



2015 Annual Report

A MESSAGE FROM
MORRIS DEES AND RICHARD COHEN

IN 2015, AS THE NATION RECOILED FROM racial terrorism and those at the bottom of the economic ladder faced continued unfairness, we stood up for our country's most fundamental ideals by championing the rights of the vulnerable and the powerless, by fighting back against hate and extremism, and by teaching lessons of tolerance to a new generation of children.

In the wake of the white supremacist massacre of nine African Americans at a historic church in Charleston, we exposed the way hate groups radicalize young people – and successfully pushed the government to more vigorously confront the danger of far-right terrorism.

We won justice for some of the most vulnerable people in our country – children subjected to shocking cruelty and inequality in school; low-income people crippled by court debt and sent to debtors' prisons for traffic fines; workers exploited and defrauded in a major labor trafficking scheme; LGBT people facing intolerance and discrimination; and many others.

And, we helped millions of schoolchildren learn the lessons of the civil rights movement by releasing a new classroom documentary just before the 50th anniversary of the Selma-to-Montgomery voting rights march.

Here are some of the major highlights of our work in 2015:

- Months before the white supremacist attack in Charleston, we issued a major report alerting the nation to the danger of “lone wolf” domestic terrorists who are radicalized online. In the aftermath, our testimony in the House Homeland Security Committee helped spur the creation of a new director-level position to

coordinate the fight against violent domestic extremists. And, to help law enforcement deal with the threat, we distributed 60,000 free copies of our new training video – *Understanding the Threat: The Rise of the Lone Wolf* – to officers nationwide.

- To help schools observe the 50th anniversary of the historic Selma-to-Montgomery march, our Teaching Tolerance project released its newest classroom documentary, *Selma: The Bridge to the Ballot*. We sent teachers more than 40,000 copies, free of charge, and held community screenings across the country. And, in an effort to encourage voting and civic activism, we made our film available to community groups across America.
- We stood up for the African-American children of Birmingham, Alabama, who were being pepper-sprayed by police in public schools for minor misbehavior. After a trial, a federal judge ruled that police violated their constitutional rights by resorting to a chemical weapon in response to “normal” adolescent behavior, like “backtalking” and “challenging authority.”
- We made major headway in our campaign to rid the Deep South of unconstitutional debtors' prisons and predatory private “probation” companies that extort court-debt payments from low-income people by threatening them with jail. In Alabama, our racketeering suit against one company – and our warning to city courts across the state – prompted the company to close its doors in the state after more than 70 cities canceled their contracts.
- We scored a path-breaking victory in the fight against anti-LGBT bigotry and discrimination

by exposing gay-to-straight “conversion therapy” as a dangerous scam that’s psychologically harmful to young people. In a first-of-its-kind lawsuit, a New Jersey judge ruled that a group called JONAH committed consumer fraud by claiming its abusive “therapy” could change someone’s sexual orientation. The group was forced to close and pay damages. In addition, key conversion therapy experts were discredited by our investigation.

- We won justice for hundreds of foreign guest workers victimized in a massive labor trafficking and racketeering scheme. Our \$14 million jury verdict on behalf of five Indian workers set the stage for a \$20 million settlement in a dozen lawsuits we spearheaded on behalf of the workers, who were defrauded by a Gulf Coast marine services company and its agents.
- We brought international attention to the horrific mistreatment of transgender prisoners with a lawsuit in Georgia that resulted in major policy changes. Our suit, which forced the state to provide medically necessary treatment to our client and other transgender prisoners, is reverberating in prison systems across the country.
- In our fight against hate and extremism, we tracked and exposed the activities of 1,890 radical-right organizations. This year, we detected a 14 percent rise in the number of hate groups that vilify African Americans, Muslims, Jews, Latinos, LGBT people or other minority groups – and a similar rise in far-right militias and other antigovernment groups. We also worked to disrupt the online funding of hate groups and stop the spread of hate music on the Internet.
- We championed the rights of children denied equal opportunity across the Deep South. In a small Mississippi town, for example, we reached an agreement with school officials to halt the harassment of LGBT students after our

client, a teenage girl, was bombarded with slurs and insults from not only students but teachers as well. In South Carolina, we stopped discriminatory policies that kept the children of immigrants from attending college.

