

This is an excerpt from the PhD Thesis of Dr. Jun-E Tan, titled “Building Trust In Electronic-To-Face Social Network Sites: Case Study Of Couchsurfing.Org”, published in 2012 by Nanyang Technological University, Singapore. The full text can be downloaded at <http://bit.ly/2aUxqtL>.

CHAPTER 6 ACCOUNT OF COUCHSURFING.ORG

Early History (1999 – 2006)

The story begins in 1999. Like it is often narrated, it started with the founder, Casey Fenton’s trip to Iceland. Upon getting budget air tickets, he mass-emailed 1,500 students from University of Reykjavik (or University of Iceland, depending on the account) to request for a few nights’ stay for free. The request was well-received, as he got over 50 positive responses, and spent an enjoyable weekend in Iceland with his host. This incident, along with previous experiences of hospitality in Egypt, inspired him to start a website that facilitated cultural exchange between travelers and locals. The idea of CouchSurfing was conceived on Fenton’s flight home from Iceland to the US. In January 2003, with combined efforts of 3 other co-founders of the website (Daniel Hoffer, Sebastien Le Tuan and Leonardo Silveira), the beta version of the website was up and running. As described by Fenton in his blog,

“When CouchSurfing first started, before the site was even in beta, it was literally just me programming for hours on end in my bedroom. As you can imagine, there was a limit to how much I could achieve, both in terms of my capabilities and in the amount of time I could devote to the project. I was working on CouchSurfing full time but even so, it wasn’t enough. I knew I needed help from individuals with specific talents so in 2003 the other three founders joined me. After a couple of years we needed more help to keep the momentum going. I invited some of the awesome people I had met on my travels, along with a few active CouchSurfers I hadn’t even met, to join us as site administrators (“admins”). With every person who joined us we were able to achieve a little more.”¹

¹ “Always Evolving” – Casey Fenton’s blog - <http://blog.couchsurfing.org/casey/2011/08/couchsurfing-always-evolving/> accessed online on 2/3/12

The member base of CouchSurfing slowly grew. From 6,000 members at the end of 2004, the website gained traction and membership grew exponentially. In 2005, there were 45,000 members, which continued to grow to almost 100,000 in 2006.

The Age of the Volunteers (2006 – 2011)

Within the period of 2006 to 2011, CouchSurfing was run by a core team of members comprising of Casey Fenton and some other community members. The bulk of the work was done mostly by volunteers, as the organization had a limited number of paid employees. CouchSurfing “Collectives”, or gatherings of volunteers, were held all over the world, within time spans from a few weeks to a few months. Members of the community, mostly programmers, were invited to specific locations (see Table 6.1) to work together on the CouchSurfing website. Free meals and accommodation were provided.

In June 2006, the first CouchSurfing Collective was held in Montreal, Canada. During this period of time, the website experienced a serious database crash. In a letter sent to all the users after the incident², Fenton described it as “the perfect storm”, where the hard drive had crashed and the backups weren’t executed properly. Twelve of their most important data files were irrevocably lost, creating irreversible damage to the website. “CouchSurfing as we knew it doesn’t exist anymore,” wrote Fenton. Distraught, he decided to shut the site down. A video published on YouTube depicts the tense situation³ at that time. As described by one of the volunteers interviewed: “The data was lost, people were very very upset. People cried. [...] Just like a funeral.” The feedback from the community upon receipt of the news was also overwhelming, as emails poured in and postcards arrived by post to the Collective, conveying words of encouragement and motivation for the website to continue. After receiving more than 2,000 positive emails, a consensus was reached to repair and improve the website. The volunteers at the collective worked around the clock to rebuild the

² “Couchsurfing Deletes Itself, Shuts Down” - <http://techcrunch.com/2006/06/29/couchsurfing-deletes-itself-shuts-down/> accessed online on 1/3/12

³ “Couchsurfing – The Crash – Montreal 2006”, by Claudia Bérubé and Pierre-Yves Beaulieu: <http://www.youtube.com/watch?v=xUD0LE0lx6g> (accessed online on 1/3/12)

website. A week after the announcement of the shutdown of CouchSurfing, CouchSurfing 2.0 was born. The volunteers celebrated the success of the relaunch, and Fenton was quoted to say, “It’s an amazing time in CouchSurfing history. It seems like, perhaps, the most important time in CouchSurfing history right now.”

The camaraderie of the community grew because of this incident, and more and more volunteers poured in to offer their services. CouchSurfing 2.0 was described as “a new focus on member participation to build CouchSurfing and the creation of an organization structure to support volunteers”.⁴ Fenton was the only paid employee from 2003 to 2007⁵, and even after then the website had run on a very limited number of employees. Volunteers were responsible for most of the operations of the website. An organizational structure was formed in 2007, with five main teams: The Leadership Team, Operations, Community Operations, Marketing & Communication, and Product Development (See Appendix G). The Leadership Team (LT) oversaw the organization’s strategic decisions and managed the departments of volunteers. The main stated requirement of a LT member was to be “genuinely driven by a commitment to The CS Mission”, and at any time there would be more than 5 and less than 15 LT members⁶. The Leadership Team Profile (last updated May 22, 2007) listed 11 members and their roles⁷, but did not reflect the membership changes throughout the years.

In December 2009, the organizational structure was readjusted, and the LT was renamed to Strategy Team. According the Team Member Newsletter (obtained through private communication with a volunteer), there were two reasons for this change:

⁴ Old CS Policy FAQ – The FAQ was last updated 21/7/2008. While the document does not indicate the period of time it was in effect, it shows the organization’s stance on policy issues during the height of its volunteer years.

https://docs.google.com/View?docid=dfgj4wck_17gswzgx, accessed online on 1/3/12

⁵ Old CS Policy FAQ, see above

⁶ “Leadership Team”, http://wiki.couchsurfing.com/en/Leadership_Team, accessed online on 1/3/12

⁷ Profile of the CS Leadership Team, listing 11 members and their roles (last login date was on May 22, 2007) <http://www.couchsurfing.org/people/csleadershipteam/> accessed online on 2/3/12

“First, over the years "Leadership Team" has referred to many different groups of people with different functions. Over time it has become a more and more confusing term as different people use it to mean different things. Second, the name was never the best for our community and culture. The role of all CS staff members is to support the community as we serve our mission, and we feel that the term "Leadership Team" is too closely connected in people's minds to corporate-style structures. The job of this team is to design and execute the organization's strategy for achieving our mission.”

Casey Fenton remained to be on Strategy Team as the Executive Director, with a few others who held positions of General Manager, Chief Technology Officer, Chief Operation Officer and so on. The Operations department (holding Finance, Legal Coordination, Policy Unit, Human Resources, and Mission & Goals of CS) was absorbed into the Strategy Team, and the Strategy Team led the other teams with the functions of user support, promotion and website development, as shown in Appendix H.

There has not been much documentation of the numbers of the volunteers, though it is stated within the Team Member Newsletter (December 2009) that there were 534 volunteers within the Translations Team alone. There were more than 2,400 CouchSurfing Ambassadors (who agree to commit 10 hours per week in online or offline activities pertaining to CouchSurfing) worldwide, according to some statistics shown to me by a volunteer early 2012. It is thus safe to say that there are thousands of volunteers in various capacities who donate a lot of time and energy to the system. A series of eight CouchSurfing Collectives were organized over the course of 5 years, up till 2010 (see Table 6.1). In addition to the collectives, a Base Camp was established in Berkeley, USA, in September 2008. The objectives of the Base Camp was to eliminate downtime between collectives, provide stability for on-site volunteers and longer term volunteering options, as well as to have a centre for legal and administrative tasks⁸. In June 2010, the Base Camp was closed down and the organization ran

⁸ “CouchSurfing's newest Collective is off the ground in Costa Rica!” - <http://www.couchsurfing.org/news.html?id=223>, accessed online on 2/3/12

on a “virtual model”⁹ with no fixed location for a year until the office in San Francisco opened¹⁰.

