



Michael Kimbrel, left, and Jason King prepare sack lunches before hitting the streets to distribute them to homeless people as part of the Sean's Outpost homeless outreach program. PHOTOS BY BEN TWINGLEY/BTWINGLEY@PNJ.COM

# DIGITAL DONATIONS PRODUCE REAL AID

Bitcoin currency fuels unique program to help Pensacola needy

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While many parents spend their week-day mornings getting their children on the school bus and heading off to work, 34-year-old Jason King uses the hours before noon to prepare more than 100 sack lunches.

The lunches aren't for the former network engineer and Army veteran's three children. They are specially made for Escambia County's homeless, and King, along with a handful of volunteers, has handed out more than 27,000 of the meals since March.

That's right: 27,000 sack lunches.

King is the founder of Sean's Outpost, a Pensacola homeless outreach center named after King's friend, Sean Dugas, a former Pensacola News Journal reporter who was a homicide victim in 2012. Remarkably, Sean's Outpost has consistently hand-delivered meals to the homeless since March with barely more than \$1,000 in cash donations.

Besides cash, the organization also re-



Stosh Szczechowich unpacks a sack lunch at his camp under the Pensacola Bay Bridge recently. The lunch was provided by the Sean's Outpost homeless outreach program.

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ceives donations in bitcoins, a peer-to-peer currency that is traded online, stored on computers and can be bought and sold with real money. The value of bitcoins has skyrocketed this year, rising above \$1,200 per bitcoin on some exchanges in November.

King said Sean's Outpost sells its bitcoin donations to local buyers for U.S. dollars or

## WHAT IS A BITCOIN?

Bitcoin is an anonymous, transparent way of trading a math-based, digital currency controlled and stored by computers connected to the Internet. All transactions are available for everyone online to see, not just a single entity like a bank.

New bitcoins are periodically discovered by people operating the bitcoin software system, but they also are limited in supply. New bitcoins will cease to be discovered once 21 million have been found.

On a basic level, bitcoins are long digital addresses and balances stored in an online ledger. They are not backed by any government and should be seen as a high-risk asset, as their price can quickly and unpredictably increase or decrease.

Like any other fiat currency, the amount of bitcoins someone owns doesn't represent anything in the real world. Bitcoins have value because people are willing to trade real goods and services for them, just like the dollar or euro.

Traded bitcoins are stored in a user's anonymous bitcoin wallet. Each transaction is protected by digital signatures formed by mathematical algorithms that prevent forgery. All transactions are public, but bitcoin users can choose to remain anonymous.

The Internal Revenue Service is still working to decide how it will tax bitcoins.

# Bitcoin

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uses them to buy digital gift cards. King and volunteers then use the money or gift cards to pay for the sack lunches. The modest contents are deeply appreciated.

One day last week, scores of homeless people received a brown bag containing bologna on white bread, barbecue-flavored potato chips and a strawberry flavored Nutri-Grain breakfast bar. When King arrived at his first lunch delivery, Wayside Park in Pensacola at the base of the Pensacola Bay Bridge, there were already three homeless people waiting for him.

Among the group was Mari, a petite 46-year-old woman wrapped in a scarf, jacket and matching red sweatpants and sweater.

Mari said she lost her job after being arrested for driving under the influence in Gulf Breeze. Unable to find work with a criminal record, Mari said she was out on the streets by May.

Mari now says she lives at Wayside Park. Despite claiming to have a "million dollar view where I can afford the rent," Mari's life is far from a paradise.

"There are times when I have nothing to eat. Look how skinny I am," she said, pulling on her loose-fitting garments. "If I didn't have (Sean's Outpost), I'd probably pass away. Wherever I go, they find me."

Usually, Sean's Outpost volunteers hand out lunches to the homeless on Pensacola's streets and at makeshift campsites all the way up to Brentwood Park in Escambia County. Over the course of their five-day week, they serve about 1,000 meals, King said.

## Bitcoin aid

Bitcoin has allowed the direct action charity to easily and instantly acquire international funding. Sean's Outpost has received donations from more than 40 countries, all of which King said he plans to invest locally.

Sean's Outpost has received more than 200 bitcoins, he said, but it's difficult to equate that to a solid dollar amount because the value of bitcoins has fluctuated widely this year.

When King received his first donation in March, exchanges valued a single bitcoin at about \$50. By November, that value had skyrocketed to more than \$1,200.

On Tuesday, a bitcoin had a value of about \$640.

Perhaps even more intriguing than the number of bitcoins Sean's Outpost has received is how little King has to do to attract donors. Bitcoin enthusiasts do most of the solicitation by discussing the outreach center on Internet forums and blogs.

In December, users of Reddit, an entertainment website, raised money to fund an "Angel Tree" style project that Sean's Outpost hosted. In the span of a few hours, about 50 gifts for the homeless



From left, Jason King, Meghan Lords, Michael Kimbrel and Adam Richard are photographed at the Bitcoin Homeless Outreach Center where they store food and supplies for Sean's Outpost. PHOTOS BY BEN TWINGLEY@BTWINGLEY@PNN.COM



Michael Kimbrel, left, and Jason King prepare sack lunches before hitting the streets to distribute them to homeless people as part of Sean's Outpost homeless outreach.

were paid for by Reddit users.

