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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

2004 OCT 25 P 3:24

Daniel Schneider

Washington, DC 20008

v

MUR No. 5581

Michigan Republican Party,
Greg McNeilly, Executive Director, Michigan Republican Party
Oregon Family Council,
Citizens for a Sound Economy,
Norway Hill Associates, Inc.,
David Carney, Principal, Norway Hill Associates, Inc.,
Choices for America,
Arizona Republican Party,
Ralph Nader,
Nader/Camejo 2004
Niyi Shomade, Treasurer, Nader/Camejo 2004

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OPERATIONS CENTER

COMPLAINT

1 Daniel Schneider hereby brings this complaint before the Federal Election Commission seeking an immediate Commission investigation and enforcement action against respondents. There are two sets of respondents in this complaint: (1) the Michigan Republican Party, Greg McNeilly, Executive Director of the Michigan Republican Party, the Oregon Family Council, Citizens for a Sound Economy, Norway Hill Associates, Inc., David Carney, Principal, Norway Hill Associates, Inc., Choices for America, and the Arizona Republican Party (the "non-Nader respondents"), and (2) Ralph Nader, Nader/Camejo 2004, and Niyi Shomade, Treasurer of Nader/Camejo 2004 (the "Nader respondents"). This complaint requests a Commission investigation and enforcement action against all respondents for direct and serious violations of federal

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campaign finance laws, which have occurred during the 2004 presidential campaign. The essence of this complaint is that in Michigan, Oregon, New Hampshire and Arizona, respondents undertook various activities to obtain enough signatures to place Ralph Nader on the ballot in those states, in the expectation that he would siphon a significant number of votes away from John Kerry, to the benefit of President George W. Bush. As part of their effort to get on the ballot in these four states, the Nader respondents accepted these signatures obtained from the non-Nader respondents and submitted them to the requisite state election boards. Acceptance and submission of these signatures shows that the Nader respondents were not acting independently from the non-Nader respondents in the various efforts to place Nader on the ballot. In addition, in Michigan and Arizona the activities to place Ralph Nader on the presidential ballot were either undertaken by, or under the direction of, the Michigan and Arizona Republican parties.

All these activities constituted either (1) unlawful contributions in excess of the statutory limit or (2) unlawful corporate contributions.

Complainant

- 2 Daniel Schneider is a registered voter living in Washington, D C

Respondents

- 3 The Michigan Republican Party is a political party committee registered with the Commission.

- 4 Greg McNeilly is Executive Director of the Michigan Republican Party

5. The Oregon Family Council ("OFC") is a non-profit corporation organized under § 501(c)(4) of the Internal Revenue Code. According to its web site, the OFC has been providing "information services for Oregon Christians since 1980" and

depends on the state Political Tax Credit to produce the Christian Voter's Guide each election to help elect "Pro-life/Pro-family legislators" See

www.oregonfamilycouncil.org

6 Citizens for a Sound Economy ("CSE") is a non-profit corporation organized under § 501(c)(4) of the Internal Revenue Code. Led by Dick Armey, Jack Kemp and C. Boyden Gray, its self-described mission is to fight "for lower taxes, less government and economic freedom." Citizens for a Sound Economy boasts of its "unrivalled ability to reach opinion leaders and elected officials with innovative policy ideas and cutting-edge strategies for policy reform." See

www.freedomworks.org/know/mission

7. Norway Hill Associates, Inc. is a New Hampshire based corporation, registered at 30 Norway Hill, Hancock, New Hampshire 03449. According to Jayne Millerick, Chairwoman of the New Hampshire Republican State Committee, Norway Hill Associates may have been on the state party's payroll in the past and "has helped out a great deal of Republican candidates." See

www.seacoastonline.com/news/08102004/news/31204.htm

8. David Carney, a political consultant, is the Principal of Norway Hill Associates, Inc. According to Carney, who served under President George H. W. Bush in the White House, Norway Hill Associates is "an issue advocacy group." See

www.mledge.com/2004/stories/081204_1news.shtml

9 Choices for America is a Missouri based non-profit corporation organized under § 501(c)(4) of the Internal Revenue Code

