

Young inmate's fate in doubt

Effects of charity's collapse felt far away from NY elite

BY MIRIAM KREININ SOUCCAR

JOE SULLIVAN has never heard of Bernard Madoff. But he may never see freedom because of him.

The 31-year-old was sentenced to life in prison without parole when he was just 13 for a sexual assault some say he didn't commit. After languishing in a Florida prison for 18 years, he had his case taken by a nonprofit called the Equal Justice Initiative.

The move was part of a new program to help 13- and 14-year-olds who have been sentenced to life in adult prisons. In November, the Equal Justice Initiative won a case to free another former juvenile convict, Phillip Shaw, a 28-year-old from St. Louis who had been in prison since he was 14.

Mr. Sullivan might not get the same chance. The program's sole funding came from a three-year, \$1.5 million grant from a little-known charity called the JEHT Foundation, one of the few to focus on criminal and juvenile justice. Last month, JEHT officials found out that their money had come entirely from investments made with Mr. Madoff, the money manager



EQUAL JUSTICE took up Joe Sullivan's case. Then the nonprofit lost some of its funding.

whose Ponzi scheme has robbed investors of some \$50 billion. The charity will shut down at the end of the month, stranding beneficiaries like Equal Justice.

Re-evaluation needed

"LOSING JEHT is devastating," says Bryan Stevenson, director of the Equal Justice Institute and a law professor at New York University. He had relied on the foundation for 25% of the institute's \$2 million budget and 100% of the new juvenile program's budget. "We're going to have to re-evaluate whether this is work we can continue."

The Equal Justice Initiative is one of 150 nonprofits that the JEHT Foundation funded. Established in 2000 by Jeanne and Kenneth Levy-Church, the foundation donated roughly \$75 million in the past three years to nonprofits like the American Civil Liberties Union, and Human Rights Watch. It had planned to give away \$45 million this year. But the Levy-Churches, clients of Mr. Madoff, have been forced to end their giving, in the process revealing how vulnerable the nonprofit world is to the vagaries of Wall Street, with its stock market crashes and white-collar criminals.

Significant consequences

"THE RIPPLE EFFECTS are profound," says Robert Crane, president of the JEHT Foundation. "The Madoff story has been seen as a small number of wealthy individuals losing their investments, but the losses will have significant implications for the civil society sector in our country."

The JEHT Foundation is among a growing number of charities that will be forced to close because of Mr. Madoff's scheme. Foundations in the United States that invested with Mr. Madoff donated more than \$73 million to roughly 400 nonprofit groups in 2007, according to Bloomberg News. That loss, combined with the economic crisis, will

have a devastating effect on the sector and the thousands of people nonprofits help.

The JEHT Foundation's grantees are still reeling from last month's bad news. Human Rights Watch received more than \$100,000 a year from JEHT for its international justice program, which works to try global criminals like the head of the Hutu militia in Rwanda.

"We lost all our funding for a critical part of our programmatic work, so we have to see how much we can continue to afford to do," says Michelle Alexander, development director of the organization. "JEHT funded work that a lot of other donors may not have been interested in."

That's certainly the case for the Equal Justice Initiative, where Mr. Stevenson is working around the clock to exonerate his clients and raise money at the same time. He believes the loss of the JEHT funding will even hamper his ability to recruit staff.

"I have a staff of lawyers from the best law schools in the country, who I pay less than \$40,000 and who could be making five times that," he says. "The last thing I want them having to worry about is funding and grants. This loss will make it difficult to recruit people to help those whose lives are really hanging in the balance." ■