These are just a few of our important accomplishments in 2015. Please take a few moments to read our annual report and see the many ways we are combating hate and injustice.

Our accomplishments have been possible only because of the generosity of thousands of people across America who share a commitment to justice and tolerance. We’re deeply grateful for their financial and moral support – and inspired by their dedication to the promise of our nation’s democracy.

Of course, we know that 50 years after the historic struggle in Selma that finally ended Jim Crow, the march for justice is far from over. As we saw throughout 2015, we’re facing a renewed backlash to our nation’s growing diversity from a far-right reactionary – and often violent – movement determined to roll back our hard-fought victories.

That’s why it’s so important that we stand together and fight for the values we share. We remain committed to fighting hate, teaching tolerance and seeking justice in 2016 and beyond. We won’t stop until, as Dr. Martin Luther King Jr. said, “justice rolls down like waters and righteousness like a mighty stream.”



Morris Dees, *Chief Trial Counsel*



J. Richard Cohen, *President*

Fighting Hate

THE INTELLIGENCE PROJECT MONITORS hate groups and extremist activity in all 50 states and provides comprehensive updates to law enforcement, government agencies, the media, scholars, policymakers and the general public through its investigative journal *Intelligence Report*, an e-newsletter, onsite presentations, the SPLC website, social media and a blog.

The crucial work of the Intelligence Project was underscored this year by a white supremacist's deadly attack on a church in Charleston, South Carolina, that left nine black parishioners dead. Even before the June 17 attack, a major Intelligence Project study warned about the threat of terrorist attacks by "lone wolf" extremists such as the suspected gunman – a report that seemed prescient in a year awash in extremist violence.

In the wake of the Charleston tragedy, the Intelligence Project helped policymakers, the media and law enforcement understand the extremist world that likely shaped the gunman's beliefs as well as the persistent threat posed by domestic terrorists. The Department of Justice also announced new steps to combat violent domestic extremists.

Unsurprisingly, the Intelligence Project's annual census found that groups on the radical right expanded their ranks in 2015. The rise in extremism came amid a presidential campaign that was marked by the rhetoric of hate and violence.

The SPLC also worked to disrupt the online

funding of hate groups and stop the spread of hate music via the Internet; provided evidence in an investigation that led to the indictment of 15 people on charges of terrorizing African Americans; and helped communities grappling with government-sanctioned displays of Confederate symbols. Its reports also shined a light on communities frequently targeted by extremists.

Age of the Wolf

Four months before the attack at the Emanuel A.M.E. Church in Charleston, the Intelligence Project released *Age of the Wolf*, a major study showing that the vast majority of domestic terror violence over the previous five years had come from "lone wolves" or "leaderless resistance" groups composed of no more than two people.

The study, which included violence from both the radical right and homegrown jihadists, found that a domestic terrorist attack or foiled attack occurred, on average, every 34 days. It also found that many of the lone wolves were indoctrinated online, in the echo chambers of hate provided by Internet forums. This phenomenon was vividly illustrated in June after the Charleston attack when it was learned that Dylann Roof, the suspected lone gunman, was introduced to white supremacist beliefs online.

A month later, another lone wolf, John Russell Houser, opened fire in a movie theater and killed

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two women in Lafayette, Louisiana. The Project unearthed online postings in which he espoused racist, anti-Semitic, antigovernment and other extremist beliefs. He also mused about “the power of the lone wolf.”

In December, two Islamist radicals killed 14 people at a work party in San Bernardino, California – just days after an anti-abortion extremist killed three people at a Planned Parenthood clinic in Colorado Springs, Colorado. These were just the worst of numerous other attacks and foiled extremist plots.

In the aftermath of the Charleston attack, SPLC President Richard Cohen testified before Congress, telling lawmakers in July that they had neglected radical-right terrorism since the 9/11 terrorist attacks – even as the danger mounted. After the testimony before the House Committee on Homeland Security in July, the Department of Justice announced a new director-level position to coordinate the fight against violent domestic extremists.

