

BEFORE THE FEDERAL ELECTION COMMISSION OF THE UNITED STATES OF
AMERICA

2019 AUG -5 AM 11:10

In the Matter of:

Dan McCready
 McCready for Congress
 Holly Giarraputo, Treasurer

MUR No. 7630

FEDERAL COUNSEL

COMPLAINT

1. Complainant brings this complaint before the Federal Election Commission (“FEC” or “Commission”) seeking an immediate investigation and enforcement action against the candidate for North Carolina’s 9th Congressional District, Mr. Dan McCready, McCready for Congress, and Holly Giarraputo as Treasurer (“Committee”), for direct and serious violations of the Federal Election Campaign Act (“FECA” or “Act”).
2. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information providing reason to believe that:
3. Mr. McCready, McCready for Congress, and Holly Giarraputo have failed to disclose the purpose of disbursements in violation of 52 U.S.C. § 30104 and 11 C.F.R. § 104.3(b)(4)(i)(A).
4. Mr. McCready, McCready for Congress, and Holly Giarraputo have failed to disclose recipients of disbursements in violation of 52 U.S.C. § 30104 and 11 C.F.R. § 104.3(b)(4)(i).
5. Mr. McCready, McCready for Congress, and Holly Giarraputo have failed to provide necessary documentation to demonstrate that campaign contributions are not being converted for personal use in violation of 52 U.S.C. § 30104 and 11 C.F.R. § 113.1(g).

STATEMENT OF THE LAW

6. A political committee is required to file reports of disbursements in accordance with the provisions of 52 U.S.C. § 30104; see also 11 C.F.R. § 104.3(b).
7. A candidate’s authorized committee shall report the full name and address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the election cycle is made by the reporting committee, together with the date, amount, and purpose of each expenditure.¹
8. Candidates are required to maintain records with which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness in accordance with the provisions of 52 U.S.C. §§ 30102(c)-(d), 30104 and 11 C.F.R. § 104.14(b).
9. Personal use is the use of campaign funds to pay for an expense that would exist irrespective of the candidate’s campaign duties pursuant to 52 U.S.C. § 30114 and 11 C.F.R. § 113.1(g).

¹ 11 C.F.R. § 104.3(b)(4)(i); 11 C.F.R. § 104.3(b)(4)(i)(A).

STATEMENT OF FACTS

10. Mr. Dan McCready is a candidate for the U.S. House of Representatives in North Carolina's 9th Congressional District.²

11. McCready for Congress made disbursements to the following vendors for gas cards and ground transportation:³

Date	Recipient	Purpose	Amount
04/04/19	RPG Gift Cards	Gas cards	\$293.50
04/10/19	RPG Gift Cards	Gas cards	\$200.00
04/10/19	RPG Gift Cards	Gas cards	\$200.00
04/11/19	RPG Gift Cards	Gas cards	\$95.85
04/27/19	RPG Gift Cards	Gas cards	\$200.00
04/27/19	RPG Gift Cards	Gas cards	\$200.00
05/13/19	RPG Gift Cards	Gas cards	\$100.00
05/13/19	RPG Gift Cards	Gas cards	\$100.00
05/13/19	RPG Gift Cards	Gas cards	\$200.00
05/13/19	RPG Gift Cards	Gas cards	\$200.00
05/17/19	RPG Gift Cards	Gas cards	\$350.00
05/28/19	RPG Gift Cards	Gas cards	\$100.00
05/28/19	RPG Gift Cards	Gas cards	\$100.00
06/03/19	RPG Gift Cards	Gas cards	\$200.00
06/17/19	RPG Gift Cards	Gas cards	\$200.00
06/17/19	RPG Gift Cards	Gas cards	\$200.00
05/07/19	Shell	Ground transportation	\$100.00
05/07/19	Shell	Ground transportation	\$100.00
05/07/19	Shell	Ground transportation	\$200.00
05/24/19	Shell	Ground transportation	\$280.00
06/03/19	Shell	Ground transportation	\$250.00
06/03/19	Shell	Ground transportation	\$150.00
06/03/19	Shell	Ground transportation	\$200.00
05/06/19	Sunoco	Ground transportation	\$200.00
05/30/19	Sunoco	Ground transportation	\$200.00
06/11/19	Sunoco	Ground transportation	\$400.00
06/11/19	Sunoco	Ground transportation	\$300.00
06/11/19	Sunoco	Ground transportation	\$300.00
06/25/19	Sunoco	Ground transportation	\$150.00
04/09/19	Circle K	Ground transportation	\$540.00
06/08/19	Circle K	Ground transportation	\$200.00
04/14/19	Minuteman 17	Ground transportation	\$540.00

² Federal Election Commission, Candidate Profiles, Daniel McCready (last visited July 24, 2019), <https://www.fec.gov/data/candidate/H8NC09123/?tab=about-candidate>.

³ McCready for Congress, Pre-Special 2019, 196, 197, 199 (filed on June 18, 2019), <https://docquery.fec.gov/pdf/600/201906189150077600/201906189150077600.pdf>; McCready for Congress, July Quarterly 2019, 1034-38, 1042-44, 1049-51 (filed on July 15, 2019), <https://docquery.fec.gov/pdf/294/201907159151308294/201907159151308294.pdf>.