With such strong support, Sean's Outpost's staff of less than 10 people is able to direct virtually all of its focus on preparing food, distributing meals and documenting its work to post online. It's a transparent, 21st century, perpetual-motion charity paradigm that King said he hopes will catch on.

"If we're out hustling to make a dollar. We're not feeding people because that takes time and effort and mental bandwidth away from you," King said. "When you give us a bitcoin, we show you what happens to it. Because of that, we've never really had to ask for the support."

## Bitcoins a gamble

Oddly enough, Sean's Outpost's serendipitous marriage to bitcoin was set in motion by a flippant Internet wager King made in March.

In February, King and his wife began volunteering at a weekly homeless feeding event near the Loaves and Fishes Soup Kitchen. At the time, they were only volunteering under the name Sean's Outpost and weren't planning to start their own charity.

But in March, during a discussion on Reddit about whether a digital currency could have any real value, King claimed he could feed 40 homeless people if someone sent him a single bitcoin, which was valued at about \$50 at the time.

King received more than 10 bitcoins in less than 12 hours. Before a day had passed, he was in the streets handing out sack lunches paid for with

the donations. He posted photos proving he had used the donations to feed the homeless back on Reddit.

"That just resonated really well with the (online) community and they have not stopped supporting us," King said.

The organization's largest donation came in December. An Auburn, Ala., resident and Reddit user donated 11 bitcoins, which were valued at about \$1,050 each at the time, to the outreach center. King said the donation created an endowment fund for 2014.

Despite the rapid influx of money, the Sean's Outpost's setup has remained humble.

Food, drinks and other supplies are kept in a tiny storage facility known as the Bitcoin Homeless Outreach Center on Old Palafax Highway. Meals are prepared assembly-line style every morning inside an old church building owned by the outreach center's attorney.

Because Sean's Outpost buys supplies on a need-to-distribute basis and the price of bitcoin continues to fluctuate, the charity's financial security is not certain. However, King doesn't envision Sean's Outpost having to switch to cash donations anytime soon.

"We believe in bitcoin, and we believe the value is going to go up," King said. "Sean's Outpost is inseparable from bitcoin. We are one and the same."

Now, bitcoin activists from Austin, Texas, Toronto and Barcelona, Spain, are inquiring about starting their own Sean's Outpost charter, King said. It's an opportunity to make helping the homeless become viral.

"We're documenting a better way of doing homeless outreach," King said. "We can pass that information on to another group of people who want to help people in their area."

## Filling a need

The advent of Sean's Outpost has seen particularly good timing, statistically speaking.

In 2013, the EscaRosa Coalition on Homeless counted 830 homeless living on the street or in emergency housing in Escambia County, a six-year high. In 2012, only 572 homeless were counted in the survey.

But even the larger, most recent number doesn't account for all the homeless living in Escambia County, King said. Many homeless are unwilling to come forward to be counted.

"What they report and what we see are completely different," he said.

With only 253 emergency beds available to the homeless in Escambia County, according to the EscaRosa Coalition on Homeless, a majority of the homeless are living exposed to the elements this winter.

And for a homeless person in Pensacola, the political wind blowing from City Hall nowadays is even colder.

In May, the Pensacola City Council approved a series of controversial ordinances that banned camping on city-owned and residential property and prevented anyone from sleeping, bathing and shaving in public restrooms. "Camping" in the ordinances included sleeping outdoors in a tent or sleeping bag, covered

recreational vehicles and take about three weeks and \$7,500 to make. The structures can provide shelter for three people. They're wired for electricity and will be outfitted with solar panels, King said.

"A big part of our vision is to build something sustainable," he said. "It would be amazing if we were growing enough food to feed all the homeless we serve."

## Regulation trouble

But Escambia County doesn't share King's enthusiasm. On Dec. 3, the county's Office of Environmental Enforcement cited Sean's Outpost for allowing tent camping, accumulation of trash, nuisance conditions and for keeping a BitHouse on the property as a storage building.

King said the violations have since been dropped, but code enforcement has said no one can camp in Satoshi Forest until King appears before the county planning board.

Escambia County Public Information Officer Bill Pearson said a representative from Sean's Outpost has met with a code enforcement officer and a member of the county Planning and Zoning Division concerning a rezoning or variance of the property.

Records from Escambia County Environmental Code Enforcement still show the case as open. The case will be reviewed again in January by the county.

"They have even gone so far as to go out and tell homeless to vacate," King said. "We will not evict anyone from our land. Period."

Among the homeless living at Satoshi Forest is a man who calls himself "Swampy." He said he spends about 30 hours a week clearing debris from the Satoshi Forest to help make campsites and paths for other homeless.

Swampy said Satoshi Forest will not only provide the homeless a place to live, but a mailing address, which seems trivial but is infinitely important. Without a mailing address, it's nearly impossible to apply for any type of government aid, or more importantly, a job, he said.

"This is exactly what the homeless need," he said. "Give them a sanctuary like this. Let them go out and make it on their own. This is the only cure."

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