In October, the Intelligence Project reached out to law enforcement with its latest training video, *Understanding the Threat: The Rise of the Lone Wolf*. Designed to be shown to officers during roll call, the video focuses on violent extremists who commit acts of terror on their own. Approximately 60,000 copies of the DVD have been shipped free of charge to officers nationwide.

Tracking the radical right

The Intelligence Project’s annual census of extremist groups found that the number of hate groups operating in 2015 was 14 percent higher than in 2014, climbing from 784 groups to 892 last year. Antigovernment “Patriot” groups – armed militias and others animated by conspiracy theories – also grew 14 percent during the same period, expanding their ranks from 874 groups to 998.

While the number of extremist groups grew in 2015 after several years of declines, the real story was the deadly violence committed by extremists

across the country. As the political season ramped up, the demonization of Muslims, Latinos, immigrants and others added to the toxic atmosphere. Presidential candidate Donald Trump made headlines with a call for a temporary ban on Muslim immigration and his description of Mexican immigrants as rapists and drug dealers.

An SPLC report released before Trump’s call for a ban on Muslim immigration found that anti-Muslim hatred was already on the rise as activists and politicians were exploiting atrocities committed by the Islamic State and other jihadists well before the Paris terrorist attacks in November.

Other investigations by the Intelligence Project produced remarkable findings in 2015. The Project found that transgender women of color may be America’s most victimized minority. The SPLC’s report came as seven transgender women of color – almost one a week – were killed within the first two months of 2015. The report was also published on *Ebony* magazine’s website.

Exposing extremist links

After an exposé by the Intelligence Project, the city of Anniston, Alabama, in June fired a police lieutenant over his membership in the League of the South hate group. The officer’s speech at the group’s 2013 national conference was captured on video and posted on the SPLC’s Hatewatch blog.

A second Anniston police officer retired over his involvement with the group as well. The League is a neo-Confederate group dedicated to secession and recreating the Confederate States of America. Its openly racist president has railed against “negroes” and “Jewry” for years.

The SPLC also exposed an Alabama state official who delivered a speech to the group in September. State Auditor Jim Zeigler spoke about his efforts to return portraits of former Governors George and Lurleen Wallace to the Alabama Capitol rotunda. The portraits were removed in March before the 50th anniversary of the Selma-to-Montgomery voting rights march. George Wallace

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was the state's segregationist governor at the time of the march, during which state troopers beat peaceful marchers on the Edmund Pettus Bridge. His wife succeeded him in office.

Hate group loses influence over board

The federal board charged with reviewing immigration court appeals announced in June that it would no longer request legal briefs from an anti-immigrant hate group to consider in its rulings – a decision that came shortly after the SPLC and other groups urged the board to stop providing a platform to the Federation for American Immigration Reform (FAIR).

For years, the Board of Immigration Appeals (BIA) requested legal briefs from FAIR to consider in its decisions. The BIA is the highest administrative body for interpreting and applying immigration laws. FAIR, which was founded by a white nationalist, was designated as a hate group by the SPLC in 2007.

Stopping online hate

The Project also helped stop the spread of hate by persuading leading Internet music retailers, iTunes and Spotify, to live up to their own guidelines by stopping the sale of hate music that indoctrinates young people.

It has also called on other Internet companies, such as PayPal, to cut off services that help hate groups raise money.

A months-long campaign by the Project and others, led online bulletin board Reddit to recognize that some of the racist forums on the site violate its standards. A handful of forums were banned, including “CoonTown,” “bestofcoon-town” and “WatchNiggersDie.”

Erasing symbols of hate

In response to the tragic murders in Charleston, the SPLC launched a project to identify monuments and other government-sanctioned symbols of the Confederacy in public spaces across the country.

Many communities began re-evaluating and removing these symbols after photos surfaced that showed the Charleston shooting suspect flaunting the Confederate battle flag. The SPLC project identified more than 1,000 symbols honoring the Confederacy and its heroes – statues and monuments; the names of streets, parks and schools; and even state holidays. Its findings were presented in a report published in 2016 along with a guide to help communities reach consensus on removing these symbols.

Project provides expertise to law enforcement

The Intelligence Project continues to provide in-person training sessions to law enforcement officers to ensure they not only understand hate-related issues but are equipped with the latest intelligence on the radical right.

