



UNIVERSITY OF
SAN FRANCISCO

School of
Management

MASTER OF NONPROFIT ADMINISTRATION

Change the World with Nonprofit Leadership

usfca.edu/mna

Nonprofit Ethics Case

Group: Ted Kuster and Anastasia Cabrera

NPA 601: Nonprofit Ethical Leadership

Prof. Marco Tavanti, Ph.D.

Spring 2021

The Minnesota Freedom Fund

Summary

The Minnesota Freedom Fund is a nonprofit that provides bail funding to get people who can't afford bail released from pre-trial detention. In 2020, the fund received an unexpected flood of donations in response to the unrest following the killing of George Floyd. Questions were raised as to the honesty and transparency of the organization's disbursement of the funds.

Relevance

Criminal justice reform: Ongoing police violence has made criminal justice reform a central topic in the United States and around the world. This is a story about an organization whose efforts around criminal justice reform were put at risk by the perception of unethical practices.

Outcomes

Among the lessons to be drawn from this case study, we would put these first:

- Ethical nonprofit leadership includes making sure finances are handled with transparency and professionalism even when the organization is small and is not responsible for a lot of funds.
- Organizations that place themselves in controversial policy terrain need to maintain an even higher level of ethical leadership because they can count on being scrutinized by hostile forces.

Video

Here's a link to a television report that's critical of the Minnesota Freedom Fund:

<https://www.youtube.com/watch?v=R27-KZwb6s8>

Here's a link to a more sympathetic report: <https://www.youtube.com/watch?v=XdIOTrhp7KA>

Description

Background

Under U.S. law, people who are arrested are brought before judges who unilaterally set the bail amount that they'll have to pay to be released until their trials begin. Many people are held in jail for weeks, months or even years until their trials begin. In Minnesota, more than 60% of those incarcerated are being held in pre-trial detention.

Cash bail has been criticized as an abusive system that criminalizes poverty and is a "structural linchpin of mass incarceration and racial inequality." ([The Bail Project](#)) In Minnesota, Black people comprise 7% of the state population, but 31% of the prison and jail population. Indigenous people account for 1% of Minnesota's population, but eight percent of the prison and jail population.

The Situation

The Minnesota Freedom Fund pays bail and bonds for people who can't afford them. In a normal year it raises about \$110,000 from donors to fund the payments. In the spring of 2020, the organization received over \$35 million from donors responding to the police killing of George Floyd. Spurred by the large demonstrations against police violence that swept across the country, donors sought to help bail out protesters who'd been arrested, and to express solidarity with the aims of the protests.

The MFF was not set up to handle that influx of money. By May they had only expended about \$200,000, and had started telling people to donate to other organizations.

When it was revealed that some of the money had not gone directly to bail payments, but had been spent on long-term legal costs and for bonds for immigrants detained by Immigration and Customs Enforcement (ICE), a backlash began to build. "Feeling scammed, some of these donors took to social media this week to accuse MFF of 'stealing' and

‘hoarding,’ and to demand transparency, saying, ‘Show us the receipts,’” according to a story in the news magazine Vox.

“The Freedom Fund has bailed out convicted criminals as well as those simply accused of violent crimes,” the National Review observed in August. “The group also paid \$350,000 to bail out a twice convicted rapist, who is charged in two current cases with kidnapping, assault, and sexual assault.”

Then-President Trump jumped on the bandwagon, as did Senator Tom Cotton, who tweeted in August that “Kamala Harris helped violent rioters in Minnesota get out of jail to do more damage.” Harris had tweeted encouragement to donate to the fund in June, after the fund had begun asking donors to fund other places to give.

A variety of factors contributed to the perception that the MFF was playing fast and loose with money that had been donated in response to the George Floyd killing.

- The MFF was a small operation without a lot of organizational capacity. Since its founding in 2016, it only ever had a single full-time staffer, plus two part-time workers at different times. “It’s often not possible for a small group with minimal staff to immediately deploy millions of dollars,” Chloe Cockburn, a program officer at Open Philanthropy, told Vox. “That does not mean that people were wrong to give the money, or that they should stop giving.”
- When the unrest broke out, the MFF had been facing a leadership issue provoked by accusations that its one full-time staff member had misrepresented herself as Native to improperly get control of funds. This drama had played out at a different organization, but the MFF was criticized for hiring the staffer without taking the accusations seriously.
- Bureaucratic impediments can greatly slow the process of helping people with cash bail. Workers have to research the names of people being held, then walk the cash over to the relevant jail, making sure they have the exact amount of money that is due.
- Many donors were giving for the first time in response to what they perceived as pressing and unusual conditions, and did not know a lot about the specifics of the MFF mission. Donors to a bail fund don’t get a receipt identifying who their donation bailed out, because sharing information on someone’s specific case would break confidentiality.
- Bail funds can only be expended at the rate that they are assessed by courts. “Hopefully people understand that just because Minnesota Freedom Fund received \$31 million in donations, doesn’t mean that there has been \$31 million in [protest] bail set to date,” Pilar Maria Weiss, director of Community Justice Exchange, told Fast Company in June.
- As the MFF funding appeal went viral on social media, some unscrupulous people set up Venmo accounts falsely suggesting connections to the organization, and some donors complained that they had been taken in.