	Montreal, Canada June - August 2006
	Vienna, Austria 21 - 30 July 2006
	Nelson, New Zealand October 2006 - March 2007
	Rotterdam, Netherlands 1 June - 31 July 2007
	Pai, Thailand 1 December 2007 - 31 March 2008
	Homer, Alaska 15 May - 22 August 2008
	Samara, Costa Rica 15 February - August 12 2009
	Istanbul, Turkey 15 October 2009 - 31 March 2010

Table 6-1 List of CouchSurfing Collectives (2006 to 2010)¹¹

There were a number of controversies that riddled CouchSurfing over the years that it was largely powered by volunteers. In order to perform an analysis of trust, it is necessary to look into the violations of trust, which are discussed in the subsections below.

The Non-Disclosure Agreement and Other Transparency Issues

One of the first controversies to arise was the issue of the strict Non-Disclosure Agreement (NDA). The first NDA was in place from 2006, and many volunteers signed it under the impression that it would be changed. A volunteer of that time complained that, “the current NDA is simply ridiculous, it transfers all **trade secrets** from the volunteer to CouchSurfing. A trade secret is a very ill-defined term that literally can include anything you can think of, such as ‘programming techniques’ and ‘software patents’. The NDA should be limited to giving CouchSurfing a **license** to use the work of the volunteer, it should not try

⁹ “Always Evolving – Casey’s Couchsurfing Blog” - <http://blog.couchsurfing.org/casey/2011/08/couchsurfing-always-evolving/> accessed online on 6/3/12

¹⁰ “CouchSurfing’s New Neighbours - <http://www.couchsurfing.org/news/article/133> accessed online on 7/3/12

¹¹ Information retrieved from <http://www.couchsurfing.org/collective.html>, accessed on 1/3/12

to transfer copyrights or just ideas” (emphasis in original)¹². According to a copy of the NDA (dated 16 June 2006, obtained through private communication with a volunteer),

“Confidential Information may include, without limitation, Inventions (as defined in Section 2), trade secrets, technical information, know-how, research-and-development activities of the Company, product and marketing plans, customer and supplier information and information disclosed to the Company or to me by third parties of a proprietary or confidential nature or under a duty of confidentiality.”

Further on in the document (Section 2), the signee of the NDA agrees to disclose and assign all rights of her “Inventions” to the organization, whereby “Inventions” is defined to include:

“any and all ideas, concepts, discoveries, inventions, developments, original works of authorship, trade and service marks, software programs, software and systems documentation, trade secrets, technical data and know-how that are or have been conceived, devised, invented, developed or reduced to practice or tangible medium by me, under my direction or jointly with others during any period that I am or have been employed or engaged by, or am otherwise working with, the Company, whether or not during normal working hours or on the premises of the Company, which relate, directly or indirectly, to the Company’s business of developing, marketing and selling technology for transportation analysis and management and arise out of my relationship with the Company.”

About a year later, in May 2007, the new NDA in the form of a Volunteer Agreement was put into place¹³. Besides retaining all intellectual property rights of the work done by volunteers, it also contained a non-compete clause. The developers were prohibited to work on “any travel or social network site simultaneously or 1 year after volunteering (working) for CS, professionally or otherwise”¹⁴. As the outcome of the incident, at least 4 of the core developers resigned from volunteering in CS, and one was fired from his position¹⁵. These

¹²“ Why a non-compete clause will be very harmful to CouchSurfing”

<http://www.opencouchsurfing.org/2007/05/08/why-a-non-compete-clause-will-be-very-harmful-to-couchsurfing/>, accessed online on 19/3/12

¹³ I was not able to obtain a copy of the Volunteer Agreement and verify this claim, as the link was broken.

¹⁴ “Round up” - <http://www.opencouchsurfing.org/2007/05/16/round-up/>, accessed online on 1/3/12

¹⁵ “Volunteer Resignations – Couchwiki” - http://couchwiki.org/en/Volunteer_resignations, accessed online on 1/3/12

former volunteers initiated a website called OpenCouchSurfing.org, to campaign for an open and free organization of CouchSurfing. Besides the issue of the NDA, it also protested against the organizational reluctance to use open source code. A petition was started, but ultimately the movement did not succeed. OpenCouchSurfing then became a platform for raising awareness about issues within CouchSurfing.

Later, it would be written in the old CS Policy FAQ¹⁶ that the earlier version of the NDA was “incomplete in some ways, and overly protective in other ways”. The FAQ stated that another new agreement should be ready by August 2008; and developers would own their contributions via the CouchSurfing Application Programming Interface. It is not apparent in the data that I have if the NDA was revised, and how. In the IRS denial letter for tax exempt status, it was stated that CS has “a confidentiality agreement that asks certain volunteers to sign if they have access to sensitive information like member data”, and a “team member agreement” that “requires said individuals to assign all rights, titles and interest in inventions, patents, copyrights, trademarks, and registrations to [CS]”¹⁷.

The NDA was only one facet of the lack of transparency and communication of CouchSurfing during the volunteer years. In the Policy FAQ, it was stated that meeting agendas and minutes were not published due to “uncensored brainstorming, safety concerns, and other topics not appropriate for all members to read”. It explained that the organization was unable to provide them for public scrutiny because of the lack of volunteer resources to edit and publish these documents. There have been numerous complaints about the opaqueness of the organization, found mostly within resignation letters of volunteers or other discussions on the Brainstorming forum group¹⁸ (later Brainstorming~ Redefined¹⁹, where members discuss CS politics). The lack of

¹⁶ Old CS Policy FAQ - https://docs.google.com/View?docid=dfgj4wck_17gswzgx, accessed online on 1/3/12

¹⁷ CouchSurfing Team Member Newsletter #1 (December 2009), obtained through private communication with a volunteer

¹⁸ Brainstorm – the original one - <http://www.couchsurfing.org/group.html?gid=429> accessed online on 2/3/12

¹⁹ Brainstorm ~ Redefined - <http://www.couchsurfing.org/group.html?gid=7621> accessed online at 2/3/12

transparency was also reflected in a list of 62 questions²⁰ compiled from volunteers directed to the management, showcasing interesting queries on issues of governance, which led to the writing of the policy FAQ.

My personal experience in doing research and data collection on CS largely mirrors the general sentiments on the lack of transparency. While trying to arrange a visit to the Base Camp in the summer of 2009, I realized that there was no official list of volunteers published anywhere on the website, and it took me some time to find someone who lived at the Base Camp to contact, by combing through forum discussions. On piecing together information on this historical account, I also found it difficult to obtain official information or past communications from the management team that wasn't buried within the mountains of forum discussions.

Organizational and Financial Issues

The lack of transparency and communication also led to much speculation on the legality of the organization behind CS and alleged mismanagement of the donations and verification fees collected by its members, among other matters. The Leadership Team, later known as Strategy Team had been accused of being opaque, and that its members were mostly close friends of Casey Fenton, although this was denied in the Policy FAQ. The effectiveness of the leadership was also questioned, in cases such as the Translations Team going on strike because of lack of support from the Strategy Team, and the difficulties in communicating across teams as a result of "the pyramidal structure of CS"²¹.

Other matters of concern were the legal structure of the organization and the obtainment of the 501(c) 3 federal tax exempt status. CouchSurfing had been filing the application for the tax exempt status since the end of 2007, and it was repeatedly stressed that CouchSurfing would not become a for-profit²². A post on the forum by user Pickwick had stated in 2007 that Casey Fenton was misreporting certain facts of the organization, hence risking the successful

²⁰ "Leave your QUESTIONS ABOUT CS here!"
http://www.couchsurfing.org/group_read.html?gid=7161&post=340697, accessed online at 2/3/12

²¹ "Translations team on strike" -
http://www.couchsurfing.org/group_read.html?gid=2125&post=6771487 accessed online on 6/3/12

²²http://www.couchsurfing.org/group_read.html?gid=429&post=1654953#post1677501

application of the 501(c)3 status (see Exhibit 6.1). The application was ultimately rejected in 2011, the main reasons cited being that “the purpose of international networking is a purpose that is beyond the scope of tax-exempt purposes under section 501(c)3” and that CouchSurfing is not mainly serving public interest but the private interest of its members and that CouchSurfing has not shown that it is operating exclusively for the purpose of cultural education.²³

Casey: please don't risk perjury

Posted December 14, 2007

1. Casey, you listed yourself as sole director in a report you filed with the New Hampshire Secretary of State on 24th December 2005 [1]. You again stated publicly on 28th January 2007 that you were still sole director [2]. This violated New Hampshire statute RSA 292:6-a according to which “the board of directors of a charitable nonprofit corporation shall have at least 5 voting members” [3].