In 2015, the Project provided training to more than 3,000 officers. Its staffers traveled extensively to share their expertise on hate groups and domestic terrorism with local, state and federal government agencies. There is high demand for the SPLC's law enforcement training, which consistently earns excellent reviews.

'Hatewatch' connects supporters with latest news

The Intelligence Project's Hatewatch blog remains a vital tool with a considerable impact on developing events. It provides a venue for releasing breaking news and bringing more people into contact with the Project's investigative work. Hatewatch also has allowed the SPLC's audience to comment on matters the organization examines and discuss those issues. •

Teaching Tolerance

THE TEACHING TOLERANCE PROJECT AIMS to reduce prejudice, improve inter-group relations and promote equity in our schools. It is among the nation's leading providers of anti-bias resources.

In 2015, Teaching Tolerance released its newest classroom documentary, *Selma: The Bridge to the Ballot*, to schools across the nation. The film, released in time for the 50th anniversary of the Selma-to-Montgomery voting rights march, tells the heroic story of the students and teachers in Selma, Alabama, who stood up to oppression, risking jail and even their lives during the struggle for voting rights.

The project reached students at thousands of schools during the annual Mix It Up at Lunch Day, which encourages students to step out of their cliques for one day and meet someone new. Teaching Tolerance continued to provide teachers with award-winning resources for the classroom. Teachers also found highly effective strategies to fight prejudice and promote education equity in *Teaching Tolerance* magazine, which reaches approximately 450,000 educators.

Thousands receive new film

Teaching Tolerance's newest classroom documentary, *Selma: The Bridge to the Ballot*, reached educators and community groups across the country, as more than 40,000 free copies were distributed in 2015.

The film, designed to inspire young people to not only vote but to take action in the face of injustice, tells the story of the long and bloodstained fight for voting rights. It offers first-person perspectives from people who were instrumental in the voting rights struggle in Selma as young students and who were present on March 7, 1965 – “Bloody Sunday” – the day marchers were beaten by state troopers on the Edmund Pettus Bridge.

The documentary has already received rave reviews from educators. “When a seventh grade class is this engaged in a video, you did something right,” one middle school teacher wrote. Another praised the companion teacher's guide: “The guide is excellent – one of the best you have produced, and the bar was already set very high.”

The film premiered in Montgomery, Alabama, during festivities marking the 50th anniversary of the march. The SPLC has since hosted numerous free screenings across the country and has provided the film to community groups to help with voter registration efforts.

'Let's Talk!'

As issues of social inequality and discrimination continued to make headlines in 2015, Teaching Tolerance provided teachers with a tool to foster important conversations among young people and ensure their classrooms are safe places for them

TEACHING TOLERANCE

with a guide that offers clear, action-oriented advice for educators to use in the classroom.

The publication – *Let's Talk! Discussing Race, Racism and Other Difficult Topics with Students* – also provides tips to help teachers determine their own comfort level when discussing race. More than two dozen professional development resources are included. Educators can also use the strategies to discuss other types of discrimination, such as gender bias or persecution based on religion or sexual orientation.

Resources provide tools, receive accolades

Teaching Tolerance continued to produce other high-quality resources for the classroom and professional development tools for educators. *Teaching Tolerance* magazine was honored with several REVERE awards from the Association of American Publishers (AAP) in 2015, including its first-ever award for news and reporting. *Perspectives for a Diverse America*, an innovative curriculum released in 2014 to help teachers ensure lessons include perspectives reflecting our nation's diversity, was also honored by the AAP.

Teaching Tolerance offered a series of webinars to provide teachers with practices to address issues ranging from teaching the civil rights movement to reducing prejudice in the classroom. Since these webinars began in September 2014, approximately 27,000 educators have attended or viewed them later online. Teaching Tolerance's website, Tolerance.org, also continued to serve as a venue for educators to share concerns, best practices and teachable moments.

What's more, *Teaching Tolerance* magazine continued to examine issues relevant to educators across the country. The Spring issue examined the power of storytelling and how it can be used in the classroom to help students increase understanding, spark empathy and reduce stress as they tell their own stories and learn from the stories of others

The Summer issue examined how mounting

evidence shows that police patrolling school hallways can needlessly push some of a school's most vulnerable students out of class and into the justice system.

