FUNDING HATE

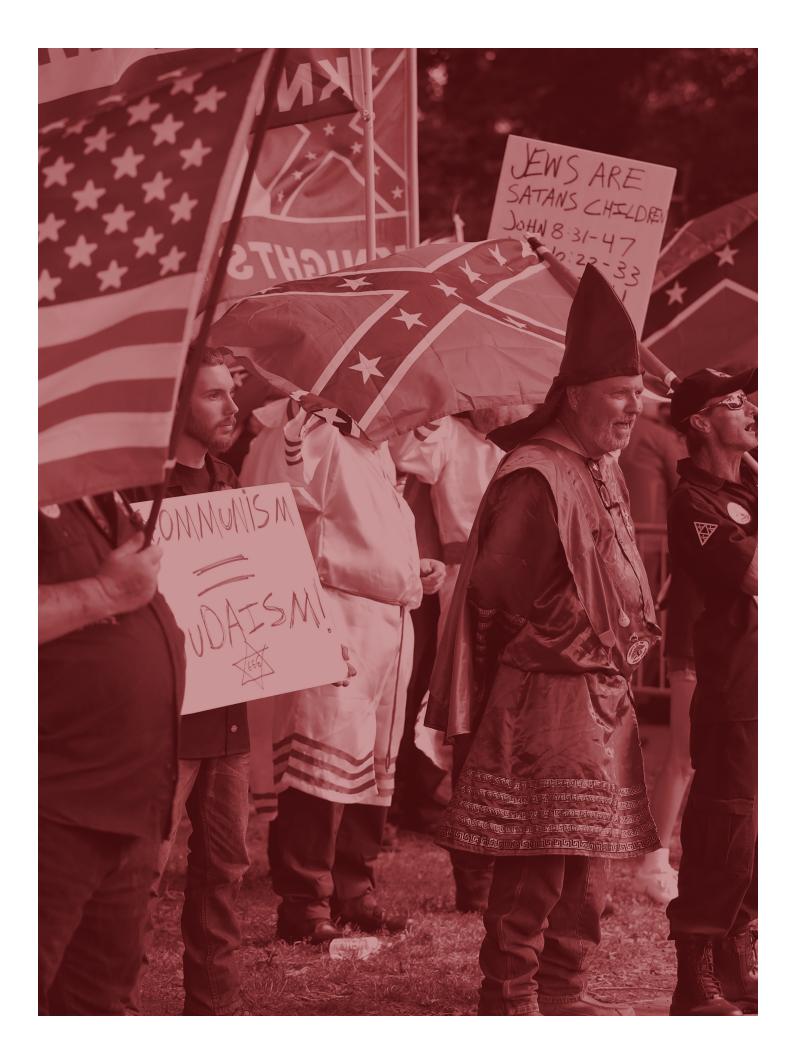
How White Supremacists Raise Their Money





FUNDING HATE

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FUNDING HATE How White Supremacists Raise Their Money

It's one of the most frequent questions the Anti-Defamation League gets asked:

WHERE DO WHITE SUPREMACISTS GET THEIR MONEY?

Implicit in this question is the assumption that white supremacists raise a substantial amount of money, an assumption fueled by rumors and speculation about white supremacist groups being funded by sources such as the Russian government, conservative foundations, or secretive wealthy backers.

The reality is less sensational but still important. As American political and social movements go, the white supremacist movement is particularly poorly funded. Small in numbers and containing many adherents of little means, the white supremacist movement has a weak base for raising money compared to many other causes.

Moreover, ostracized because of its extreme and hateful ideology, not to mention its connections to violence, the white supremacist movement does not have easy access to many common methods of raising and transmitting money. This lack of access to funds and funds transfers limits what white supremacists can do and achieve.

However, the means by which the white supremacist movement does raise money are important to understand. Moreover, recent developments, particularly in crowdfunding, may have provided the white supremacist movement with more fundraising opportunities than it has seen in some time. This raises the disturbing possibility that some white supremacists may become better funded in the future than they have been in the past.