On 14th November 2007 you eventually filed Annual Reports for the years 2003, 2004, 2005 and 2006 with the Attorney General of New Hampshire, where under penalties of perjury you falsely stated the composition of the Board of Directors in 2004, 2005 and 2006 to be: Casey Fenton, Daniel M Hoffer, Leonardo Silveira, Sebastien G LeTuan.

My advice is to file a correction immediately. An investigation for perjury in connection with filed Annual Reports may have unfortunate consequences for the application for federal tax exempt status according to section 501(c)(3) IRS code.

2. New Hampshire statute also says in RSA 292:6-a that “No employee of a charitable nonprofit corporation shall hold the position of chairperson or presiding officer of the board” [3]. This means, Casey, that you need to resign either your chairmanship of the board, or your employment.

My advice is to do it immediately. An unlawful composition of the board or unlawful tenure of the board's chairman can have unfortunate consequences for the validity of board decisions or signatures on documents, like for instance the application for federal tax exempt status according to section 501(c)(3) IRS Code.

[1] <http://www.sos.nh.gov/imaging/9649082.pdf>

[2] <http://groups.google.com/group/cs-dev-public/msg/c8d070ae5333e5f4?>

[3] <http://www.gencourt.state.nh.us/rsa/html/XXVII/292/292-6-a.htm>

Note by the researcher: [1] and [2] are inaccessible online as of 14/3/12,

²³ According to the IRS denial form, release date 30/3/11

however I have obtained the soft copies from Pickwick

Exhibit 6-1 Casey: please don't risk perjury²⁴

There were also speculations on the finances of CouchSurfing throughout the years by members of the community on the forums.²⁵ Skeleton income statements from 2004 to 2009 were published on the website²⁶ (but have since been removed), and the audited financial statement for 2010 posted by members can be found through the public forums²⁷. Posts on the forums raised some interesting questions upon reading the financial statement of 2010. For instance, why did the amount of \$275,000 that was put into reserves (in years prior to 2010) earn only \$2,098 from interest? Since there was no balance sheet account or cash flow statement until 2010, it is not possible to say what actually happened to the money during these years. Also, there has been no account of what happened to the "savings reserve or emergency fund"²⁸ mentioned in the income statement accounts prior to 2010. Also, why and how did \$3,900,000 of net operating loss carryforwards emerge when the total all-time revenue was only \$4,359,499? There are no accounts of Couchsurfing's communication with the New Hampshire tax authorities, so it is difficult to figure out what exactly happened.

Because of the lack of transparency it is difficult to make any conclusive statement on the financial management of CouchSurfing thus far.

Sexual Harassment in the Base Camp

²⁴ "Casey: please don't risk perjury" -

http://www.couchsurfing.org/group_read.html?gid=429&post=576746 accessed online on 13/3/12

²⁵ 2011 - "2011 CS Financial Performance" -

http://www.couchsurfing.org/group_read.html?gid=7621&post=11011062

2010 - "2010 independent audit of CS finances"

http://www.couchsurfing.org/group_read.html?gid=7621&post=9834319

2009 - "2009 finances" -

http://www.couchsurfing.org/group_read.html?gid=7621&post=7792302

All accessed online on 14/3/12

²⁶ CouchSurfing Finances, <http://www.couchsurfing.org/about.html/finance> accessed online on 14/3/12

²⁷ "2010 independent audit of CS finances",

http://www.couchsurfing.org/group_read.html?gid=7621&post=9834319 accessed online on 14/3/12

²⁸ Income and Expense Statement of CS, 2009 -

http://www.couchsurfing.org/organization_finances_2009.html, accessed online on 20/3/12

In the summer of 2009, a new controversy arose, regarding allegations of sexual harassment and volunteering conditions in the Base Camp and at an official CouchSurfing meeting in Vienna. Letters of resignation in the “mass exodus of the global ambassadors”²⁹ of 2009 are particularly illuminating on events that transpired. More than 10 ambassadors (who also volunteered under other capacities) resigned, according to the list of volunteer resignations on Couch Wiki, which provided the names of the volunteers and links to their resignation letters. In the resignation letter of a female volunteer, it was written:

“[...] the answer is that I cannot continue to volunteer for CS because I cannot volunteer under a team leader and/or member of the LT who has committed and admitted two (!) cases of sexual harassment.

Volunteering for such a team or organisation would mean that I approve of this kind of behaviour but I do not. I do not want to be associated with an organisation that tolerates such behaviour or might even be perceived as supporting it by allowing a member with a record of two incidences of sexual misconduct towards volunteers to continue to share a house with several more volunteers.”³⁰

The team leader in question led the Ambassador Support Team. According to the resignation letter of one of the volunteers who were sexually harassed, one month after the complaint had been received by the organization, the team leader was even appointed as part of the Leadership Team³¹. Another alleged victim stated that she did not leave a negative reference until 3 months after the incident because she “was warned by one of the LT if [she] ever made a comment in public about anyone in the upper ranks, [she] would be removed from participating as a volunteer.”³² Further statements allege that the negative references left for the team leader were removed by the Leadership Team³³. After receiving flak from the community and the resignation of many long-term volunteers, the team leader stepped down from his position³⁴. His profile was deleted months later.

²⁹ Resignation Letter #21, see Appendix F

³⁰ Resignation Letter #15, see Appendix F

³¹ Resignation Letter #16, see Appendix F

³² Resignation Letter #15, see Appendix F

³³ Resignation Letter #19, see Appendix F

³⁴ Resignation Letter #22, see Appendix F

With regards to sex and the volunteering environment, another resignation letter³⁵ posted in the Ambassador's Public group contained further allegations:

"[...] Many members and Ambassadors also believe that it helps someone secure BaseCamp status by returning sexual favors. At least you have the rooms/space set up for it.

I've never been to a non-profit's headquarters where there were rooms specifically for sexual encounters. And it comes with anal beads, mind you. Don't get me wrong... I am a Sex Positive person. But when positions and housing and food and travel are given because of this, then the word volunteer should be changed to another word, meaning the exchange of sex for cash or other tangible items. Do you think the American Red Cross has anal beads anywhere within their headquarters? I realize we are not the same, but still."

Fenton made a public reply to dismiss this, the accusations of sexual harassment, and other allegations on nepotism and financial mismanagement, as "factually inaccurate information"³⁶.

Problems with Trust Mechanisms

CS has several trust mechanisms, such as verification, references and vouching. The concerns addressed here are not issues of how members exploited or tricked the system (which is explored in Chapter 5), but rather, how the trust mechanisms do not work the way that they are supposed to, or how they have been mishandled by the organization in the past.

Among the most controversial is the verification mechanism, which has been continuously touted as the main trust feature, as users of the system are constantly reminded to verify themselves for a safer community. The verification process is as such: the user enters his or her name and physical address into the system and pays a fee via credit card. The organization verifies that the details entered match the name on the credit card, and sends a confirmation code via postcard to the user. The user enters the code into the website, thus confirming that she is able to retrieve mail at the address given to CouchSurfing. The user gets a green tick on her profile picture upon successful verification, and the text

³⁵ Resignation Letter #19, see Appendix F

³⁶ Resignation Letter #19, see Appendix F

“this user has been verified”. The verification service was almost the exclusive source of income (99%, according to Casey Fenton at the Paris CouchSurfing conference on October 9th 2011) for the organization, apart from donations until August 2011, date after which donations could not be accepted at all any more by the then for-profit corporation.

