Southern Poverty Law Center Indictment: What Nonprofits Should Know

Description

By James P. McGlone

Earlier this year, the Southern Poverty Law Center (SPLC) was indicted in an Alabama federal court on charges of wire fraud, false statements, and conspiracy. The superseding indictment filed on June 2, 2026, sets forth grand jury allegations of a scheme in which the SPLC "fund[ed] the leaders and organizers of racist groups, including the Ku Klux Klan, the Aryan Nations, and the National Alliance," with money which the SPLC had raised with representations that it would be used to fight these very groups.

According to the grand jury's charges, the SPLC funded extremist groups through paid informants known as "field sources," and made false statements to set up bank accounts for fictitious entities in order to execute the transfers. For its part, SPLC has indicated in court filings that its field sources are part of an investigative informant program, which the SPLC has used to report planned or suspected criminal activity to law enforcement.

The case remains in the early stages. This month, SPLC entered a plea of not guilty on all counts. It has also filed a motion to dismiss the indictment on the grounds of vindictive prosecution, arguing that the prosecution has been brought in retaliation for SPLC's speech protected by the First Amendment. As of this publication, the court has not yet announced a decision on that motion, and trial is scheduled to begin on October 5, 2026.

The case has drawn headlines and public attention, including with public statements from both Government officials and SPLC's representatives and supporters. Yet for nonprofit organizations looking to understand their legal obligations, it may be most helpful to go back to the federal statutes underlying the indictment, and the conduct which is alleged to make out each violation.

Counts 1-6 charge the SPLC with wire fraud under 18 U.S.C. § 1343, of which the elements are: "(1) a scheme to defraud; (2) knowing and willful participation in the scheme with the intent to defraud; and (3) the use of interstate or foreign wire communications to further that scheme."[1] In brief, these counts charge that the SPLC defrauded its donors: that it "sought donations under the explicit indication that donor money would be used to help '*dismantle*' violent extremist groups," then directed some donor funds instead to "the benefit of the violent extremist groups," including use "in the commission of state and federal crimes."[2] The basis of SPLC's potential liability for wire fraud, however, is not the underlying criminal or extremist activity of the groups it allegedly supported. Rather, it is SPLC's alleged fraud on its donors.

Counts 7-10 next charge the SPLC with false statements to a federally insured bank, under 18 U.S.C. § 1014. These counts target SPLC's alleged opening of false bank accounts, under various names of fictitious entities, in order to transfer funds to its "field sources" without detection.[3] In each instance, the indictment charges that an SPLC employee submitted to the bank a false certification of the fictious entity.

Finally, Count 11 charges SPLC with conspiracy to commit concealment money laundering, under 18 U.S.C. § 1956. This conspiracy count is predicated on the prior charges, and further alleges steps taken by the SPLC "to conceal the true nature, source, ownership, and control of fraudulently obtained donated money the SPLC paid to [field sources]."[4]

Nonprofit organizations should remain mindful of their duties of disclosure and candor in their operations. The wire fraud statute, for example, broadly covers schemes "for obtaining money or property by means of false or fraudulent pretenses, representations, or promises."[5] As the United States Supreme Court recently affirmed, "a defendant commits federal fraud whenever he uses a material misstatement to trick a victim into a contract that requires handing over her money or property."[6] While a nonprofit may from time to time conduct projects involving a degree of confidentiality or sensitivity, such work cannot put an organization in the position of deceiving or misleading its donors. Partridge Snow & Hahn's Nonprofit & Tax-Exempt Practice Group is ready to advise parties with questions or concerns.

[1] *United States v. Abbas*, 165 F.4th 659, 670 (1st Cir. 2026).

[2] Superseding Indictment, ¶ 22.

[3] "To establish a violation of § 1014, the government must prove that (1) the defendant made a false statement; (2) the defendant acted knowingly; and (3) the false statement was made for the purpose of influencing action on the loan." United States v. Alfonzo-Reyes, 592 F.3d 280, 291 (1st Cir. 2010).

[4] Superseding indictment, ¶ 37. For the legal elements of the conspiracy charge, *see United States v. Raymundi-Hernandez*, 984 F.3d 127, 142-43 (1st Cir. 2020) (Elements of the crime are that the accused "(1) knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, (2) conspired to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity, (3) with knowledge that the transaction is designed in whole or in part … to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity.") (quotation marks and brackets omitted).

[5] 18 U.S.C. § 1343.

[6] *Kousisis v. United States*, 605 U.S. 114, 118 (2025).

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