With an election year approaching, the Fall issue examined how educators can inspire a new generation of engaged voters as they teach about the political process. It offered strategies for teaching students about the importance of voting and demonstrating the link between the electoral process and government policy.

Students cross boundaries, 'Mix It Up'

Students at more than 7,500 schools challenged stereotypes and crossed social boundaries by participating in Teaching Tolerance's annual Mix It Up at Lunch Day. The October event is designed to foster respect among students by asking them to sit with someone new at lunch for just one day.

This year, Teaching Tolerance recognized a record-setting 104 schools as Mix Model Schools. These schools follow their Mix It Up at Lunch Day with other events that encourage students to be more inclusive throughout the year. Breaking down these barriers can help reduce bullying and create schools that are safe and welcoming for all students. Cafeterias are the focus of the program because that's where a school's social boundaries are most obvious.

In addition to elementary, middle and high schools, 42 colleges and universities participated. Schools outside the United States also joined the event – in France, China, Japan, the United Arab Emirates, Ghana and Canada. •

Seeking Justice

SPLC ATTORNEYS FIGHT TO PROTECT society’s most vulnerable members, handling important civil rights cases that few lawyers are willing to take. The SPLC has remained in the vanguard of efforts to defend victims of injustice. The SPLC maintains legal offices in five states: Alabama, Florida, Georgia, Louisiana and Mississippi.

Litigation has always been a key strategic tool in the SPLC’s arsenal. But other advocacy tools – lobbying, community organizing and public policy advocacy – are now an integral part of the SPLC’s campaigns for reform. The Legal Department concentrates its efforts in five areas where there are pressing social problems and opportunities to make a significant impact: economic justice, children’s rights, immigrant rights, LGBT rights and mass incarceration.

In 2015, we had a highly successful year, winning justice for exploited workers, schoolchildren subjected to shocking cruelty, transgender prisoners facing abuse, LGBT people defrauded by “conversion therapy” practioners, poor people thrown into modern-day debtors’ prisons, and other victims of discrimination.

Multimillion-dollar victory for guest workers

In February, the SPLC won a \$14 million jury verdict on behalf of Indian guest workers victimized in a massive labor trafficking and racketeering scheme engineered by a Gulf Coast marine

services company and its agents. Then, working with law firms across the country, the SPLC helped reach a \$20 million settlement with the company, Signal International, to resolve the case and 11 similar suits that it spearheaded after a judge ruled the SPLC could not represent hundreds of workers in a single lawsuit.

As part of the agreement, Signal issued an unprecedented apology that acknowledged it was “wrong in failing to ensure that the guest workers were treated with the respect and dignity they deserved” as they worked for the company repairing damaged oil rigs and related Gulf Coast facilities in the aftermath of hurricanes Katrina and Rita. The agreement marked the end of a seven-year legal battle.

In March, the SPLC continued its work on behalf of exploited guest workers by filing a federal lawsuit against an exclusive island resort that cheated its Jamaican guest workers out of their wages from 2012 through 2014. The lawsuit describes how the Kiawah Island Golf Resort near Charleston, South Carolina, did not reimburse the workers for the recruitment fees that they paid, which is required under the federal H-2B guest worker program.

In June, the SPLC filed a federal lawsuit against a landscaping contractor paid by Mississippi to maintain the shoulders and medians of rural roadways. The lawsuit, filed on behalf of six workers,

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describes how the contractor broke federal racketeering laws and cheated its Mexican guest workers out of their wages. The contractor, Culpepper Enterprises, has received more than \$9 million in state contracts to maintain landscaping along roads in several Mississippi counties.

Justice for schoolchildren

In September, the SPLC won a major courtroom victory in Birmingham, Alabama, where a federal judge ruled that police violated the rights of students in the city's school district by pepper-spraying them for what he called "normal adolescent behavior" – such as backtalking and "challenging authority." One of the students was five months pregnant when she was pepper-sprayed and handcuffed in a school hallway because she couldn't stop crying after an officer told her to "calm down."

