Marciano, a board member of the Philadelphia ACORN office, stated,

This is a targeted assault to disenfranchise our members because... the right-wing agenda is to stop us from empowering people of low and moderate incomes, when you make the poor powerful, the powerful feel threatened. (Kinzie, 2009, para 7.)

3.5.2. Diminish

In addition, ACORN attempted to recover from the video scandal by reinforcing its commitment to fix the issues. Spokesperson Alyson Chadwick initially responded, "our policy is not to encourage or facilitate illegal activity, there's no manual for how to deal with this situation. It's just common sense" (Greenwell, 2009, para. 7). Lewis said, "over the next several weeks, you will see us working triple time to get this review right so that we can refocus attention on ACORN's critical work for low- and moderate-income families" (Eggen, 2009, para. 12). She clarified that "we have all been deeply disturbed by what we've seen in some of these videos, on behalf of ACORN's Board and our Advisory Council, we will go to whatever lengths necessary to re-establish the public trust" (Miller, 2009, para. 6).

3.5.3. Bolstering

Throughout the undercover video controversy, ACORN used bolstering strategies, primarily the ingratiation and victimage strategies. Lewis made sure to praise those that ACORN has helped: "It doesn't hurt us financially. It does hurt the poor people we have served for many years" (Leonnig, 2009, para. 8).

Finally, Lewis described ACORN and its clients as the victims in the situation. She said,

Although we do not condone what our former employees did, no matter how entrapped they were, we are also committed to our 500,000 members that we will hold the defendants civilly and criminally responsible for their violations of Maryland laws and for the damages inflicted upon ACORN's reputation. . . The only real victims of today's vote are the families who have benefited from ACORN's important work (Miller, 2009, para. 10).

4. Discussion

4.1. ACORN's response strategies

It is certainly possible that no matter what ACORN did to salvage its reputation, it nonetheless might have succumbed to the political pressures brought to bear to defund the organization, which ultimately led to its demise. However, it is also equally possible that adroit handling of the organization's responses to its critics might have allowed the organization to remain viable and, in time, perhaps to regain its former vigor. What is clear is that, in response to each of the incidents that damaged its reputation, ACORN did not follow the recommendations for handling a crisis advanced by the SCCT. Rather, in each of the incidents, the organization relied heavily on the denial and bolstering response strategies.

In the embezzlement scandal, the organization not only attempted to minimize the impact of the embezzlement itself, but also the fact the organization had been hiding the information from the public for almost a decade. Although ACORN officials apparently thought the matter had been taken care of through internal actions, the public and the media were not as ready to retire the issue, especially since ACORN was a major recipient of federal funds and individual donations. In addition to attempting to diminish the scandal, ACORN tried to bolster its base of support by reminding the public of the organization's long history of good works.

Although ACORN portrayed itself as a *victim* in the embezzlement scandal, clearly the SCCT would classify the crisis as a *preventable* situation. The organization should have been upfront and honest with the public at the time of the incident by following the theory-suggested *rebuild* strategy. Responding in a timely and honest way might have preserved the organization's reputation, and possibly its leadership.

In the allegations involving voter registration fraud, ACORN denied any wrongdoing and claimed to be the *victim* of political mud-slinging. Although the media reported incidents of voter registration fraud in several local ACORN offices, the national organization was unified in blaming errant employees for the incident. Again, in this situation, the organization praised its stakeholders and reminded them that ACORN was a *victim* as well. The author suggests that the organization might have been wiser to depict this scandal as an *accident* situation, which, according to the SCCT, would call for the use of the *diminish* strategy, rather than the *denial* strategy. Such a course of action might have helped to clear up the misinformation surrounding the allegations and to maintain a more positive reputational image.

Finally, in the undercover video controversy, ACORN used both the *deny* and *diminish* strategies, as well as the *bolstering* approach. The organization quickly acknowledged the wrong-doing of its employees in the video, but again blamed outside political entities for the crisis. Following this strategy in the ensuing political debate only increased media coverage and, most likely, increased the reputational damage to the organization.

ACORN attempted to diminish the impact of the situation by using excuses and acknowledging the mismanagement by previous leadership. This was the first time in any of the three crises that ACORN showed signs of publically recognizing the loss of public trust in the organization. This coincided with the loss of government funding and the greatest media attention in the organization's history. In addition, ACORN again praised its stakeholders, reminded them of past good works and commiserated with them that the organization and all its publics were victims in the situation.

Following the SCCT, ACORN would have been wiser to treat this as a *preventable* crisis situation, and, therefore, taken the opportunity to apologize for its employees' actions in the video controversy. This was a rare situation in that a nonprofit was faced with a direct political attack. ACORN's reputation was already damaged because of the two prior crises, but this direct assault on the organization was potentially a knock-out punch. Arguably, a full apology would have been the most appropriate strategy.

4.2. Implications

Overall, ACORN made several serious strategic errors when responding to the series of public relations incidents that occurred from 2008 to 2009. First, the decision to withhold information from the public, and revealed only much later was severely damaging to the organization. Coombs (1999) strongly encourages an organization "to respond quickly, be consistent, and be open" (p. 126) when a crisis occurs. This suggests that ACORN's decision to hide the embezzlement only made the organization more vulnerable in the subsequent crisis situations.