SELF-FUNDING

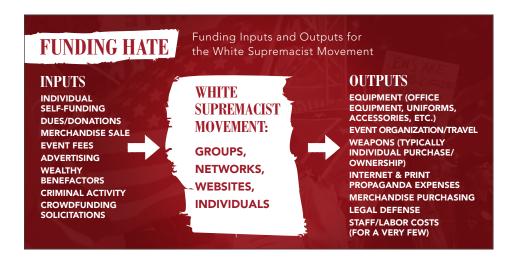
Most white supremacists fund their own activities in the movement—whatever those activities may be. This is not surprising; most white supremacists do not belong to any organized group and have little to rely upon other than their own resources. If they want to attend a white supremacist event somewhere, they must travel there themselves, or find a ride with others. They must obtain their own tattoos, clothing, paraphernalia and weaponry.

Because many white supremacists are not economically advantaged, such self-funding does not generate much money as a whole. Occasionally a white supremacist may have more means, whether through their family or their own efforts. In the early 2000s, Bill White, then a prominent Virginia neo-Nazi still in his 20s, ran a company dubbed "White Homes and Land" that had more than a million dollars of rental property (he eventually filed for bankruptcy in 2008 and later was convicted of federal threat charges). For 20 years from the 1970s until his suicide in the early 1990s, Florida white supremacist Ben Klassen funded the activities of his own group, the Church of the Creator, through the modest fortune he had accumulated through real estate dealings.

Most white supremacists do not have such means; they must rely on their own paychecks or, occasionally, a side job, such as giving white supremacist tattoos or selling white supremacist paraphernalia. Many on-line selling sites such as E-bay have long since cracked down on the sale of white supremacist merchandise, making even such items more difficult to vend. Other avenues still remain open. Many white supremacist writers, for example, use Amazon's CreateSpace self-publishing service to sell their racist books and pamphlets. Hate music, too, can frequently be found for sale on Amazon, as MP3 files or other formats. Some music services, such as Spotify and iTunes, have started to remove some such music.

ON-LINE SELLING SITES SUCH AS E-BAY HAVE LONG SINCE CRACKED DOWN ON THE SALE OF WHITE SUPREMACIST MERCHANDISE

ORGANIZATIONAL FUNDING



White supremacist groups have more ways to raise money than individual white supremacists do, but it isn't easy for groups, either. Few white supremacist groups have paid staff positions, even for the leader of the group. In the 1990s and early 2000s, for example, the neo-Confederate League of the South used membership dues, real estate raffles, advertisements, donation solicitations, long-distance services, merchandise and even money funneled from a foundation to pay the salary of its leader, Michael Hill. It lost many funding sources as it transformed itself into an explicitly hardcore white supremacist group after 2008. "Full time extremists"—those white supremacists like David Duke or Don Black who manage to raise enough money to live on—are pretty rare in the movement.

DUES AND DONATIONS

Some more established white supremacist organizations are able to require membership fees, often in the form of monthly or annual dues. The neo-Nazi National Socialist Movement asks \$10 a month to be a member or a "supporter." With around 300-350 active members, this could bring in a maximum of a little over \$40,000 a year—assuming everybody paid their dues, and on time, which is usually not the case. The League of the South charges \$50 a year for an individual membership or \$100 for a family membership. It also sets up categories such as "Southern Patriot" and "Legion of the Southern Cross" for people willing to contribute more.

Many white supremacist groups, however, are not stable or "established" enough to be able to command dues from members, who might simply leave for some other group. Some are simply gangs rather than formal organizations.

Most white supremacist groups, as well as other white supremacist entities such as websites, do solicit voluntary donations, regardless of whether they have membership dues. For example, the Arkansas-based Knights Party, a Klan group, solicits donations of from \$5 to \$500 through an on-line store. Fundraising campaigns for limited and specific purposes—such as raising money to pay the legal fees of an arrested white supremacist—often have a greater chance of success than broader or more generic entreaties.

The longstanding white supremacist on-line discussion forum Stormfront, run by former Ku Klux Klan leader Don Black, is perhaps the most successful white supremacist entity in terms of donations, having for many years offered "Sustaining Memberships" and "CORE Support Memberships," in months, year or even lifetime amounts. The number of Stormfront members on the site who boast sustaining member badges illustrates the site's value to the white supremacist movement.

