

C A M P A I G N F O R
ACCOUNTABILITY

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by Kathryn Ross
Date:
2018.05.16
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Kathryn Ross

May 7, 2018

Federal Election Commission
Office of Complaints Examination
& Legal Administration
Attn: Kathryn Ross, Paralegal
1050 First Street, N.E.
Washington, D.C. 20463

MUR # 7369
Supplement

2018 MAY 16 PM 12:51

OFFICE OF
GENERAL COUNSEL

Re: MUR 7369/Supplemental Information.

Dear Ms. Ross:

As you requested, we are forwarding for the consideration of the Federal Election Commission ("FEC" or "the Commission") additional information establishing that Mike Crapo for U.S. Senate and the Freedom Fund (hereinafter "the Crapo committees"), 223 C Street, LLC and Vicki Hart, as Governor of 223 C Street, LLC, committed dozens of additional knowing and willful violations of the Federal Election Campaign Act ("FECA") and FEC regulations over an extended period of time covering almost five years.

Shortly after the filing of the complaint in MUR 7369, the Freedom Fund filed a FEC Form 99 with the Reports Analysis Division admitting that the leadership PAC had violated FECA and FEC regulations by "failing to pay for or report the costs of the [223 C Street, N.E.] townhouse rental space." Freedom Fund, Miscellaneous Text, FEC Form 99 (April 25, 2018)(attached as Exhibit A). Incredibly, the Freedom Fund confessed that its improper use of the 223 C Street condo did not begin in 2017, as alleged in the complaint, but three years earlier in 2014 when the Freedom Fund held two separate fundraising events at the 223 C Street condo without paying for its use. The Freedom Fund informed the Commission that Ms. Hart, the Governor of 223 C Street, LLC, had recently informed the committee that the use of the condo should be treated as an in-kind contribution by her, personally, and that the cost of renting the condo was \$100 for each of the three fundraising events held there in 2014 and 2017. *See Exhibit A.* The Freedom Fund did not provide any explanation for why these three contributions should have been treated as coming from Ms. Hart, personally, rather than from 223 C Street, LLC or, more importantly, any rationale for calculating the fair market value for the use of the condo at \$100 per use.

The following day, Mike Crapo for U.S. Senate also made a filing with the Reports Analysis Division confessing that the committee had violated FECA and FEC regulations by failing to pay for or report properly the cost of using the 223 C Street condo an astonishing seventy-eight times beginning in June 2014 and continuing for almost five years ending in February 2018. Letter from Mike Crapo for U.S. Senate to the Federal Election Commission (April 26, 2018)(attached as Exhibit B).

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In an apparent attempt to minimize the extent of its violations of FECA and FEC regulations, Mike Crapo for U.S. Senate claims that “[o]n May 12, 2015, Ms. Hart provided the Committee with a letter indicating that she was making a personal in-kind contribution of \$1,000 to the Committee for the use of the townhouse from January 2015 through June 2015” and that the “Committee disclosed this in-kind contribution on its July 2015 Quarterly Report to the FEC.” *See Exhibit B* at 3. This admission merely demonstrates that Mike Crapo for U.S. Senate knowingly and willfully violated FECA and FEC regulations dozens of times after it was on notice that the use of the condo constituted a contribution that had to be reported to the Commission.

Mike Crapo for U.S. Senate held campaign events at the 223 C Street condo an amazing **thirty-eight times** *after* May 12, 2015, the date upon which Ms. Hart informed the committee that each use of the condo constituted a contribution. Mike Crapo for U.S. Senate never disclosed any of these thirty-eight uses of the 223 C Street condo as an in-kind contribution from Ms. Hart or 223 C Street, LLC and did not pay 223 C Street, LLC for the use of the condo until April 20, 2018 – the day *after* the filing of the complaint in this matter. Moreover, Mike Crapo for U.S. Senate, once it became aware that the use of condo constituted a contribution, also failed to amend its July and October 2014 Quarterly Reports to disclose the fact that the committee had used the 223 C Street condo **sixteen times** for campaign events between June 26, 2014 and September 24, 2014. *See Exhibit B* at 1. The conclusion is inescapable: Mike Crapo for U.S. Senate knowingly and willfully violated FECA and FEC regulations by failing to pay for or properly report the use of the 223 C Street condo **fifty-four times** between June 2014 and February 2018.