10. The Arizona Republican Party is a political party committee registered with the Commission

11 Nader/Camejo 2004 is the authorized committee of Ralph Nader and Peter Camejo for their election as President and Vice-President of the United States

12 Ralph Nader is a candidate for President of the United States

13 Niyi Shomade is Treasurer of Nader/Camejo 2004

Factual Allegations

COUNTS 1 - 3

14 To place an independent (non-party) candidate for President of the United States on the ballot in Michigan in 2004, a petition containing the signatures of at least 30,000 voters had to be filed by July 15, 2004 See M C L §§ 168 590b, 168 590c

15 Upon information and belief, as early as June 1, 2004, officers, employees and agents of the Michigan Republican Party began gathering petition signatures to place Ralph Nader on the ballot. It has been reported that over 40,000 signatures to place Nader on the ballot in Michigan were collected by people with close ties to the Michigan Republican Party. See *Detroit Free Press*, "Michigan Democrats Continue Protest over Nader Candidacy," September 9, 2004, *The Miami Herald*, David Broder, "Nader Getting Help from Republicans," July 25, 2004. ABC News has reported that "some Republicans are going out of their way to help Mr. Nader," and highlighted the fact that in Michigan, specifically, "some [Republicans] are actively working to help Nader." See Transcript of "ABC News: World News Saturday," July 24, 2004.

16 Activities taken by or under the direction of the Michigan Republican Party to place Nader on the Michigan ballot include the following

- (a) Michigan Republican Party Executive Director Greg McNeilly himself collected at least 1,000 signatures to place Ralph Nader on the Michigan ballot;
- (b) An email dated July 8, 2004 from Greg McNeilly to "Republican Leaders" stated

Your help is needed in the next five days to ensure that Michigan voters are not disenfranchised. While the Michigan Republicans are expending no funds to assist Nader's efforts, we are seeking volunteer help to ensure Nader's ballot access. Right now, today, we need to assist efforts to provide Ralph Nader access to Michigan's ballot. Please contact your local Victory Center to help our Lansing headquarters or click here for a link to obtain a petition from the Nader campaign

- (c) The use of 14 "GOP Victory Centers" (listed in the email above, with contact information) and their staff to distribute and collect Nader petitions, and
- (d) Using Michigan Republican Party staff to collect signatures on Nader petitions.

17 On July 15, 2004, Nick DeLeeuw, a field director for the Michigan Republican Party, filed with the Michigan Board of State Canvassers petition sheets containing 45,040 signatures to place Ralph Nader on the Michigan ballot. Several weeks later, DeLeeuw and three other individuals filed a complaint for mandamus seeking an order from the Michigan Court of Appeals to compel the Board of State Canvassers to find sufficient and certify the petitions seeking to place Nader on the Michigan ballot. The complaint and accompanying brief were prepared under the direction of Eric Doster, General Counsel for the Michigan Republican Party. See

Associated Press, "Republicans Sue to Get Nader on Ballot, Suit Seeks Reversal of State Canvassers Vote," *Detroit Free Press*, August 26, 2004.

18 In its September 3, 2004 opinion granting the requested relief, the Michigan Court of Appeals stated: "There is no dispute that the signatures DeLeeuw filed were *collected by members and officials of the Republican Party* who obtained the petition forms from Mr Nader's web site." (emphasis added). See *Nick DeLeeuw, Josh Tweist, Sean Devette, and Ryan Devette v. State Board of Canvassers and Secretary of State*, No 25701, September 3, 2004, at 1-2

19 Federal law prohibits political action committees from contributing more than \$5,000 to a candidate and his/her authorized committees with respect to any election for federal office 2 U.S.C. § 441a(a)(2)(A)

20 Federal campaign finance law defines "contribution" to include "any gift or anything of value " 2 U.S.C. § 431(8)(A)(i) Commission regulations further define "contribution" as follows

For purposes of 11 CFR 100.7(a)(1), the term *anything of value* includes all in-kind contributions Unless specifically exempted under 11 CFR 100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods and services is a contribution Examples of such goods and services include, but are not limited to... mailing lists

11 CFR 100.7(a)(1)(iii)(A)(emphasis in original).

Commission regulations also state that "[f]or the purposes of 11 CFR 100.7(a)(1)(iii)(A), *usual and normal charge* for goods means the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution . " 11 CFR 100.7(a)(1)(iii)(B)(emphasis in original).