Some members of the community have argued that the verification system is overly sold as a trust feature, misguided by the intention to generate income. When changes were implemented to display green ticks on verified user profiles in mid-2009, there were lively discussions in the forums to dispute it, arguing that the move was divisive to the community, and implied that unverified users were less trustworthy even if they were supported by references and vouches.³⁷ The matter was compounded by claims that the verification process did not actually work as it was advertised. It was stated by a former team leader in the Verifications Team that verification could be done using someone else’s credit card. In other words, the verification process did not necessarily confirm the identity or actual address of the owner of the profile. It was also admitted that by the team leader that she received a commission of 13 cents from every successful verification process.³⁸ On top of that, a number of bugs within the system had caused problems with payment, for instance in overcharging the members accidentally, causing extra man hours in refunding the payments.³⁹ Also, the verification only needs to be done once to obtain the coveted checkmark, and there is no way of knowing how up-to-date the information is and if the user has since moved elsewhere.

CouchSurfing has a Member Dispute and Safety Team (MDST) which role is to mediate disputes and to act upon complaints on deviant behaviour that endangers the community. I have spoken to many members who trust that the organization will handle safety issues in a prompt and professional manner. However, it has been pointed out that the MDST had not been effective in what it

³⁷ “Does dividing members apart create a better world or a better CS?”
http://www.couchsurfing.org/group_read.html?gid=7219&post=3196285, accessed online on 6/3/12

³⁸ “verification page redirect!”
http://www.couchsurfing.org/group_read.html?gid=7621&post=4545155#post4561307
accessed online on 6/3/12

³⁹ Resignation Letter #19, see Appendix F

does, in at least two separate incidents. The first incident happened in Germany, where a rogue member stole repeatedly from his hosts, deleting his profile and creating new ones when he received negative references. The MDST took 2 months to send out a mass message to warn its members in Germany even though complaints and numerous messages had been received from members of the community, resulting in more thefts happening in the meantime.⁴⁰ The second incident happened in Asia, where a member raped a host in Kyoto and continued surfing couches, repeatedly creating new profiles as well. The friend of the victim voiced his dissatisfaction over the reaction of the MDST towards this case, that “they have made it abundantly clear by their follow-ups (or lack thereof) and resounding silence on official channels, that self-preservation, rather than user safety, is their main priority”.⁴¹ In this case, the community rallied together to spread the information on the forum groups, along the itinerary of the perpetrator through Tokyo⁴², Kuala Lumpur⁴³ and Singapore⁴⁴.

References are considered to be one of the most important trust mechanisms, and the official stance is that references will not be removed from individual profiles, to ensure a fair reputation system. However, as stated in the section on sexual harassment and other hearsay⁴⁵, there have been allegations that there were instances when references were removed without a transparent process.

Other Matters of Concern

⁴⁰“How much can we trust CS to put “safety first”?” - http://www.couchsurfing.org/group_read.html?gid=7621&post=8258526, accessed online on 7/3/12

⁴¹ “Rape, Japan, Internet mobs & Couchsurfing – An Epilogue of sorts” - <http://unknowngenius.com/blog/archives/2012/01/25/rape-japan-internet-mobs-couchsurfing-an-epilogue-of-sorts/> accessed online on 7/3/12

⁴²“EMERGENCY COUCH IN TOKYO!” - http://www.couchsurfing.org/group_read.html?gid=1192&post=11013454m, accessed online on 7/3/12

⁴³ “BEWARE OF THIS GUY! - Please read...” http://www.couchsurfing.org/group_read.html?gid=1313&post=11090225, accessed online on 7/3/12

⁴⁴ “BEWARE OF THIS GUY! - Please read...” http://www.couchsurfing.org/group_read.html?gid=415&post=11090222 accessed online on 7/3/12

⁴⁵ “References and the lack of a dispute resolution process - <http://allthatwrong.wordpress.com/2010/01/24/a-criticism-of-couchsurfing-and-review-of-alternatives/#csrefs>, accessed online on 8/3/12

Among other matters of concern that surfaced here and there include data privacy, the deletion of accounts without proper procedures, censorship of dissenting voices, the instability of the website⁴⁶ etc. The main controversies covered above are enough to provide an idea of the situation of the years when CS was supported mostly by volunteers. Based on the information collected, it does appear that the non-profit was not well-run, saddled with problems of non-communication, exploitation of volunteers and financial mismanagement. There has been no evidence that any of these issues have been resolved by the for-profit corporation. Many of the volunteers resigned out of frustration and anger, some even sadness – which was reflected in the resignation letters, such as the one below:

“Hey team,
I'm resigning as a CS Amb.

This hasn't been an easy decision. Firstly, I really like the people on the LT/AST - how can't I? They dedicate all their time to a project I deeply love. And this project has introduced me to people who have changed the direction of my life for the better and made me a better person.

But I have realized lately that I'm not an ambassador for CouchSurfing.org but rather an ambassador for hospitality, transparency, communication, fairness, radical inclusion and living life. CouchSurfing for me represented a collective of people who believed in that. People who believed in respect and equal rights and honour and integrity. People who wanted to make positive change in the world and have fun at the same time. I didn't just want to be a member using a service, I wanted to participate on THAT team.

I don't believe anymore that CouchSurfing is that nor can it ever be that organization that I dreamt it would. The specific incidents are just symptoms. From the mass exodus of the Tech Team in 2007 to the mass exodus of the Global Ambs this year, we have not learnt from our mistakes. And we are all to blame. From the Ambs who basically say "don't worry be happy" to the Brainstormers who are bitter and twisted, and everyone in between. We have failed.

I suspect that some of you are like me. Hoping to stay on as a CS Amb so that you can change things "from the inside". However, I realize now that this is all futile. All I'm doing is being a complicit representative to actions that are against my very nature.

For better or worse, CS is the best hospitality exchange we have right now. I will continue to promote the philosophy of hospitality exchange as a member but I can no longer in good conscience, continue

⁴⁶ Resignation Letter #13, see Appendix F

representing this organization as an "ambassador". All I can hope for is something better comes along before it's too late."⁴⁷

Conversion from a Non-Profit to a For-Profit(2011 to the time of writing)

On the 24th of August, 2011, users of CouchSurfing were informed about the changing of legal structure of CouchSurfing, from a non-profit to a B-corporation. An excerpt from the global announcement read:

"As of today, CouchSurfing is proud to announce that we are joining the growing ranks of certified B Corporations. What does that mean? As a B (Benefit) Corporation, CouchSurfing will be part of a group of innovative businesses that deliver products and services with a commitment to social and environmental responsibility, transparency, fair work conditions, and doing good for the world."

Forbes.com reported that CouchSurfing was receiving 7.6million in funding from venture capitalists Benchmark Capital and Omidyar Network⁴⁸. For clarity, In the United States, B-corporations are for-profit corporations which have obtained a certification by B-Lab (a non-profit organization) as being socially responsible based on self-declaration and for a fee. B-Corporations are not to be confused with Benefit Corporations, which are a new legal form available in 7 U.S. states at the moment. It was stated in their announcement that CouchSurfing would not change its mission and vision, and that members would never have to pay to host and surf⁴⁹. In July, CouchSurfing hired San Francisco-based PR firm The OutCast Agency (which clients included Facebook and Zynga) in preparation for the announcement. Casey Fenton and Daniel Hoffer were put through intensive media training to relay the message of the conversion to its members⁵⁰. A series of videos was shot to explain the conversion⁵¹. A detailed

⁴⁷ Resignation Letter #21, see Appendix F

⁴⁸ "Non-Profit CouchSurfing Raises Millions In Funding", <http://www.forbes.com/sites/nicoleperloth/2011/08/24/non-profit-couchsurfing-raises-millions-in-funding/>, accessed online on 3/3/12

⁴⁹ "A New Era for CouchSurfing" <http://www.couchsurfing.org/news/article/144>, accessed online on 27/7/12

⁵⁰ "Couchsurfing Dilemma: Going for Profit", <http://www.inc.com/magazine/201206/issie-lapowsky/couchsurfing-new-profit-model.html>, accessed online on 28/7/12

⁵¹ Videos were posted here: <http://www.couchsurfing.org/bcorp/>, accessed online on 28/7/12

announcement was made to active volunteers, and a shorter email for regular members. Casey Fenton then organized a world tour to Istanbul, Montreal, London, Paris and Berlin (and, according to an account, 7 other cities, which were not officially announced as a part of his tour)⁵².