Moreover, the April 26, 2018 letter from Mike Crapo for U.S. Senate calls into grave doubt the asserted fair market value of the use of the 223 C Street condo. Both the Freedom Fund and Mike Crapo for U.S. Senate state that Ms. Hart recently informed them that “the cost of the event space is \$100 per use.” *See Exhibit A* at 1, *Exhibit B* at 3. In her alleged May 12, 2015 letter to Mike Crapo for U.S. Senate, however, Ms. Hart claimed that she was “making a personal contribution of \$1,000 to the Committee for the use of the townhouse from January 2015 to June 2015.” *See Exhibit B* at 3. Mike Crapo for U.S. Senate used the 223 C Street condo **twenty-four times** between the beginning of January 2015 and the end of June 2015. Accordingly, Ms. Hart was claiming that the fair market value of the condo in the first six months of 2015 was \$41.66 per use and then increased to \$100 per use on or after July 1, 2015. The Freedom Fund, however, alleges that Ms. Hart claimed the condo had a fair market value of \$100 per use *in 2014* when the leadership PAC held two fundraising events there. *See Exhibit A* at 1. So, if Ms. Hart is to be believed, the fair market value of the condo was \$100 per use in 2014, then declined to \$41.66 per use during the first six months of 2015, and then returned to \$100 per use, the price at which it has remained, since July 1, 2015. The fluctuating fair market value of the use of the 223 C Street condo makes no economic sense.

In actuality, neither the Freedom Fund nor Mike Crapo for U.S. Senate has put forward any rational justification for the asserted \$100 fair market value for each use of the 223 C Street condo. The actual fair market value may be much higher: \$200, \$250, \$300 – perhaps even higher – for each use, depending on the space that was actually used and the length of each event.

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The Freedom Fund and Mike Crapo for U.S. Senate have together admitted using the 223 C Street condo for campaign events eighty-one times between June 17, 2014 and February 28, 2018 and only reported a single \$1,000 in-kind contribution for the use of the condo during this period. The actual value of the use of the condo over this nearly five-year long period – when the 223 C Street condo effectively served as the Washington, D.C. campaign office for Mike Crapo for U.S. Senate – may add up to tens of thousands of dollars in unreported campaign contributions. If so, that would mean that 223 C Street, LLC and/or Ms. Hart made multiple excessive contributions to Mike Crapo for U.S. Senate in violation of 52 U.S.C. § 30116 and 11 C.F.R. § 110.1.

Accordingly, Campaign for Accountability and Daniel Stevens request that the Commission investigate whether respondents have violated FECA and FEC regulations, declare the respondents to have violated FECA and FEC regulations, impose sanctions to these violations and take such further action as may be appropriate, including referring this matter to the Department of Justice for a criminal investigation if the Commission determines that the respondents knowingly and willfully violated FECA and FEC regulations.



ON BEHALF OF COMPLAINANTS

Daniel Stevens
Executive Director
Campaign for Accountability
611 Pennsylvania Avenue, S.E.
Suite 337
Washington, D.C. 20003
(202) 780-5750 (phone)

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Verification

Campaign for Accountability and Daniel Stevens hereby verify that the statements made in the attached supplement to the complaint in MUR 7369 are, upon information and belief, true.

Sworn to pursuant to 18 U.S.C. § 1001.



Daniel Stevens

District of Columbia: SS
SUBSCRIBED AND SWORN to before me this 7th day of May, 2018.