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21. Federal law requires political action committees to report to the Commission, according to a defined schedule, all contributions made to candidates and their authorized committees in a federal election 2 U S C § 434(a)-(b).

22 The Nader campaign accepted and submitted the signatures obtained in the manners described above to get placed on the ballot in Michigan In so doing, the Nader respondents violated federal law by accepting unlawful contributions from a political action committee in excess of the statutory limit 2 U S.C § 441a(a)(1)(A), (2)(A).

23 The efforts undertaken by and at the direction of the Michigan Republican Party on behalf of the Nader campaign constitute in-kind contributions to Nader/Camejo 2004 Upon information and belief, the "usual and normal" charge for those services, had they been expensed and reported, was in excess of \$5,000

24 The Michigan Republican Party never reported to the Commission the contributions it made to Nader/Camejo 2004

25 The Michigan Republican Party, a political action committee, violated federal law, 2 U S C § 441a(a)(2)(A), by making contributions of value in excess of the statutory limit for political action committees with respect to an election for federal office

26. The Michigan Republican Party further violated federal law, 2 U S.C. § 434(a)-(b), by failing to report to the Commission the services it provided as contributions to Nader/Camejo 2004

COUNTS 4-5

27 The OFC and Oregon CSE, both registered non-profit corporations, have undertaken substantial efforts to place Ralph Nader on the presidential ballot in Oregon

by making hundreds of phone calls to their members and "friends" asking them to sign petitions to place Nader on the ballot See The Oregonian, "Nader Getting Support from Unlikely Voters Conservative Groups Hope to Draw Votes from Democratic Candidate Sen. John Kerry," June 25, 2004

28 One of the phone scripts used in the phone drive conducted by the OFC included the following pitch:

We're calling about a great opportunity for you to help President Bush. It's a little unconventional. If Ralph Nader gets on the ballot, he would pull thousands of liberal votes that would otherwise go to Kerry and perhaps cause President Bush to lose the election. Would you like to take this opportunity to help President Bush by coming out Saturday night [to the Nader rally] to make sure Ralph Nader gets on the ballot? The event is Saturday night at Benson High School from 5-7 p m

See American Political Network, "White House 2004 – The Purple States Oregon (7 EVS) With Friends Like These .," *The Hotline*, June 25, 2004

29 The Executive Director of the OFC, Mike White, stated that "I had my volunteers call and encourage them to go to the [Nader] convention, but I don't think that's federal election activity." See ABCNews.com, "Watchdog Group Complains About Nader Aid Watchdog Group Complains About Possible Illegal Help From Conservatives for Ralph Nader," June 29, 2004

30 According to the web site of Oregon CSE, the organization has been making calls to its "friends" to sign petitions to place Ralph Nader on the Oregon ballot, using a phone script that reads:

Hi, my name is Russ Walker, director of Citizens for a Sound Economy here in Oregon, and I wanted to tell you about an opportunity we have to drive a wedge through the Liberal Left's base of support

In this year's presidential race, Ralph Nader could peel away a lot of Kerry support in Oregon, but he has to be on the ballot first. He will make it if at least

1,000 people show up this Saturday at Benson High School at 4:00 p m. and sign the petition to certify his candidacy

Liberals are trying to unite in Oregon and keep Nader off the ballot to help their chances of electing John Kerry We could divide this base of support by showing up at Grant High school on Saturday

Poor Ralph Nader: He just wants to make the ballot here in Oregon Let's give him what he wants and just watch what happens in November!