Lively debates happening in many forum groups showed diverging views of support, dissent and indifference. These debates can be summed up as trust and distrust towards the ability, benevolence and integrity (as per indicators of organizational trustworthiness of Mayer et al. (1995)) of the restructured organization. Proponents of the change argued that funding would bring improved functionality and accountability as the number of users continues to increase, hence strengthening the ability of the organization – while protests appear to question the benevolence and integrity of the organization. This has to be contextualized against the background of CS in terms of the ideology behind it, and the strong volunteer culture from its early days.

As the main function of the website is to facilitate free hospitality exchange, the anti-capitalist sentiment is strong. Many of the debates can be abstracted to arguments for and against capitalism, and the differing views influence the users' judgment of the integrity and benevolence of the organization. For example, a common complaint is that the original founders of the system have “sold out” CS, leading to commodification of its member base and subjecting the community to future company decisions that will be based on profit-making, instead of goodwill and altruism. An equally common defense is that CS needs resources to continue growing, and founders of the company should be compensated for their work.

Community backlash

The corporatization provoked strong reactions from members and volunteers of who contributed donations, time and energy to build the system. As mentioned in the earlier section, many volunteers had worked to contribute in terms of building the infrastructure, translation, communication, conflict resolution and other areas. Another layer of volunteering is by “ambassadors” of

⁵² “Couchsurfing Dilemma: Going for Profit”, <http://www.inc.com/magazine/201206/issue-lapowsky/couchsurfing-new-profit-model.html>, accessed online on 28/7/12

various types (city, country, global, nomadic, family etc.) who keep the community vibrant by organizing events and welcoming new members; and of course, hosts who provide free hospitality that range from accommodation, food, city tours etc. As exemplified by a strong expression from a user who referred to the incident as “a hippie-like scam”⁵³, many felt that their contributions were now aiding the profit-making of a corporation, which CS was originally not. This came after scrutiny over CS’s financial reports by some users who expressed concern about expenditure and governance within the organization, even before it changed its legal structure⁵⁴.

In response to CS’s transition to being a for-profit corporation, there was a wave of protests, most notably from a forum group that called itself “We are against CS becoming a for-profit corporation”⁵⁵. By July 2012 (the time of writing), it had about 3500 members, and was a hotbed for smaller movements and crowdsourcing such as spreading information regarding the conversion⁵⁶, promoting a profile picture generator⁵⁷ (which puts a red banner across the user's profile picture, with text such as "Sold", "Not for sale", "Property of CorpSurfing" etc., see Figure 6.1), hosting strikes or migration to other networks⁵⁸, etc. Other hospitality exchange networks (such as BeWelcome and Hospitality Club) were touted as alternatives. Some users have even started to organize the building of an application to ease migration, though it is recognized that this would be a difficult endeavour and might be illegal⁵⁹.

⁵³http://www.couchsurfing.org/group_read.html?gid=45507&post=10071392, post removed as of 17/8/12

⁵⁴“ 2010 independent audit of CS finances”,
http://www.couchsurfing.org/group_read.html?gid=7621&post=9830240, accessed online on 17/8/12

⁵⁵ “We are against CS becoming a for-profit corporation” CS Group -
<http://www.couchsurfing.org/group.html?gid=45507>, accessed on 17/8/12

⁵⁶“ CS dissidents
FAQ”http://www.couchsurfing.org/group_read.html?gid=45507&post=10039182, accessed on 17/8/12

⁵⁷<http://www.3rdw.net/cs/pimpup/>, accessed on 3/3/12

⁵⁸ “Hosting strike!!!!”
http://www.couchsurfing.org/group_read.html?gid=45507&post=10004025, accessed on 17/8/12

⁵⁹ “automate migration of profile to another network”
http://www.couchsurfing.org/group_read.html?gid=45507&post=9997069, accessed on 17/8/12



Figure 6.1 Modified avatar in protest against CouchSurfing's conversion

Apart from news announcements on the website, most of the firefighting efforts seemed to be spearheaded by Casey Fenton, who dedicated posts on his blog to explain the organization's evolution from its beginning⁶⁰, justify the choice of structure⁶¹, and acknowledge the positive and critical responses from the community⁶². Among other efforts by Fenton was to engage the community include arranging Skype calls with some users⁶³ and organizing a tour to Montreal, Istanbul, London, Paris and Berlin to meet local Couchsurfers face-to-face⁶⁴. On the ground, it appears that reactions were varied and depends on the locality. According to Fenton, the reactions from members in Montreal, Istanbul and London were quite positive, whereas in Paris, "it crossed people's ideologies big time". In Berlin, reactions were strongly mixed and consisted of opinions of both extremes. Amidst these developments, I observe that majority of the users react towards the news with indifference, as long as CS continues to provide its services for free. Online, outside of a handful of political-minded forum groups on CS, discussions on location-based groups tend to be short-lived and quickly drowned out by other threads requesting travel tips, organizing events, etc.

Couchsurfing Conversion Issues

⁶⁰ "Always evolving" <http://blog.couchsurfing.org/casey/2011/08/couchsurfing-always-evolving/>, accessed on 3/3/12

⁶¹ "Choosing the right structure" <http://blog.couchsurfing.org/casey/2011/09/choosing-the-right-structure/> accessed on 3/3/12

⁶² "Thanks for all your feedback" <http://blog.couchsurfing.org/casey/2011/09/thanks-for-all-of-your-feedback/> accessed on 3/3/12

⁶³ "Casey wants to talk to me" http://www.couchsurfing.org/group_read.html?gid=45507&post=9967977, accessed on 3/3/12
http://www.couchsurfing.org/group_read.html?gid=45507&post=9979542#post10013207

⁶⁴ "CS Conference Dates" <http://blog.couchsurfing.org/casey/2011/09/cs-conference-dates/>, accessed on 3/3/12

Exhibit 6.2 is a passage that summarizes the conversion issues of CouchSurfing, from a non-profit to a profit-making corporation, as seen by a group of community members. This passage has been translated into 3 different languages (French, Spanish and Italian) on its wiki page, which has been accessed more than 1,400 times at the time of writing. It has also been posted in many of the forum groups. As the article is written clearly and concisely, there is no point in reinventing the wheel; therefore I have included the article ad verbatim. From a main contributor of the article, I obtained the references to the claims, and verified them. Some elaborations on the statements were given via further communication, and are listed below the article, together with the references.

CouchSurfing "conversion" issues

"The issues with the "conversion" of CouchSurfing to a for-profit corporation are many and complex. Many members keep asking what the problem is, often accompanied by the remark "But for me, nothing has changed".

Here is an attempt to explain in a simplified and hopefully easily understandable way what to the best of my knowledge happened, with a summary of the issues at the end:

CouchSurfing was founded as a non-profit organization in the U.S. state of New Hampshire in 2003.

Under repeated assurances by CS management that CS would always remain non-profit, volunteers, dedicated members and donors helped build and rebuild CS after Casey Fenton accidentally deleted the database in 2006 [1], gave up and walked away.

In 2010, CS was notified by the U.S. tax authorities (IRS) that it would be denied the 501c3 charity status for which it had applied because the way in which CS operated was viewed as social rather than charitable in nature (and for a number of other reasons).

At that stage, CS had to change its status. It could have chosen another non-profit type, such as 501c7 for the social and recreational organization which the IRS said it was, or go for-profit. Although CS had always pledged to remain non-profit, it decided to break that pledge and go for-profit. [2]

To prepare this "conversion", the chairman of CouchSurfing, Dan Hoffer, had already been working as an "Entrepreneur In Residence" at the venture capital firm Benchmark Capital months before the IRS denial was officially notified. [3]

The bylaws of CS and the law stipulate that upon dissolution the assets of the non-profit organization had to be distributed to a charity or to the government.