The judge wrote that he was "profoundly disturbed" by the testimony during the three-week trial that began in January. He also wrote that the defendants in the case – police stationed in Birmingham schools – "displayed a cavalier attitude" toward the use of pepper spray on children.

In June, the SPLC announced that Florida's Flagler County School Board had adopted a wide-ranging plan to eliminate racial disparities in school discipline – resolving a federal civil rights complaint the SPLC filed three years ago. The district will consider abolishing suspensions once an alternative school program is created. The school district and law enforcement also will work to reduce in-school arrests for minor offenses.

A U.S. Department of Justice (DOJ) lawsuit sparked by an SPLC investigation in Meridian, Mississippi, led to settlement agreements announced in June that will help prevent children from being needlessly pushed out of school and into the justice system. The DOJ brought the lawsuit in 2012 after the SPLC shared stories from children at the county's juvenile detention center who were jailed for minor school infractions, such

as dress code violations.

In Georgia, the DOJ reported in July that the state discriminates against students with disabilities by segregating them from other students. The finding came four years after the SPLC filed a civil rights complaint.

The DOJ found the state's program for students with disabilities often segregates students with behavioral disabilities from other students, placing them in dirty, run-down schools – including some that black students attended during the Jim Crow era. Even when these students attended regular schools, they may have been relegated to a wing of the school with a separate entrance – preventing them from interacting with other children. The DOJ's action could be felt beyond Georgia. By finding that an entire state program for students with disabilities violates the Americans with Disabilities Act – a remarkably broad use of the act – other states may apply new, and potentially stricter, scrutiny to their programs.

Groundbreaking LGBT victory

The SPLC won a jury verdict in June that exposed gay-to-straight "conversion therapy" as a dangerous scam that can cause devastating psychological harm to young people. In a first-of-its-kind case, a New Jersey jury ruled that a group called JONAH committed consumer fraud by claiming its abusive "therapy" could change someone's sexual orientation. JONAH has since agreed to cease operations.

The case helped spark proposed legislation in Congress to protect consumers from conversion therapy nationwide. Several states and the District of Columbia have already enacted laws to protect minors from conversion therapy practiced by licensed therapists, and others are considering similar laws.

The SPLC also filed a lawsuit in February on behalf of a transgender woman in a Georgia prison who had been denied proper medical care and repeatedly raped and beaten in a male prison. Ashley Diamond was released in August

after more than three years in prison with male inmates. She had been serving an 11-year sentence for a nonviolent offense. Even before the lawsuit was settled in early 2016, it forced positive changes in the state's prison policy. *The New York Times* called Diamond a “protagonist in transgender rights history.”

In Mississippi, an SPLC lawsuit led to an agreement to stop the harassment of LGBT students after SPLC client Destin Holmes was bombarded with slurs and insults from not only students but teachers. As part of the settlement announced in February, the Moss Point School District agreed to adopt and implement new anti-bullying and discrimination policies and procedures, as well as policies to prohibit bullying and harassment based on sexual orientation and gender identity or expression.

In what may be the first successful resolution of a transgender employment claim against a private employer in Alabama, a nursing home settled a discrimination complaint filed by the SPLC on behalf of a transgender woman fired after her employer discovered she was transgender. The settlement with Summerford Nursing Home Inc. was announced in September.

To resolve the complaint with the Equal Employment Opportunity Commission (EEOC), the nursing home agreed to an undisclosed financial settlement and to immediately implement a new policy prohibiting sexual orientation and gender discrimination. It also agreed to LGBT sensitivity and legal rights training provided by the SPLC. As part of the settlement, the business did not admit to violating any law.

And, as marriage equality became the law of the land in 2015, the SPLC did not hesitate to challenge elected officials willing to deny this right. The SPLC filed a judicial ethics complaint against Alabama Chief Justice Roy Moore after he pledged to defy federal law and enforce the state's same-sex marriage ban. It filed another ethics complaint in October against Alabama Supreme Court Justice

Tom Parker after he derided the federal judiciary and suggested that Alabama should defy the U.S. Supreme Court's marriage equality decision.