See www.freedomworks.org/newsroom/press_template.php?press_id=863

31. Oregon CSE is clear about its motives for assisting the Nader ballot efforts. As explained by its web site, "Oregon CSE members are working to get Ralph Nader on the November ballot! While this sounds completely backwards--Ralph Nader opposes nearly every issue CSE fights for--but there's sound logic behind Oregon CSE's actions CSE does not advocate the election or defeat of political candidates, but Oregon CSE members feel that having Nader on the ballot helps illuminate the strong similarities between the uber-liberal Nader and John Kerry "

See www.freedomworks.org/newsroom/press_template.php?press_id=863

32. By its own account, Oregon CSE's efforts on behalf of the Nader campaign are significant; "CSE organized a phone bank to about 1,000 members in the Portland area "

See www.freedomworks.org/newsroom/press_template.php?press_id=868

33. According to public sources, CSE's efforts were facilitated by its use of a list of 170,000 people that the group created as part of a previous signature drive to defeat an Oregon state tax increase See *The Seattle Times*, "Anti-Tax Group Ready to Help Nader Get on Oregon Ballot," July 14, 2004

34. Upon information and belief, the efforts (and expenses) needed to conduct a phone drive designed to reach over 1,000 of people includes the hiring and training of callers, developing a phone script, providing physical space, phones, phone lines and other equipment so the calls may be made, and placing the actual calls. The Nader for President 2004 campaign neither paid nor reimbursed the OFC or Oregon CSE for any of the costs incurred in conducting these phone drives to place Ralph Nader on the Oregon ballot.

35. Under federal campaign finance laws and regulations, the services provided by OFC and Oregon CSE are "of value," and thus constitute a "contribution." 2 U.S.C. § 431(8)(A)(I), 11 C.F.R. 100.7(a)(1)(iii)(A).

36. Federal law prohibits corporations, including non-profit corporations, from making contributions to a candidate and his/her authorized committees with respect to any election for federal office. 2 U.S.C. § 441b(a). Both the OFC and Oregon CSE are corporations within the meaning of 2 U.S.C. § 441b(a).

37. The Nader campaign accepted and submitted the signatures obtained in the manners described above to get placed on the ballot in Oregon. In so doing, the Nader respondents violated federal law, by accepting unlawful corporate contributions. 2 U.S.C. § 441b(a).

38. Because the services provided by the OFC and Oregon CSE to help place Ralph Nader on the ballot in Oregon constitute in-kind contributions to the Nader campaign, respondents OFC and Oregon CSE violated federal law by making corporate contributions to Nader/Camejo 2004. 2 U.S.C. § 441b(a).

COUNTS 6-7

39 Norway Hill Associates, Inc. ("NHA") and Choices for America ("CFA") have undertaken substantial efforts to place Ralph Nader on the presidential ballot in New Hampshire by gathering signatures to place Ralph Nader on the New Hampshire ballot for President, in the expectation that Nader would take votes away from John Kerry to the benefit of President George W Bush

40 According to David Carney, Principal of CFA, in early August 2004 CFA commissioned him to help collect signatures to place Nader on the November ballot See USA Today, August 11, 2004, *Union Leader*, August 10, 2004.

41 On and before August 6, 2004, during an appearance by President George W. Bush that day outside a farm in Stratham, New Hampshire, NHA hired between 10 and 15 people to obtain signatures to place Nader on the ballot According to David Carney, as of August 10, 2004, NHA had hired about 30 people to gather signatures "at malls and fairs and town concerts and all kinds of places " See Union Leader, August 10, 2004 Some of the signature gatherers were hired by Adecco, a temp agency located in Portsmouth, New Hampshire See Seacoastonline, September 11, 2004

42 According to one person hired as part of the NHA/CFA effort to gather signatures for Nader, Emily Sawka, she and others were given a script that read as follows.