Remedies

In the last few months, MFF has taken several steps to remedy the damage to its reputation and its future ability to raise funds for its mission.

- Pursued a search for an executive director. The lack of a solid leadership team contributed to some of the reputational damage to the organization during the period of heaviest public criticism during the summer of 2020.
- Named an interim executive director to manage day to day until a permanent ED is hired.
- Hired a communications coordinator to systematically manage the public perception of MFF's activities.
- Separated from the staffer who was accused of misrepresenting her ethnic identity. Everyone is under a gag order, so we don't know what really happened, but the case is out of the media and has presumably been put to rest.

In addition, the organization pursued outreach to other community groups based on a new statement that is posted on its web site, which says in part, "In addition to our core values of equity and justice, we also embrace accountability and transparency, particularly to the communities our work impacts."

"We want to acknowledge and apologize for the harm that we caused to Native peoples and BIPOC communities in Minnesota by not doing our due diligence to be in the right relationship with those impacted by the harms of mass incarceration," the statement continues. "Leadership of the organization requires trust from the communities most harmed by incarceration. Accordingly, the Board is confident that new leadership will help to heal and repair any damage to that trust, and deepen the organization's commitment to its anti-racist work."

Questions

What degree of responsibility was on the Minnesota Freedom Fund to thoroughly check the background of the full-time staffer who was later accused of misrepresentation and poaching?

What would MFF have had to do to be fully prepared for the unexpected influx of funding and public attention that took place in 2020?

Does MFF's short-term mission (minimizing pretrial detention) conflict with its long-term vision (the abolition of cash bail)? Are the two goals aligned? Why?

How might we expect this episode to affect MFF's capacity to pursue either its short-term mission or its long-term vision going forward?

What are MFF's responsibilities to other community organizations that are working on related or parallel issues?

Imagine you are jailed and awaiting trial in Minneapolis on a felony charge, such as DUI or assault. How does MFF bailing out dozens of protesters affect your feelings about your own situation?

Resources

Minnesota Freedom Fund: <https://mnfreedomfund.org>

The Bail Project: <https://bailproject.org/>

The Hidden Costs of Pretrial Detention, National Institute of Corrections:
<https://nicic.gov/hidden-costs-pretrial-detention>

References

Bromwich, J. E. (2020, June 16,). The Minnesota Freedom Fund Has \$30 Million and an Identity Crisis. *New York Times*
<https://www.nytimes.com/2020/06/16/style/minnesota-freedom-fund-donations.html>

Kessler, G. (2020, September 3,). Kamala Harris tweeted support for a bail fund, but the money didn't just assist protesters. *Washington Post*
<https://www.washingtonpost.com/politics/2020/09/03/kamala-harris-tweeted-support-bail-fund-money-didnt-just-assist-protestors>

Lyden, T. (2020). *Minnesota nonprofit with \$35M bails out those accused of violent crimes*. Fox 9 KMSP.
<https://www.fox9.com/news/minnesota-nonprofit-with-35m-bails-out-those-accused-of-violent-crimes>

Mannix, A. (2017, Apr 5,). University of Minnesota student takes on injustices in the bail system. *Minneapolis Star-Tribune*
<https://www.startribune.com/university-of-minnesota-student-takes-on-injustices-in-the-bail-system/418289153>

McArdle, M. (2020, Aug 11,). Minnesota Freedom Fund Bails Out Violent Criminals Along With Protesters. *National Review*,
<https://www.nationalreview.com/news/minnesota-freedom-fund-bails-out-violent-criminals-along-with-protesters/>

Samuel, S. (6/19/2020). *Racial justice groups have never had so much cash. It's actually hard to spend it. The backlash against the Minnesota Freedom Fund, explained*. Vox.
<https://www.vox.com/future-perfect/2020/6/19/21294819/minnesota-freedom-fund-donations-police-protests>

Toussaint, K. (6/18/20, 6/18/20). The controversy over how the Minnesota Freedom Fund is spending its donations, explained:

A bail fund donation was always going to do more than just bail out protestors. *Fast Company*,
<https://www.fastcompany.com/90517597/the-controversy-over-how-the-minnesota-free-dom-fund-is-spending-its-donations-explained>

After Cash Bail: A Framework for Reimagining Pretrial Justice. (2020). The Bail Project.
<https://bailproject.org/after-cash-bail/>

Disclaimer: The case study here analyzed is made for educational purposes only and it is based on publicly available documents. The case is publicly shared to advance the collective consciousness of the nonprofit social sector and to develop nonprofit ethical leadership practices. The case does not reflect an official position of the university toward the interested parties. Although formulated with sound academic and critical analyses methods, the case does not claim to represent the full realities of the organizations and people involved, especially in their most recent developments or internal remedies. For questions and concerns please contact the USF Office of General Counsel generalcounsel@usfca.edu or Dr. Marco Tavanti mtavanti@usfca.edu