CouchSurfing petitioned a New Hampshire court for authorization to buy the assets itself, telling the court that nobody else could receive the assets and that there were no interested parties to be notified of the plan to sell CouchSurfing [4]. At the same time CouchSurfing volunteers were told only that changes were coming, but not that CouchSurfing would be sold [5]. Members and donors were told nothing. This lack of information deprived these stakeholders of their legal right to oppose the petition.

Based on a valuation commissioned and paid for by CouchSurfing, the non-profit assets were valued at only about \$600,000, less than 1/3 of annual revenue [6].

The founders of CouchSurfing set up a new company under the name "Better World Through Travel, Inc." (BWTT) [7] in Delaware (a famous tax haven [8]) which bought the CouchSurfing assets for a fraction of the actual value.

The proceeds of the sale went to a New Hampshire grant fund rather than to the CouchSurfing community which had created the assets in large parts.

The majority shareholders of BWTT, Casey Fenton and Dan Hoffer, issued shares to themselves and sold a minority share of the supposed \$600,000 assets for \$7,600,000 to two capital venture firms, Benchmark Capital and Omidyar Network. This puts the value of Casey Fenton's and Dan Hoffer's share at more than \$7,600,000, most likely at more than \$15 million [9].

Initially they announced that CouchSurfing had been converted to a Benefit Corporation, which was then corrected to "B-Corporation". The right to carry the "B-Corp" label was obtained by submitting false information about the dissolved non-profit organization to B-Lab, the organization which hands out the label for a fee, and by using that label for the just created profit corporation under the false name "CouchSurfing International" (the real name being "Better World Through Travel, Inc.") [10].

CouchSurfing has been misrepresenting the nature of the business as "half-way between a non-profit and a for-profit" when in fact the legal form is a conventional for-profit C-Corporation (like Coca Cola or Microsoft) [11]. The future of CouchSurfing is now uncertain because it will have to go public in the not too distant future [12] in order to repay the venture capital with a profit and to allow employees to exercise their stock options. Nobody knows who will then be the new shareholders and what their plans for CouchSurfing will be.

So, in summary, there are serious issues with the dishonest way in which CS, against repeated assurances that this could and would never happen, has been secretly privatized for the personal enrichment of a few when other alternatives existed, with how this has been justified, with the impact this has on the CouchSurfing community which in large part built what is now being taken away

from it, and with how the nature of the new owner of the website and of our data has been misrepresented as a kind of non-profit when legally it is nothing but a conventional profit corporation illegitimately parading a B-Lab label.

The moral issues with the above should be obvious. The legal issues are currently being investigated [13]. The first consequence of this investigation is expected to be the withdrawal of the B-Corp certification. Other consequences could include the criminal prosecution of key actors in the above "conversion", its reversal, or the withdrawal of the investors.

Notes added by researcher:

[1] It is not apparent if Casey Fenton actually deleted the database, as there are differing accounts – in the letter by Fenton he mentioned that it was the fault of the hired database administrators; whereas it was speculated somewhere else that Fenton had deleted the database⁶⁵.

[2] This was addressed as a “myth” in a newsletter to CouchSurfing members. According to the newsletter, “After our final rejection for 501c3 at the federal level, the government of the state that we were registered in would no longer allow us to operate as a non-profit. Our status up until our conversion was an unusually drawn out part of the normal process that US non-profits go through while registering at the federal level, not an accepted permanent state for an organization.”⁶⁶ To this, my correspondent replied, “That statement by CS is the myth, and lie: CouchSurfing could perfectly have continued as a different non-profit type, without tax exemption, such as 501c7. Nobody forced CouchSurfing to sell community assets to a non-profit corporation”.

[3] It is verified through multiple sources (from the official site of Benchmark Capital or Dan Hoffer’s LinkedIn profile, etc.) that Dan Hoffer was a former Entrepreneur In Residence at Benchmark Capital. However, the statement that Dan Hoffer had done that in preparation for the conversion remains an assertion.

[4] It was stated in the Order on Notice by the state of New Hampshire that CouchSurfing International sought a cy pres petition to allow the assets of the non-profit to be transferred to a for-profit organization, and named no interested parties. The court ordered a notice to be published in a newspaper in the state for 3 weeks, of the plans to transfer the assets of CouchSurfing International to a for-profit corporation of the same name, in order to allow interested parties to be notified and heard⁶⁷.

[5] A team newsletter for volunteers, not published to the regular members,

⁶⁵ CouchSurfing didn’t crash - <http://www.opencouchsurfing.org/2007/08/01/couchsurfing-didnt-crash/> accessed online on 5/3/12

⁶⁶ “Myths and Facts: CouchSurfing’s conversion to a B Corp” <http://www.couchsurfing.org/news/article/149>, accessed online on 5/3/12

⁶⁷ http://sites.google.com/site/cskbase/npo-privatization/CouchSurfingNHprivatizationpetition_orderonnotice.pdf?attredirects=0 accessed on 9/3/12

*announced that CouchSurfing had failed to obtain the 501c3 charity status. Quoted from the newsletter, Casey Fenton stated that: "Unfortunately, I can't give you more details right now. We are still in the middle of the legal process necessary to create a new structure for the CouchSurfing organization. What I can tell you right now are the commitments we're making. First, our community's Vision will always be our organization's first priority. Second, surfing and hosting will continue to be free. Third, we will always be focused on serving our members."*⁶⁸

[6] More information can be found in the CouchSurfing Knowledge Base, NPO Privatization section and CouchSurfing's financial statements with independent auditors' report (2010)⁶⁹

[7] A PDF file was sent to me, of a screen capture of a Business Entity Detail from the official website of the California Secretary of State. The data had the entity name "BETTER WORLD THROUGH TRAVEL, INC", entity number "C3387376", agent for Service of Process was "Daniel Hoffer". The screen capture was dated 8/11/11. However, when I entered the entity number C3387376 into the official site to check the name on 5/3/12, the entity name was "COUCHSURFING INTERNATIONAL, INC" instead. The veracity of the existence of Better World Through Travel, Inc is undisputed because it was announced by Casey Fenton during his tour in Paris, and is confirmed by several reports by attendees of the conference⁷⁰. Apparently the name of the Company was changed to CouchSurfing International Inc. later.

[8] Source: *The Guardian* (1 November 2009) - "Obama faces criticism as US state tops secrecy table - Delaware named as world's most secret financial location"⁷¹

[9] Through private communication: "This statement is based on the communication by CS that the \$7.6 million by the Venture Capital firms represented a minor part of the shares, which leaves the majority to Fenton and Hoffer, as Fenton confirmed in Paris in October 2011. If the "minor" share, which CS refuses to disclose in more detail, is 25%, then the total value of the company is \$30 million, and a majority share more than \$15 million."

[10] About CouchSurfing International's profile in the B Labs website⁷², through private communication: "They may have changed the name of the company to

⁶⁸ "probable switch to for-profit CS: Team newsletter"

http://www.couchsurfing.org/group_read.html?gid=7621&post=8603025 accessed online on 9/3/12

⁶⁹ CS Knowledge Base, <http://sites.google.com/site/cskbase/npo-privatization>, and <http://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWFpbXNlGd40jQ40ThmYWNmZTc1NzkzNTU&pli=1>, accessed online on

⁷⁰ Private communication with contributor of the article, confirmed by the following two reports, both accessed on 5/3/12 - "Review: Paris CS conference with Casey, Oct. 8-9" -

http://www.couchsurfing.org/group_read.html?gid=45507&post=10397927

"Review: CS Conference and Meeting with Casey in Paris, Oct 8-10 2011"

http://www.couchsurfing.org/group_read.html?gid=45507&post=10405221

⁷¹ "Obama faces criticism as US state tops secrecy table"

<http://www.guardian.co.uk/business/2009/nov/01/delaware-first-choice-tax-haven>, accessed online on 5/3/12

'CouchSurfing International' after dissolving the non-profit organization of the same name. But the statement holds true for what happened at the time of the privatization of the assets. The data shown at the above link has been there since August 2011. They only changed the year of evaluation from "2010" to "2011" recently, without updating the data."

[11] This I had clarified with Casey Fenton during his conference in Berlin – a B-Corp was a certification by B-Labs and not a legal status like Benefit Corporation, and the organization was indeed a normal C Corporation. It is conceivable that some people may be misled by the announcement that Couchsurfing was now a "B (Benefit) Corporation".