Notary Public

My Commission Expires:

August 14, 2022

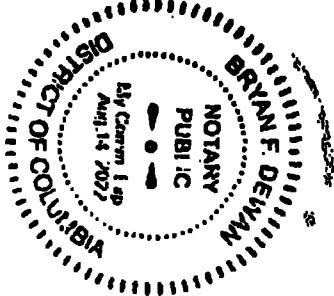


EXHIBIT A

MISCELLANEOUS TEXT (FEC Form 99)

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NAME OF COMMITTEE (In Full)
Freedom Fund**FEC IDENTIFICATION NUMBER**
C00390674**Mailing Address** 701 8th Street, NW
Suite 500**City** Washington **State** DC **ZIP Code** 20001

Over the last month, the Committee conducted an internal review of its use of the townhouse located at 223 C Street NE Washington, DC 20002. The review found the following:

In 2014, the Committee used the townhouse twice for fundraising events.

1.06/17/14	July Quarterly	FR Dinner
2.09/23/14	October Quarterly	FR Reception

In 2017, the Committee used the townhouse once for a fundraising event.

1.07/19/17	October Quarterly	FR Lunch
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The internal review found that the Committee paid for all catering, cleaning, and staff expenses associated with each use of the townhouse. However, the Committee did not pay for or report the costs of the townhouse rental space, which the Committee understood to be in-kind contributions from Ms. Vicki Hart. Ms. Hart recently informed the Committee that the cost of the event space is \$100 per use. On 4/20/2018, the Committee reimbursed 223 C Street, LLC, which is governed by Ms. Hart, \$200 for the two fundraising events held in the space in 2014 and \$100 for the one fundraising event held in the space in 2017.

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EXHIBIT B



RECEIVED
SECRETARY OF THE SENATE
PUBLIC RECORDS
2018 MAY 1 AM 11:36

April 26, 2018

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

ID Number: C00330886

To Whom It May Concern:

Over the last month, the Committee conducted an internal review of its use of the townhouse located at 223 C Street NE Washington, DC 20002. The review found the following:

- In 2014, the Committee used the townhouse once for a kitchen cabinet meeting and 15 times for campaign election review meetings (16 total).

1. 06/26/14	July Quarterly	Idaho election review
2. 07/09/14	October Quarterly	Idaho election review
3. 07/10/14	October Quarterly	Crapo Kitchen Cabinet Lunch
4. 07/15/14	October Quarterly	Idaho election review
5. 07/16/14	October Quarterly	Idaho election review
6. 07/24/14	October Quarterly	Idaho election review
7. 07/29/14	October Quarterly	Idaho election review
8. 07/30/14	October Quarterly	Idaho election review
9. 07/30/14	October Quarterly	Idaho election review
10. 07/31/14	October Quarterly	Idaho election review
11. 09/09/14	October Quarterly	Idaho election review
12. 09/10/14	October Quarterly	Idaho election review
13. 09/17/14	October Quarterly	Idaho election review
14. 09/18/14	October Quarterly	Idaho election review
15. 09/23/14	October Quarterly	Idaho election review
16. 09/24/14	October Quarterly	Idaho election review

- In 2015, the Committee used the townhouse twice for a kitchen cabinet meeting, 22 times for campaign election review meetings and phone calls, and 10 times for fundraising events (34 total).

1. 01/05/15	April Quarterly	Idaho election review
2. 01/20/15	April Quarterly	Idaho election review
3. 01/22/15	April Quarterly	Idaho election review

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4. 01/29/15	April Quarterly	Idaho election review
5. 02/03/15	April Quarterly	Idaho election review
6. 02/05/15	April Quarterly	Idaho election review
7. 02/11/15	April Quarterly	Idaho election review
8. 02/24/15	April Quarterly	Idaho election review
9. 02/25/15	April Quarterly	FR Lunch
10. 02/26/15	April Quarterly	Idaho election review
11. 03/03/15	April Quarterly	Idaho election review
12. 03/10/15	April Quarterly	Idaho election review
13. 03/12/15	April Quarterly	Idaho election review
14. 03/17/15	April Quarterly	Idaho election review
15. 03/24/15	April Quarterly	Idaho election review
16. 04/14/15	July Quarterly	Phone calls
17. 04/15/15	July Quarterly	Phone calls
18. 04/16/15	July Quarterly	Crapo Kitchen Cabinet Lunch
19. 04/23/15	July Quarterly	Phone calls
20. 04/29/15	July Quarterly	Phone calls
21. 05/05/15	July Quarterly	FR Lunch
22. 05/12/15	July Quarterly	FR Dinner
23. 05/13/15	July Quarterly	FR Lunch
24. 05/13/15	July Quarterly	Phone calls
25. 07/09/15	October Quarterly	Crapo Kitchen Cabinet Lunch
26. 07/14/15	October Quarterly	FR Dinner
27. 07/23/15	October Quarterly	FR Lunch
28. 09/16/15	October Quarterly	FR Lunch
29. 09/29/15	October Quarterly	CFS data update meeting
30. 09/29/15	October Quarterly	Meeting
31. 09/30/15	October Quarterly	FR Lunch
32. 10/22/15	Year-End	FR Lunch
33. 11/05/15	Year-End	Meeting
34. 11/18/15	Year-End	FR Lunch