Most groups seeking dues and donations can't easily use electronic forms of payment, because companies like PayPal won't let white supremacists use their services. The Knights Party, for example, allows people to "purchase" donations on-line but they must send checks or money orders by mail. The National Policy Institute, the "think tank" of alt right ideologue <u>Richard Spencer</u>, complains on its own site that "each of our online donation processors has been successively torpedoed by Silicon Valley," and asks that people send the traditional check or money order.

Some white supremacists have had more success with credit card processing than PayPal but even here groups run into problems. In September 2017, the Institute for Historical Review, a Holocaust denier organization, claimed that it was "a target of bigotry" after the company that had been processing its credit card donations cancelled their account. Another Holocaust denier entity, The Barnes Review, similarly lost their credit card services in 2017, as did the anti-Semitic American Free Press. "As you can imagine," the Press informed its followers and subscribers, "this is creating a very large funding problem for us."

White supremacist James Edwards, the host of The Political Cesspool radio show, let his own fans know in November 2017 that he too had lost his credit card processor. Edwards claimed that about 70% of the funding his show received was through online credit card contributions and that "we have been crippled by this and will be starved out unless the situation is resolved."

Organizations who have lost services in this manner can often eventually find another processor but it is time-consuming and in the meantime it is harder for them to raise funds. This is particularly problematic for white supremacist entities that are or that also run businesses, because it interrupts the cash flow.

PAYPAL WON'T LET WHITE SUPREMACISTS USE THEIR SERVICES

MERCHANDISE

Many white supremacist groups sell merchandise as another income stream. The Knights Party has its "American Heritage Store," where people can buy everything from Nathan Bedford Forrest belt buckles to Ku Klux Klan hats. The National Socialist Movement runs NSM88 Records, where, as its name suggests, white power music is a popular offering, though one can also buy items such as daggers and Nazi flags as well. In the early 2000s, Resistance Records, owned by the neo-Nazi National Alliance, reportedly grossed a million dollars a year from its sales, though no white supremacist group today seems to be taking in anywhere near that amount.

Even white supremacist groups without on-line store fronts will frequently sell things such as patches, pins, and propaganda. The tiny Michigan-based American Nazi Party, for example, offers various pamphlets and other propaganda pieces for sale, as well as World War II-era Nazi propaganda films. Even an official "ANP Swastika Flag" can be had for a \$25 "donation."

Different groups handle commercial transactions differently, but white supremacists selling merchandise face their usual difficulties with electronic financial transactions. For many, "well-concealed cash," checks or money orders are required, while a few can accept credit cards if they can find vendors who will work with them.

In some cases, white supremacist organizations are able to raise small amounts of money through exploiting services offered by large merchandise vendors such as Amazon. For example, Amazon has an "Associates Program" that allows other parties to sell Amazon items through their own websites. Extremist groups occasionally become Amazon Associates, something that would allow, for example, a white supremacist group to advertise Amazon books related to Nazi Germany on its own website, getting a small amount of revenue each time someone purchased one of those books that way. Amazon also has a program called AmazonSmile, which allows people to contribute to a selected charity when making normal Amazon purchases. However, there are only a handful of white supremacist 501(c)3 organizations and Amazon does not appear to offer most of them as selectable charities. Recently, however, white supremacist Kyle Bristow announced that his Foundation for the Marketplace of Ideas was part of the AmazonSmiles program.

EVENT FEES

Some white supremacists are able to organize events, from white power music concerts to conferences, for which they can charge event fees—though the amount of money netted after event costs are subtracted is not always great.

White power music concerts, depending on their circumstances, might have entrance charges or ticket fees, which are usually not very high. Some white power music organizers solicit donations in advance, scheduling bands and events based on how much money they are able to raise.