[12] This was mentioned by Dan Hoffer in an interview with El Pais⁷³, and also mentioned by Casey Fenton in the Paris conference.

[13] Through private communication: "Several people are looking into ways of challenging the secret privatization of the non-profit assets. Details cannot be disclosed at the moment."

Exhibit 6-2 CouchSurfing "conversion" issues –from Couchwiki.org⁷⁴ with notes

Beyond The Conversion

Beyond the conversion, the website underwent a revamp, and rapidly went through a series of changes, both in terms of form and function. For instance, the layout of the frontpage changed significantly, displaying a promotional video and a sign up form. Events and activities, as well as forum groups, which were previously hidden in the menu bar, were now prominently displayed on the dashboard, presumably to encourage community activities. A new feature enabled travellers to display their itineraries, so that hosts could invite nearby or future travellers to their homes (like a reversed couch request). One could now opt to link her CouchSurfing account with her Facebook account. In other changes, the forum pages that were once closed to registered members only were opened up to search engines, and users were allowed to delete their past messages before the change took effect. Data that were formerly publicly available, such as the member statistics and financial information, were

⁷²CouchSurfing International B-Corp Profile Page

<http://www.bcorporation.net/index.cfm/fuseaction/company.report/ID/5e086197-f44e-4448-9519-5e35d5bde1e2> accessed online on 6/3/12

⁷³ "El jefe de CouchSurfing asegura que su objetivo es salir a Bolsa" -

http://elpais.com/diario/2011/09/13/radiotv/1315864802_850215.html accessed online on 9/3/12

⁷⁴http://couchwiki.org/en/CouchSurfing_conversion_issues accessed online on 1/3/12

removed. Mid-2012, the organization rolled out a mobile application for smart phones.

At the same time, the organizational aspect of CouchSurfing also changed significantly. In April 2012, CouchSurfing International hired a new CEO, Tony Espinoza⁷⁵. In May 2012, a letter written by Dan Hoffer was circulated in the forums, notifying the community of changes to the Community Builders program:

“Over the years, the teams of Community Builders (formerly called "volunteers") that work with us have become bloated. Hundreds of people applied - many for the prestige associated with volunteering for us - and then may have become too busy to contribute substantial hours on an ongoing basis. As a result, we have a large and fragmented base spread across 7 teams that we are now going to clean up and optimize by eliminating 4 of the 7 teams over the next couple months, and shrinking the number of Community Builders in the remaining teams down to fewer than twenty.⁷⁶

The teams that would be closed were Locations Team, Groups Management Team, Event Message Approval Team, and the Verifications Team. The Translations Team, Contact Us Questions (CUQ) Team and Bug Submission Team would be significantly shrunk. It was later explained in the CouchSurfing blog that the website was being revamped to “evolve to a point where as much as possible of that work is done through technology, rather than by members and teams”, and that smaller teams would be more conducive to communication and relationship-building. The CouchSurfing Team expressed that they were “incredibly grateful” to Community Builders of the past⁷⁷.

Towards the end of June 2012, Casey Fenton wrote a letter to the community explaining that he, together with Daniel Hoffer, would cease to operate the company, leaving the leadership to the new CEO Tony Espinoza, who was installed a few months before (in April 2012).

“[...] from here on out Dan and I are stepping back from the day-to-day tasks involved in operating the company. We'll still be very much

⁷⁵ “Announcing our new CEO” <http://www.couchsurfing.org/news/article/209>

⁷⁶ “upcoming changes ...?” http://www.couchsurfing.org/group_read.html?gid=2125&post=12023706#post12071820, accessed on 29/7/12

⁷⁷ “Changes within the Community Builders Program” <http://blog.couchsurfing.org/changes-within-the-community-builders-program>, accessed on 30/7/12

involved, on a strategic level, in our roles as members of the Board of Directors. But it's time for us to get some new ideas out into the world. For many years, we've put in countless hours of overtime building CouchSurfing. Now that it's launched, we're both looking forward to being creative once again. There are many ways to change the world, and we each have more projects that we'd like to see come to life."⁷⁸

It was mentioned by Fenton that one of his projects would be CERI, the CouchSurfing Cultural Exchange Research Institute that would focus on research on "the nature of trust, generosity, and friendship" that help in spreading "intercultural understanding and appreciation of diversity".

Questions, and Answers

Through writing this historical account of CouchSurfing, it appears that there have been multiple trust violations over the years, with regards to mistreatment of the volunteers within the community, problems of governance, member safety and other issues. Therefore some questions arise: Why do some people feel deep distrust towards the organization, and some not? Why, after a number of trust violations, did the number of members continue to rise, and why was there still a constant stream of volunteers (be it hosts, Ambassadors or Community Builders)? How does the internal politics of CouchSurfing affect regular CouchSurfing activities of the members? Ultimately, how has the development of the organization shaped the trust-building processes, and why do parts of the community disagree quite drastically on issues of trust?

The conversion of CouchSurfing from a non-profit to a for-profit corporation is an interesting case, and provoked many discussions online. The analysis of these discussions brings forth some answers to the questions. To contextualize the question of trust, we first need to understand that there are a number of dimensions to look at. There is the general community (i.e. Couchsurfers), the organization that runs the website (CouchSurfing International, Inc), and the website itself that serves as the platform that facilitates the interactions of Couchsurfers (CouchSurfing.org). Hospitality exchange based on goodwill relies on all of these dimensions to provide the users with tools to make trusting decisions. The website provides technological

⁷⁸ "A letter from Casey", <https://www.couchsurfing.org/news/article/219>, accessed on 28/6/12

affordances and constraints that support the social structure (formed based on norms and values of the community). The organizational policies direct the website in matters of importance such as the expansion of member base, data privacy, site features etc. All of these form the context of trust that Couchsurfing is situated in.

Why did some users lose trust in the organization after the conversion?

By leaving its non-profit roots, the CouchSurfing website and its member base are now tools for generating profit, albeit in a socially responsible manner (as promised by the organization). By the commodification of free hospitality, there is a dissonance in ideology, between a community-driven gift economy and a capitalistic philosophy that focuses on growth and profit. This dissonance is precisely the cause of the “revolt” by concerned members of the community. For these members, approved values, attitudes and behaviour within the subculture are undermined by the organization, which plays a major role in shaping the platform that supports the community. The current and projected exponential growth of the member base is bringing Couchsurfing to the masses, to people who do not necessarily possess the cosmopolitan disposition, valuing cultural exchange and goodwill above free accommodation. On top of that, there was also a sense of injustice over the manner of which the volunteer contributions were glossed over or played down.⁷⁹

If we view the organization as an actor (as per Actor Network Theory), the current situation appears to point to the depletion of this actor’s subcultural capital. From being a volunteer-powered initiative with volunteers from all over the world, it is now a for-profit corporation in America bound by local regulations, with links to the highly profitable SNS, Facebook. Some community members have pointed out that some employees do not even have a profile on CS, suggesting that they are not familiar with the norms and ideals of the CouchSurfing community. As mentioned before, the integrity and benevolence of the organization are questioned because of the capitalistic fundamentals of a

⁷⁹In a half hour presentation about CouchSurfing history in Casey Fenton’s post-conversion world tour (in Berlin, which I attended), the database crash of 2006 and the following volunteer efforts were ostensibly omitted. The history narrated mainly focused on Fenton’s revelation in Egypt and Iceland leading to the founding of the system, and described the CouchSurfing collectives over the years.

corporation, while the original mission of CS is about making the world a better place. The act of commercializing the “project”, of which many volunteers contributed to, was perceived as the ultimate act of freeloading –and freeloading is one of the biggest taboos within the CouchSurfing community, directly contradicting its metanarrative of reflexive cosmopolitanism.

“I don't know how many people like me there are, but if there are many, then CS has serious problems ahead.

I purely host. I have a nice place in a seasonal resort where hosts are sparse and there aren't a ton of surfers. When I travel I would not consider surfing, since I don't travel alone and have the means to (and prefer to) have the flexibility, privacy and comforts of a hotel.