Ending debtors' prisons

The SPLC's campaign to rid the Deep South of modern-day debtors' prisons that overwhelmingly imprison impoverished African Americans claimed a major victory in October. That's when a “private probation” company that had extorted court debt payments from the poor by threatening them with jail announced that it was leaving Alabama. Even before the company left the state, more than 70 Alabama cities canceled contracts with it after the SPLC warned that its tactics were illegal.

The company, Judicial Correction Services (JCS), is at the center of an ongoing SPLC lawsuit. JCS offers municipal courts its services at no cost to them. People who can't pay traffic tickets and other minor fines in a lump sum are placed on what is known as “pay-only probation,” and judges assign JCS to collect payments. The company profits from fees it charges – typically \$40 a month – to people making payments, prolonging their ordeal and making it more difficult to pay off their debt. Company officials often threatened people with jail to secure payment, and many defendants ended up behind bars.

The SPLC also filed a judicial ethics complaint in October after learning that an Alabama judge literally demanded blood from people who couldn't pay their fines. The judge gathered dozens of poor people who were saddled with unaffordable court debt and gave them a choice in his Perry County courtroom on Sept. 17: They could either donate blood or go straight to jail. The sheriff, he told them, “had enough handcuffs” for those who refused. The SPLC's complaint, which was reported in *The New York Times*, resulted in the judge's censure in early 2016.

A month earlier, the SPLC filed a federal lawsuit against the town of Alexander City, Alabama, for operating a debtors' prison for at least a

decade. The lawsuit, which outlined violations of the U.S. Constitution and Alabama law, described how people unable to pay their fines and court costs for traffic tickets and misdemeanors were arrested and jailed. The city passed an ordinance in November to ensure that no one is arrested or jailed because they cannot pay. The SPLC will continue to seek damages for people who were jailed over the past two years in Alexander City for their inability to pay.

Defending children of immigrants

The SPLC defended the rights of three South Carolina students denied benefits such as in-state college tuition and financial aid because they couldn't prove their parents' lawful immigration status. After filing a federal lawsuit in June, the U.S. citizen students were granted those benefits and began attending college.

The South Carolina Commission on Higher Education also approved "nonbinding guidance" to colleges and universities, noting that U.S. citizen students residing in South Carolina should not be denied in-state residency status on the basis of their parent's undocumented status. Despite these actions, the SPLC lawsuit will proceed to ensure a permanent solution that will protect such students across the state.

The SPLC also took action in 2015 to stop attempts to shred the 14th Amendment's guarantee that every child born on American soil is a U.S. citizen. SPLC President Richard Cohen testified before the U.S. Senate in April about the need to defend this guarantee of "birthright citizenship" against attempts to repeal it.

Protecting prisoners

In June, the DOJ announced an investigation into the treatment of juveniles at the Jefferson County Jail in Alabama. The announcement came a year after the SPLC urged officials to investigate the overcrowded jail, where violence, neglect and abuse are common – especially for children awaiting trial.

In addition to determining if the jail conditions "pose a serious risk of harm to [juveniles'] physical and psychological well-being," the DOJ said it will examine allegations that children with mental illnesses and disabilities are placed in solitary confinement for months at a time. The jail houses children awaiting trial in the adult court system. Children as young as 14 can be tried as adults and housed in adult jails in Alabama.

A federal judge ruled in an SPLC case in June that the Mississippi Department of Corrections is violating the Eighth Amendment rights of the prisoners at Walnut Grove Correctional Facility by failing to protect them from violence by "gangs run amok."

The ruling noted that gangs control Walnut Grove and that prison guards often collude with them, leaving prisoners vulnerable to attack and fostering conditions for two riots within a year. The judge ordered the department and MTC, the for-profit prison corporation the state pays to operate Walnut Grove, to implement basic safety measures to end gang control as well as violence by guards against prisoners at the facility.

Fighting modern-day night riders

After African Americans in Georgia were threatened by a group of white people driving in a convoy of pickup trucks flying Confederate flags, the SPLC provided witnesses and evidence to a Georgia state prosecutor who ultimately indicted 15 people in 2015.

Ten men and five women were charged with issuing terroristic threats and participating in gang activity stemming from the July 25 incident that occurred during a birthday party in Douglasville, Georgia.