White supremacist conferences, which in contrast to the music events are typically organized by more "genteel" white supremacists, can command more in ticket prices—from \$100 to \$300, depending on the length and nature of the event. Richard Spencer's highly publicized November 2016 event, shortly after the presidential election, charged \$108 admission—or \$88.00 for "millennials." In 2015, his National Policy Institute's annual conference, held in Washington, D.C., in October 2015, charged \$250 admission—or \$150 for millennials. At that time, Spencer still had access to PayPal and credit card services to handle ticket sales.

Similarly, in 2017, white supremacist <u>Jared Taylor's</u> American Renaissance hosted a "Turning the Tide" conference in Tennessee, charging \$150 per person (early bird; late registration \$200 per person), plus an optional banquet for \$35. Taylor used a booking service that processed payments via credit card or PayPal.

ADVERTISING

Very few white supremacist groups can attract advertising to their publications or websites. Occasionally white supremacist newsletters or newspapers will have advertisements from white supremacists themselves—for example, to sell merchandise—or from white supremacists advertising their regular businesses in such publications. The death of most white supremacist print publications, thanks to the Internet, has limited such opportunities.

White supremacist websites, meanwhile, are not typically places where online ad sellers rush to place ads. However, there are occasional exceptions. The white supremacist American Renaissance site, for example, at the time of this writing featured advertisements placed by the company Revcontent, including ads for companies such as Autotrader and Kelley Blue Book.

BENEFACTORS

Leaders of many white supremacist groups dream of some wealthy benefactor sympathetic to their views appearing to shower them with money. This is a dream that virtually always goes unrealized. Ben Klassen, the founder of the white supremacist Church of the Creator, now known as the Creativity Movement, spent 20 years unsuccessfully seeking what he termed a financial "angel" to fund his group and its activities.

Most other white supremacists are similarly disappointed. There aren't that many wealthy people out there truly sympathetic to hardcore white supremacist ideology—and of the few who exist, most would not want to be revealed as such.

Very rarely, though, wealthy white supremacist backers do emerge. In the mid-1990s, for example, Carl Story and Vincent Bertollini, who became Silicon Valley millionaires in the 1970s, moved to Idaho and for several years gave money to white supremacists in the Pacific Northwest as well as engaging in their own white supremacist publishing ventures. Bertollini at one point claimed to have spent \$1.5 million spreading white supremacist propaganda in print and video. However, Story became inactive and Bertollini ended up in federal prison for several years, emerging with seemingly little money.

Some white supremacists only share money with the movement after their deaths, either because they are closeted to some degree or have other needs for the money while they are alive. In the early 2000s, a Massachusetts attorney, Richard J. Cotter, Jr., left more than \$650,000 in his will to various white supremacist groups and causes, including half a million dollars to a Louisiana-based white supremacist group, the New Christian Crusade Church. Not long after, a Canadian white supremacist, Robert McCorkill, bequeathed around \$250,000 (Canadian) to the neo-Nazi National Alliance. However, after a lengthy legal battle, Canadian courts blocked the bequest.

Today, such benefactors are few and far between. Perhaps the most noteworthy current wealthy donor to the white supremacist movement is William H. Regnery II, a member of the well-known conservative publishing family, who developed extreme right and white supremacist views by the 1990s and eventually became a mentor and benefactor to Richard Spencer, the most visible spokesperson for the alt right segment of the white supremacist movement. Regnery provided advice and—according to Spencer—substantial donations.

Regnery also started his own group, the Charles Martel Society, which publishes the white supremacist Occidental Quarterly. According to Reveal News, one non-

SPREADING WHITE SUPREMACIST PROPAGANDA IN PRINT AND VIDEO

profit charity associated with the Regnery family has donated around \$85,000 to the Charles Martel Society. More money may have been donated through other means. Regnery also used \$380,000 from the Charles Martel Society to create the National Policy Institute (NPI), the "think tank" with which Spencer is associated. NPI also gets money directly from Regnery's family foundation.

NPI has additionally received funding from the Pioneer Fund, a foundation established in the 1930s to promote the study of eugenics and racist pseudoscience (especially studies that "prove" whites are more intelligent than other races). Over the years, a number of racist, anti-Semitic and nativist groups and individuals have received various amounts of money from this fund. However, the Pioneer Fund seems to have become inactive since the death of its previous director and its future, if any, remains unclear.