I am very disappointed and angry about CS going to for-profit. Why should someone be making money off of me, when I could easily make it myself? It's not apples and apples, but I could easily rent my whole place out all summer at \$1500 a week as many of my neighbors do.

I joined and hosted because I love travel and interesting people. I really thought that CS was a special place that lived above commercialism. Now I feel like that is gone and will probably pull the plug after I return from Europe in a few weeks. It's a shame. I have made deep friendships with some of my surfers. I always made sure that everyone is welcomed warmly, fed well and offered what they need.

The new CS main page won't even let people get any information on CS without signing up! What does this say about CS and its priorities? For me it seems it's all about numbers now. I am not a number. I am a good Host, the single most important element in the CS equation.

And I am leaving.”⁸⁰

The sentiments above of a disenfranchised host encapsulate the main trust issues: he felt that his free hospitality was being taken advantage of by the organization, and that CouchSurfing had lost credibility as “a special place that lived above commercialism”. The new CouchSurfing website design only gave information to people who were already signed up, and the lack of openness irked him. It is important to also point out here, that CouchSurfing International violated the trust of the community by breaking its pledge to always remain non-

⁸⁰Regardless to the capitalist drama, the hard facts: CS don't work anymore”
http://www.couchsurfing.org/group_read.html?gid=7621&post=10005068#post10012171
accessed on 31/7/12

profit, and that management sold the assets to itself under the questionable circumstances described in the “conversion issues” wiki document. After the conversion, many documents available from before, like financial information or statistics regarding the users were taken down. While the organization grappled with its impression management, notably through Casey Fenton’s PR efforts online and offline, many of the users were already disillusioned, making the leap of faith very difficult.

Why do majority of the users still support CouchSurfing?

Having made a point about users losing their trust in the system, another question arises: why do people still use, and support, CouchSurfing? It is observed that a large number of users of Couchsurfing are ambivalent about the transition. Post-conversion, I spoke to many CouchSurfers, and found that a large majority either did not know, or did not care about the conversion. Although the conversion of legal status alarmed some segments of the CouchSurfing community, most others are simply not aware or interested in political issues pertaining to the CouchSurfing community. Only a small minority of users keep tabs on these issues, and have been doing so since earlier controversies during the volunteer-driven era. These discussions are focused mainly in only a few politically charged forums. Not many regular members frequent forums other than the location-based forums (e.g. the Singapore group) where travel tips are solicited, if they visit the forums at all. These members are detached from the happenings, and receive their news through newsletters sent out by the organization.

Impression management at a company-level tries to persuade its stakeholders that core values remain unchanged. The communication by the organization, carefully strategized by PR consultants, is mostly quite useful in convincing the general CouchSurfing population that the conversion is the best path forward. Many users also view the organization and the community as one. This is understandable, as community efforts formed a large part of the building of CouchSurfing.org; the trust towards the community transferred to the organization. Cognitive dissonance also makes it difficult for people to accept that the organization behind the CouchSurfing Project (that is perceived to serve

higher purposes of connecting people, without commercial transactions) had sold out the project – hence it is easier for them to believe that it was done with benevolent intentions. While some members get completely disillusioned when they go into the details of the controversies of the past, others simply refuse to accept it and continue to trust in the organization.

From another angle, users have differing interpretations of what CouchSurfing is. To some it is a community, created by the community for the community. To others it is a service, and there is nothing wrong to monetize a service. A debate on one of the forum groups illustrates this beautifully⁸¹. The different views are often based on one's experience and engagement within the system – experienced users tend to view CouchSurfing as a community, and new users as a service (Lauterbach et al., 2008). CouchSurfing has undergone exponential growth within the past few years, therefore there are more new users than experienced ones.

Levels of uncertainty and vulnerability are differently experienced, based on different views of what CouchSurfing is. Community members perceive that their contributions are engulfed by the newly-formed corporation, and they are wary about future directions. From the service users' perspective, although there is uncertainty that the organization might turn back on its promise of keeping the service free, the leap of faith is much easier, as it can be deduced that other means of monetization is more probable than antagonizing the users. Considering that running CouchSurfing as a business is likely to improve the service of the website and accountability of the organization, it is not surprising that the trustworthiness of CS increased for some users. Also, the debates have to be situated within larger philosophical debates about the pros and cons of capitalism. For each member who is engaged in passionate debate, there are many others who simply do not care.

What about those who do know *and* care about the issue? Although there are hosts who have migrated to other platforms, it turns out that many others continue using the platform, for practical reasons. It is difficult to extricate oneself from the website, assuming that one is still interested in engaging in

⁸¹ "What's the difference?"

http://www.couchsurfing.org/group_read.html?gid=45507&post=10131127 accessed on 31/7/12

CouchSurfing activities. This holds true especially for active members of the community, who are locked into the website after years of accumulating friend links, references, etc. This is apparent through this quote from a discussion on building an application to automate migration from CouchSurfing to other hospex sites:

“[...] When it comes to SURF a couch (and here I'm pretending to ignore the dating side of CS), and consequently -and more important yet- when it comes to accept a request, most of us don't care so much about the great members of this awesome brotherhood as we care about our future host or guest references. Who's he? What's his CS story? Who's backing him up? At least that's what my experience (and my CS contacts) has taught to me: that, better than the profile description -so totally subjective, so "fakeable"- we read the references, we scan for any negative, we check for friends... Mostly any active member in this community (and I assume you guys posting here are, same as me, quite active) would feel an irreparable loss if, when migrating, we can't retrieve our references. We've worked hard to build a reputation, a nice record, and we'll think it twice before migrating to a new site if we can't drag that record along with us. A new profile we can build in a couple of hours, perhaps a couple of days. But the references and links? No way! [...]”⁸²

And, at the end of the day, for members who do not agree with the direction that CouchSurfing is going, it is still recognized that the CouchSurfing website continues to provide a valuable service to its members. It is the largest hospitality exchange network in the world, with no viable competition as of yet in terms of the size of member base, activity level or pervasiveness. As explained by one user on the forums,

“As much as I have no interest in helping other people get rich without being compensated, creating an event or hosting a traveler is simply using a tool to selfishly enrich my life and my social interactions. Regardless of how ethical or unethical the behaviour of CS management has been (and though I hate the thought, I don't see many ways left to look at what happened as other than deceit, fraud, and theft), the site itself has and so far continues to enable such enrichment. To that extent, I have no objection to using its features for my purposes.

⁸² “automate migration of profile to another network”, http://www.couchsurfing.org/group_read.html?gid=45507&post=9997069#post10118411 accessed on 29/7/12

I'm no longer putting any effort into improving the site or promoting CS as a fairly selfless organization, but clearly, there's still value here for the members. If there isn't, why are any of us still here?"⁸³

How do the trust violations of CouchSurfing affect user-to-user trust within the CouchSurfing community?

Even when talking to disillusioned members of CouchSurfing, most still trust other members of the community, seeing them as independent from the organization's actions. Although that is the case, some of the proponents against the conversion argue that the change of ideology and the organization's aggressive marketing to get more members will attract the "Facebook crowd", i.e. people who do not understand the cultural exchange aspect of CS, but are interested instead in budget travel and free accommodation. The change of the CouchSurfing tagline, from "Participate in creating a better world, one couch at a time" circa 2008 (as cited in Heesakkers, 2008) to the current "CouchSurfing – The World's Largest Travel Community" seems to indicate the watering down of the strong metanarrative of meaningful cultural exchange of before. Through mainstreaming CS, strong advocates of the so-called CS spirit become marginalized. Some who have already migrated to rival website BeWelcome have even proclaimed that this might be "the best thing that could happen" to the community members, because people who have the "right spirit" are now filtered into another website⁸⁴.

⁸³ "upcoming changes ...?"

http://www.couchsurfing.org/group_read.html?gid=2125&post=12023706#post12071820, accessed on 29/7/12

⁸⁴ "Maybe it is the best thing that could happen?"

http://www.couchsurfing.org/group_read.html?gid=45507&post=10248613, accessed on 31/7/12