Second, throughout each of the incidents ACORN faced, the organization rarely provided any form of an accommodative strategy. According to Coombs, "initial crisis responsibility is a function of stakeholder attributions of personal control for the crisis by the organization" (2007, p. 137). ACORN took minimal responsibility (at best) in each of the situations. Despite the fact that the organization hid information from the public in the embezzlement scandal and even acknowledged the video of their employees engaging in wrongful activity in the video controversy, it never issued a full apology in any of the

situations. As Weiner (2006) explains, taking responsibility requires an organization to be accountable and answer for its actions. The SCCT suggests that matching the level of responsibility attributed to the organization by the public with the crisis response strategy is imperative if the organization is to improve its reputation after a crisis. Also, Sheldon and Sallot (2009) found that mortification is the best strategy when a politician seeks to gain public support after a crisis. Following this logic, it seems apparent that ACORN did not take enough responsibility for any of its actions in the three crisis situations.

Additionally, ACORN seemed to lack a strategic communication plan. The organization was repeatedly defending its actions and reacting to public scrutiny. As Marra concludes, “good strategy, will, in most cases, lead to successful crisis management” (1998, p. 472). The evidence suggests there was little use of proactive communication strategies that might have helped ACORN in any of the situations. The research is clear: how an organization “communicatively responds during times of crisis could drastically diminish the harm if managed properly or significantly increase the harm if mismanaged” (Fortunato, 2008, p. 116).

Finally, beginning with the embezzlement scandal in 2008, ACORN suffered from a revolving door in its management ranks. Perhaps as a consequence, the organization’s crisis response was varied and unfocused. Wade Rathke was forced to step down after the embezzlement was made public, Maude Hurd left the organization in the midst of the voter registration fraud allegations and Bertha Lewis was quickly promoted from a senior community organizer to chief organizer in the midst of the video controversy. The movement of these three individuals, in addition to changes in personnel in the various local and national offices, including different spokespersons, may have lessened ACORN’s chance of improving its reputation. In part, the choice of inappropriate crisis response strategies may have been because of the lack of strong leadership with one clear message.

4.3. Limitations of the study

It is important to recognize several limitations of this study. First, it is very difficult to separate the impact of ACORN’s response strategies and the influence of political infighting on the organization’s publics. Both political parties used ACORN as a tool in their campaigns and criticisms of each other. ACORN’s mission for more than 30 years was to help those in need and it was commonly viewed as a bi-partisan organization prior to the 2008 presidential election. Additionally, the analysis would be more complete with the inclusion of additional media sources, such as broadcast news.

4.4. SCCT

Previous research has found that the poor handling of a crisis could potentially end the career of a politician (Liu, 2008). It appears this is also may well be true for a nonprofit organization. The combination of ACORN’s mismanagement, the failure to address false accusations and ineffective responses to direct political attacks were just too much for ACORN to endure.

According to the SCCT, ACORN did not accept enough responsibility for the initial embezzlement incident and, therefore, was more vulnerable to the subsequent voter registration fraud allegations. Even though an investigation following the voter registration allegations demonstrated that ACORN had reported the falsified forms and then dismissed the errant employees, the reputational damage and increased media attention was building. Thus, the organization was already suffering (reputationally and financially) when the political activists decided to make their videos public.

The results of this study support the argument that bolstering should be used only as a secondary strategy. Chapel (1988) found that “an organization’s application of sound crisis management strategies becomes meaningful only when it is grounded on the public’s existing good will and trust in the organization” (p. 31). As Coombs notes, however, “bolstering offers minimal opportunity to develop reputational assets” (2007, p. 172). In each of the crisis situations it faced, ACORN repeatedly employed response strategies that attempted to maintain support and evoke sympathy from its publics. It is apparent that any reservoir of trust that ACORN could draw upon was not sufficient to overcome the reputational damage to the organization.

Finally, according to the SCCT, when the public attributes the primary responsibility for a crisis to an organization, the *rebuild* strategy is the best approach. Previous research (Coombs, 2007) has demonstrated that, to pursue this strategy, the organization can either apologize or use compensation, or both. Once started down the slippery slope of reputational damage by a nonprofit organization with limited (and perhaps dwindling) resources, however, these options may be insufficient. In the case of ACORN, for example, compensation would have been impossible as individual contributions evaporated and federal funding halted. Perhaps the response strategies suggested by the SCCT may be insufficient for NPOs in similar circumstances. More research is needed to determine what specific strategies would be appropriate for nonprofit organizations in these types of crisis situations.

5. Conclusion

In the months following the video controversy, an investigation by Scott Harshbarger, an outside attorney hired by ACORN, found no evidence of criminal conduct, but concluded that ACORN had poor management practices that contributed to unprofessional actions by a number of its low-level employees. The investigation also reported that the undercover videos were heavily edited and included voiceovers that attempted to show ACORN in the worst possible light. Unfortunately by this time, ACORN’s annual budget had been reduced from \$25 million to \$4 million and its staff of 300–600 reduced to four

as a result of the controversies (Associated Press, 2010). Shortly thereafter, because of continuing falling revenues, ACORN closed its doors on April 1, 2010.

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