The SPLC investigation collected evidence showing that the men brandished weapons including a crowbar and a shotgun. Some of them yelled "f--k y'all n---rs" and "shoot 'em" as terrified mothers hustled their small children to safety. •

CHARITABLE STATUS & MANAGEMENT

The Southern Poverty Law Center was incorporated in 1971 and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The SPLC tax identification number is 63-0598743. All contributions, grants and bequests to the Southern Poverty Law Center are tax deductible.

The SPLC's work is supported primarily through donor contributions. No government funds are received or used for its efforts.

During its last fiscal year, the SPLC spent approximately 67% of its total expenses on program services. At the end of the fiscal year, the SPLC's endowment — composed primarily of board-designated funds to support future work — stood at \$302.8 million. The SPLC is proud of the stewardship of its resources.

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OPERATING FUND

ASSETS

Cash and cash equivalents	\$ 921,233
Contributions receivable	3,741,721
Other receivables	1,287,440
Inventory	349,426
Prepaid expenses	1,467,740
Investments of gift annuity program and pooled income fund	8,612,318
Other investments	4,629,980
Land, buildings and equipment, at cost less accumulated depreciation	<u>14,648,140</u>
Total operating fund assets	<u>\$35,657,998</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 2,218,502
Gift annuity liability and pooled income fund liability	5,899,049
Long-term debt	<u>15,000,000</u>
Total operating fund liabilities	<u>23,117,551</u>
Unrestricted net assets - operating fund	10,092,914
Temporarily restricted net assets - operating fund	<u>2,447,533</u>
Total net assets - operating fund	<u>12,540,447</u>

TOTAL OPERATING FUND LIABILITIES & NET ASSETS \$35,657,998

A copy of the SPLC's audited financial statement is available upon request and at splcenter.org.

ENDOWMENT FUND

The SPLC builds for the future by setting aside a certain amount of its income for an endowment, a practice begun in 1974 to plan for the day when nonprofits like the SPLC can no longer afford to solicit support through the mail because of rising postage and printing costs.

ASSETS	
Cash funds	\$23,575,395
Fixed income	
U.S. bond funds	880,559
U.S. Treasury inflation protected securities	1,231,277
Non-U.S. bond funds	3,805,590
Public equities	
U.S. equity funds	62,608,750
Non-U.S. equity funds	54,169,566
Private equity funds	31,896,984
Real asset funds	13,024,314
Marketable alternative funds	
Absolute return funds	24,032,909
Arbitrage funds	9,051,513
Long-short funds	32,267,015
Multi-strategy funds	<u>46,268,748</u>
TOTAL ENDOWMENT FUND ASSETS	<u><u>\$302,812,620</u></u>

STATEMENT OF ACTIVITIES

CHANGES IN UNRESTRICTED NET ASSETS FROM OPERATING FUND

Operating support and revenue	
Public support	
Contributions	\$39,978,098
Grants	4,210,239
Total public support	<u>44,188,337</u>
Revenue	
Investment income (excluding endowment)	227,866
Other	405,974
Total revenue	<u>633,840</u>
Total operating fund support revenue	<u>44,822,177</u>
Net assets released from temporary restriction	<u>603,604</u>
Total public support, revenue, and net assets released from restriction	<u>45,425,781</u>
Operating fund expenses	
Program services	
Legal services	14,152,341
Public education	16,350,838
Total program services	<u>30,503,179</u>
Supporting services	
Management and general	5,535,478
Development	8,869,904
Total supporting services	<u>14,405,382</u>
Total operating fund expenses	<u>44,908,561</u>
Changes in unrestricted net assets from operating fund	<u>517,220</u>

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS FROM OPERATING FUND

Operating support and revenue	
Contributions and grants	901,022
Net assets released from temporary restrictions	<u>(603,604)</u>
Changes in temporarily restricted net assets from operating fund	<u>297,418</u>

CHANGES IN NET ASSETS FROM OPERATING FUND 814,638

TRANSFER TO ENDOWMENT (196,737)

NET ASSETS AT BEGINNING OF YEAR 11,922,546

NET ASSETS AT END OF YEAR \$12,540,447