More recently, Regnery has become the financial backer of the AltRight Corporation, established to run the website AltRight.com, on whose masthead Regnery is listed as "publisher" and Spencer and Swedish white supremacist Daniel Friberg are listed as "editors." Regnery allegedly told a Buzzfeed reporter he had contributed a sum of "six figures" towards that venture.

However, individuals like Regnery are extremely rare in the white supremacist movement.

NPI HAS ADDITIONALLY RECEIVED FUNDING FROM THE PIONEER FUND, A FOUNDATION ESTABLISHED IN THE 1930S TO PROMOTE THE STUDY OF EUGENICS & RACIST PSEUDO-SCIENCE

CRIMINAL ACTIVITY

White supremacists engage not only in ideological crimes such as hate crimes or terrorist plots, but also a wide variety of traditional crimes—including crimes intended to obtain money, such as drug dealing and robberies and thefts. White supremacist prison gangs, many of which can be described as organized crime syndicates, are particularly noteworthy for such activities, but this type of criminal behavior can be found to some degree across much of the white supremacist movement.

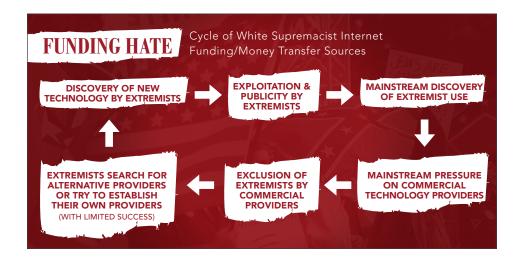
Most such criminal activity, however, is designed primarily to benefit the person or persons engaging in the crime, rather than a white supremacist group or the white supremacist causes as a whole. As such, criminal activity is not a major source of funding for white supremacists.

However, there are occasional exceptions. Rarely, white supremacist groups or cells emerge that decide to engage in crimes with the specific intention of raising money in support of white supremacy. Most notoriously, in the 1980s, a white supremacist terrorist group known as The Order committed armed robberies that netted several million dollars, some of which was used to fund their own future activities and some of which was funneled to other white supremacist groups. Similarly, in the 1990s, a white supremacist cell that dubbed itself the Aryan Republican Army committed a number of bank robberies in the Midwest that brought in over \$200,000, which they intended to use to support the white supremacist cause. In 1997, three neo-Nazis robbed several banks in Florida and Connecticut, part of the proceeds of which they donated to the neo-Nazi National Alliance.

From the 1980s to the 2000s, some white supremacists have occasionally also attempted to engage in counterfeiting in order to raise money for their activities, a tactic promoted by the white supremacist novel The Turner Diaries, written by William Pierce, the founder of the National Alliance. Indeed, one white supremacist terrorist plot in the early 2000s was actually foiled after two of the plotters were arrested in Boston for trying to pass a counterfeit bill they had made.

However, such activities are rare within the white supremacist movement, only occurring once in a while—and, not surprisingly, the white supremacists who engage in such activities are usually caught relatively quickly by law enforcement.

THE NEW KID ON THE BLOCK: CROWDFUNDING



The most significant new type of funding for the white supremacist movement is crowdfunding or crowdsourcing and can be used by both individuals and groups. Essentially an extension of social media, crowdfunding consists of using dedicated Internet platforms such as GoFundMe, Patreon, FundRazr, Indiegogo and Kickstarter, among others, to solicit and raise money for specific products, projects or general support from among a wide base of people. Today, crowdfunding is used to finance an amazing range of activities, from moviemaking to wrestling camps.

White supremacists quickly discovered for themselves the usefulness of such platforms. One early effort by white supremacists occurred on Indiegogo, where white supremacist Kyle Hunt launched a fund drive in 2014 to produce "Stop White Genocide" banners for planned White Man March events across the country. With 50 backers contributing money, Hunt quickly raised over \$3,500, well over his stated goal of \$2,000. A similar campaign to purchase an aerial "March against White Genocide" sign (i.e., one pulled by a plane) was also successful. Canadian white supremacist Veronica "Evalion" Bouchard successfully raised over \$1,600 on Indiegogo in 2016 for a "new studio set up" to use to make racist videos.