- Between April 4 and June 17, McCready for Congress disbursed \$2,939.35 to “RPG Gift Cards” for “Gas cards.”⁴
- Between May 7 and June 3, McCready for Congress disbursed \$1,280.00 to “Shell” for “Ground transportation.”⁵
- Between May 6 and June 25, McCready for Congress disbursed \$1,550.00 to “Sunoco” for “Ground transportation.”⁶
- Between April 14 and June 8, McCready for Congress disbursed \$740 for “Ground transportation” at “Circle K.”⁷
- On April 14, McCready for Congress disbursed \$540 for “Ground transportation” at “Minuteman 17.”⁸

12. The disbursements made to Shell, Sunoco, Circle K, and Minuteman 17 are described with the purpose of “Ground transportation”; however, the line item totals are consistent with whole dollar amounts customary to the sale of gift cards.

13. SVM Card Services, the company that supplies gift cards for Circle K, advertises that the Circle K Gift Card can be used for “nearly anything.”⁹ Further, expenses to RPG Card Services for “Gas cards” are also not limited to the purchase of gasoline. According to the RPG Card Services website, the company’s gift cards do not expire and can also be used at Shell locations “inside for convenience items” and for auto supplies, food, snacks, carwashes, and other items.¹⁰

14. The Committee does not disclose to whom the gift cards were given, nor does it disclose what items were purchased.

15. Lastly, if any payments to individuals have aggregated in an amount or value in excess of \$200, the Committee has failed to make the required disclosures.

CAUSE OF ACTION

AGAINST RESPONDENTS MR. DAN MCCREADY, MCCREADY FOR CONGRESS, AND HOLLY GIARRAPUTO

Failure to Disclose the Purpose of Disbursements in Violation of 52 U.S.C. § 30104 and 11 C.F.R. § 104.3(b)(4)(i)(A).

16. By utilizing gift cards as a form of payment, Mr. McCready and the Committee are able to make expenditures outside the designated purpose listed on the report. The law requires that candidates and their campaigns are transparent in what disbursements are made; however, gift cards can be used for many purposes, including uses circumventing FEC prohibitions on certain expenditures. There is no safeguard to ensure that these gift cards were not used for

⁴ *Supra* note 3.

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ SVM Cards, Gift Cards, Circle K (last visited July 24, 2019), <https://www.svmcards.com/circlek-gift-cards>ShowDetails.cfm>.

¹⁰ RPG Card Services, Cards Offered, Shell Gift Cards (last visited July 24, 2019), <http://www.rpgcardservices.com/purchase/shell>.

purchases other than gasoline, like tobacco or alcohol. By failing to provide adequate description and documentation of the use of these cards, Mr. McCready and the Committee have failed to meet the minimum threshold of transparency, in violation of 52 U.S.C. § 30104 and 11 C.F.R. § 104.3(b)(4)(i)(A).

Failure to Report Recipients of Disbursements in Violation of 52 U.S.C. § 30104 and 11 C.F.R. § 104.3(b)(4)(i).

17. By failing to disclose who received prepaid gift cards, Mr. McCready and the Committee have failed to properly identify the ultimate payee of disbursements causing reason to believe that Mr. McCready and the Committee are in violation of 52 U.S.C. § 30104 and 11 C.F.R. § 104.3(b)(4)(i).

Use of Campaign Contributions for Personal Use in Violation of 52 U.S.C. § 30114 and 11 C.F.R. § 113.1(g).

18. To the extent that these cards were provided to Mr. McCready or his own staff, they enable Mr. McCready to purchase non-campaign items like food, alcohol, and tobacco. Further, any gasoline purchased should have been used only for campaign functions, and without each itemized transaction, Mr. McCready is able to obscure any financing of his own personal travel expenses. Mr. McCready and the Committee, by utilizing gift cards, have created a means to disguise payments, and have failed to provide necessary documentation to demonstrate that campaign contributions are not being converted for personal use, causing reason to believe that Mr. McCready and the Committee are in violation of 52 U.S.C. § 30104 and 11 C.F.R. § 113.1(g).

PRAYER FOR RELIEF

19. Wherefore, the Commission should find reason to believe that Mr. Dan McCready, McCready for Congress, and Holly Giarraputo have evaded standards of transparency in campaign expenditures, in violation of 52 U.S.C. § 30104 and 11 C.F.R. § 104.3(b)(4)(i)(A), 11 C.F.R. § 104.3(b)(4)(i), and 11 C.F.R. § 113.1(g) and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2). The Commission should determine and impose appropriate sanctions for any and all violations. Further, the Commission should enjoin respondents from any future violations, and impose any necessary and appropriate remedies to ensure respondents future compliance with FECA.

August 2, 2019

Respectfully Submitted,



The Patriots Foundation
Craig Robinson
4020 121st Street, Urbandale, IA 50323

VERIFICATION

20. The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

For Complainant "The Patriots Foundation"



Craig Robinson

Sworn to and subscribed before me this 2nd day of August, 2019.



Amanda Bacon
Notary Public