- In 2016, the Committee used the townhouse once for a kitchen cabinet meeting, 4 times for campaign calls and meetings, and 12 fundraising events (17 total).

1. 01/20/16	April Quarterly	FR Lunch
2. 02/10/16	April Quarterly	FR Lunch
3. 02/25/16	April Quarterly	FR Lunch
4. 04/06/16	Pre-Primary	FR Lunch
5. 04/14/16	Pre-Primary	Crapo Kitchen Cabinet
6. 04/28/16	July Quarterly	FR Lunch
7. 05/12/16	July Quarterly	FR Lunch
8. 05/26/16	July Quarterly	FR Lunch
9. 06/09/16	July Quarterly	Campaign update call
10. 06/15/16	July Quarterly	Meeting
11. 06/16/16	July Quarterly	Phone calls
12. 06/29/16	July Quarterly	Meeting
13. 06/30/16	July Quarterly	FR Lunch
14. 07/14/16	October Quarterly	FR Lunch

15. 09/07/16 October Quarterly FR Dinner
16. 09/08/16 October Quarterly FR Lunch
17. 10/05/16 Pre-General FR Dinner

- In 2017, the Committee used the townhouse 9 times for fundraising events (9 total).

1. 03/01/17	April Quarterly	FR Lunch
2. 03/08/17	April Quarterly	FR Dinner
3. 04/26/17	July Quarterly	FR Lunch
4. 05/04/17	July Quarterly	FR Breakfast
5. 05/24/17	July Quarterly	FR Lunch
6. 06/29/17	July Quarterly	FR Lunch
7. 07/11/17	October Quarterly	FR Coffee
8. 09/28/17	October Quarterly	FR Lunch
9. 11/30/17	Year-End	FR Lunch.

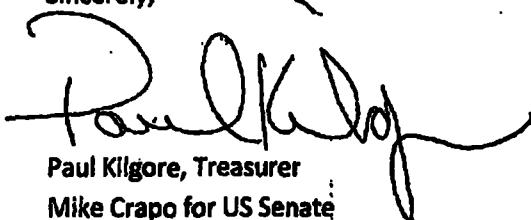
- In 2018, the Committee used the townhouse twice for fundraising events (2 total).

1. 02/08/18	April Quarterly	FR Lunch
2. 02/28/18	April Quarterly	FR Dinner

The Internal review found that the Committee paid for all catering, cleaning, telephone calls, and staff expenses associated with each use of the townhouse. However, the Committee did not pay for or report the costs of each use of the townhouse rental space, which the Committee understood to be in-kind contributions from Ms. Vicki Hart. On May 12, 2015, Ms. Hart provided the Committee with a letter indicating that she was making a personal in-kind contribution of \$1,000 to the Committee for the use of the townhouse from January 2015 to June 2015. The Committee disclosed this in-kind contribution on its July 2015 Quarterly Report to the FEC. Ms. Hart recently informed the Committee that the cost of the event space is \$100 per use. On 4/20/2018, the Committee reimbursed 223 C Street, LLC, which is governed by Ms. Hart, \$6,700 for the 67 campaign-related events held in the space during the 2016 election cycle and \$1,100 for the 11 campaign-related events held in the space during the 2022 election cycle.

Please contact us if you need any additional information.

Sincerely,



Paul Kilgore, Treasurer
Mike Crapo for US Senate