Other white supremacists rushed to take advantage of such opportunities. The American Freedom Party started a campaign on GoFundMe ostensibly to protect white South Africans from "genocide," while the Aryan Renaissance Society used the same platform to raise money to commemorate the birthday of Adolf Hitler.

For white supremacists, such campaigns can raise relatively small amounts of money far more quickly and easily than traditional methods. When white supremacists gathered for an event at Shelbyville, Tennessee, in October 2017, they passed the hat to collect money for Jacob Scott Goodwin, a white supremacist charged with assault during the Unite the Right rally in Charlottesville two months earlier. However, at the same time, white supremacists set up a FundRazr

THE NEW KID ON THE BLOCK: CROWDFUNDING (CONTINUED)

campaign for Goodwin, describing him as a "brave young man," and within a few days had raised over \$1,000 from 31 contributors, none of whom had to be physically present to do so.

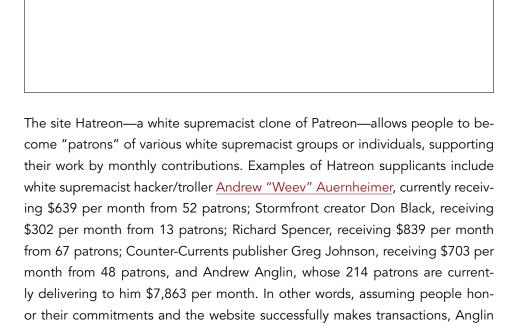
The very visibility of crowdfunding efforts tends to work against white supremacists in the long run, as non-racists notice such campaigns and complain to the sites hosting them. As most of the larger, mainstream crowdfunding platforms have policies prohibiting racist uses of the platforms, this frequently results in campaigns being suspended or deleted. Some platforms became more sensitive to such issues after the Charlottesville "Unite the Right" white supremacist event, where there was considerable violence, including one fatal incident.

White supremacists sometimes try to get around such policing efforts by creating misleading or generic campaigns, explaining their real purpose to other white supremacists via social media or white supremacist websites. For example, some white supremacists set up GoFundMe pages to raise money to attend the Charlottesville rally, using innocuous terms like "attend a family reunion." Elsewhere, they would reveal the real purpose to other white supremacists and urge people to contribute. However, such efforts usually have limited effectiveness because of their cloaked nature.

Consequently, one of the most recent shifts in white supremacist crowdfunding has been an attempt to find—or create—platforms that could be used by and for explicitly white supremacist groups and individuals. In 2017, a variety of such fringe platforms appeared, including GoyFundMe, Hatreon, and WeSearchr. White supremacists use such platforms to raise money to produce white supremacist merchandise, to pay legal fees for white supremacists with civil or criminal legal issues, to fund book projects and speaking tours, and even to raise money for people to attend extremist events. The platforms have the advantage that they can process credit card donations (and in some cases, bitcoin). Some white supremacists refer to the people who create such platforms as the "Alt-Tech."

As with mainstream crowdfunding sites, the fringe sites are most successful when white supremacists seek relatively small amounts of money, but occasionally they can generate substantial returns. In 2017, a WeSearchr campaign to raise money to help white supremacist Andrew Anglin defend himself and his notorious Daily Stormer website from civil lawsuits has so far raised over \$159,399 from more than 2,000 contributors—a truly extraordinary amount. A number of contributors actually donated \$1,000 or more to Anglin's defense. Less spectacular but still significant is the more than \$28,000 white supremacist Christopher Cantwell has raised through GoyFundMe for a legal defense against criminal charges brought against him for allegedly illegally using tear gas at Charlottesville.

THE NEW KID ON THE BLOCK: CROWDFUNDING (CONTINUED)



The future of such extremist crowdfunding sites is not clear. Several, such as Counter. Fund and Rootbocks, have had problems even getting off the ground, such as finding a payment processor willing to accept them. Others are likely to experience similar troubles in the future. It may be worth noting that past efforts by white supremacists to mimic other types of social networking sites have typically ended in failure. Moreover, given the size of the white supremacist movement, only modest campaigns or those involving a small group of white supremacist "celebrities," are likely to have significant success. However, crowdfunding is a new money stream for white supremacists that simply did not exist before, which is troublesome enough.

could theoretically generate nearly \$100,000 a year from this site alone.

BITCOIN AND CRYPTOCURRENCIES

As already noted, one problem white supremacists routinely encounter in raising money involves money transfer/payment processing. Sites like PayPal and Google Wallet routinely deny them access and even getting a credit card payment processor is not always easy. As a result, the swift electronic transfer of money enjoyed by most people is by no means a given for white supremacists. For many, money is transferred using the slow and old-fashioned ways of check, money order or cash sent by mail.

In recent years, however, the electronic cryptocurrency Bitcoin, which can be used for digital payments, has become an attractive alternative for some white supremacists, including Stormfront, which claims that Bitcoin is the site's preferred payment method and provides its Bitcoin address to would-be contributors. In August 2017, Matt Parrott of the Traditionalist Worker Party, a neo-Nazi group, announced a "sweeping shift toward relying on blockchaindriven technologies [i.e., cryptocurrencies like Bitcoin or Ethereum] instead of the traditional corporate internet." It had already been getting at least some donations through Bitcoin since 2015.

One odd aspect of Bitcoin is that, while the cryptocurrency is anonymous in the sense that it does not transmit personally identifying information, it is quite transparent in that all transactions using Bitcoin are permanently and publicly stored. This means that if one knows the identifier for Bitcoin "wallets" belonging to extremists, one can actually examine transactions for those wallets. In October 2017, journalists Will Carless and Aaron Sankin did just that, with help from a Twitter bot, @NeonaziWallets, which posts information related to certain identified Bitcoin wallets. They revealed that Stormfront's Bitcoin wallet was worth more than \$30,000, while that of the Daily Stormer was ten times that amount. Perhaps most surprisingly, their report revealed that Andrew Auernheimer has received more than a million dollars in Bitcoin currency, a staggering amount for a white supremacist. It should be noted that Auernheimer's appeal extends beyond the white supremacist movement into several other movements or subcultures and that he is far from representative of white supremacist use of Bitcoin.

Some white supremacists have had problems even trying to use Bitcoin. Here the problem has been not Bitcoin per se, which anybody can use, but processors of electronic Bitcoin payments, at least some of whom are not necessarily willing to lend their services to white supremacists. As a result, Andrew Anglin's Daily Stormer website currently must have Bitcoin donations mailed to his post office box, the same as any donations by cash, check or money order. Thus Bitcoin is not necessarily a panacea for white supremacists.

STORMFRONT'S WHILE THAT OF M THAT AMOUN

THE FUTURE OF WHITE SUPREMACIST FUNDING

The dynamics of white supremacist funding are fairly clear. Because of the comparatively small size of the white supremacist movement and the relative lack of wealth within it, the movement is limited in the amount of money that it can generate. Moreover, its adherents routinely face roadblocks in terms of obtaining or transferring the amount of money they can raise.

Rumors about Russians to the contrary, there are no significant external actors funneling appreciable funds into the white supremacist movement, which means that the only way its funding can increase is if the size of the movement itself increases. And while some segments of the white supremacist movement have grown in recent years—the rise of the alt right being the most obvious example—other segments, such as the traditional white supremacists who join Ku Klux Klan groups, have been declining.

The white supremacist movement would have to grow at a much faster rate, or attract many more well-off adherents, to make a significant difference. A relatively few prominent white supremacists may be more successful than others in raising money, but most white supremacist groups and individuals will continue to face significant hurdles.

However, many white supremacists are quick adapters, assiduous in finding new technologies and means to raise the money that is available to them. As new technologies emerge, white supremacists will inevitably try to exploit them for their own ends. The antipathy in the United States towards white supremacists will usually sooner or later result in these avenues becoming more difficult to navigate or even closed altogether—but only as long as society is vigilant.

ANTI-DEFAMATION LEAGUE

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