Approach: "Excuse me sir/miss, etc I was wondering if you could take a second to help President Bush?"

Follow through. "I am collecting signatures to get Ralph Nader on the ballot."

Persuasion "In 2000 Nader got almost 30,000 votes – without his presence Al Gore would be president today "

According to Ms. Sawka, she would have been paid \$12 an hour for her work, with a \$100 bonus for each 100 signatures collected Ms Sawka also said she was told that if anybody asked who was paying her, she was to say the Nader campaign pays 75 cents per signature See www4.fosters.com/august_2004/08.10.04/news/co_0810b.asp, www.mledger.com/2004/stories/081204_1news.shtml

43 Upon information and belief, NHA paid for the temp workers involved in the signature gathering, and all the other expenses involved in the Nader petition drive, out of its own pocket, and has not been paid by CFA for its consulting services or reimbursed for its expenses According to Carney, "we hope to get paid someday They were under the gun and we said we'd help them out and we haven't gotten to that part of it, yet " See *Union Leader*, August 10, 2004. Neither NHA nor CFA have been hired by the Nader campaign or reimbursed by the Nader campaign for their activities to help place Nader on the New Hampshire ballot

44. The Nader campaign accepted and submitted the signatures obtained in the manners described above to get placed on the ballot in New Hampshire In so doing, the Nader respondents violated federal law by accepting unlawful corporate contributions 2 U S C § 441b(a)

45. Both NHA and CFA are corporations within the meaning of 2 U.S.C. § 441b(a) Because the services provided by NHA and CFA to help place Ralph Nader on the ballot constitute in-kind contributions to the Nader campaign, respondents NHA and CFA violated federal law by making corporate contributions to Nader/Camejo 2004 2 U S C § 441b(a)

COUNTS 8-10

46 The Arizona Republican Party, a political action committee, has engaged in activities to obtain signatures to place Ralph Nader on the Arizona ballot for President

47 Arizona Democrats believe Nader has received "secret help from Republicans." See The Oregonian, "Nader Getting a Push From Unlikely Source," June 25, 2004 There is strong reason to believe these activities to place Nader on the Arizona ballot have been taken directly by staff and other members of the Arizona Republican Party, or have been directed by staff and other members of the Arizona Republican Party, given the large number of registered Republicans who have signed the Nader petitions Forty-six percent of the voters who signed petitions to place Nader on the ballot in Arizona were Republicans, almost double the percentage of Democrats or Independents who signed the Nader petitions See The New York Times, "Odd Allies Mobilized in Nader Quest," July 1, 2004

48 It has also been reported that "state parties of the GOP are out beating the bushes for signatures on Nader's behalf," and specifically "[t]hey seemed, in fact, to have put him over the top in Arizona, but when Democrats challenged a number of petitions, Nader abandoned the state " See Austin American Statesman, "A Shameless Nader's Relying on Republican Life Support," July 21, 2004

49 Further evidence of efforts by the Arizona Republican Party to place Nader on the presidential ballot include reports that Nathan Sproul, a former Executive Director of the Arizona Republican Party, has "been a major source of funding to put Ralph Nader on Arizona's presidential election ballot " The Arizona Democratic Party has also found "mounting evidence" that Sproul is the "primary source of the money" for

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paying for petition circulars to place Nader on the ballot. See *The Arizona Republic*,
“GOP Aids Nader, Dem Says, Accused Official Denies Paying for Signature Drive,”
June 8, 2004

50 There are other instances of individuals closely affiliated with the Arizona
Republican Party undertaking efforts on behalf of Nader to put him on the Arizona ballot
These efforts include the following

(a) Republican consultant Steve Wark formed a political committee to raise
money to help Nader qualify for the Arizona ballot. When asked whether he thought the
committee would help President Bush, Wark replied, “I would hope so. I didn’t do it for
my own health.” See *Tampa Tribune*, “One-Third of Nader’s Donors Support GOP,”
July 15, 2004

(b) A Republican activist working with Wark’s committee asked supporters to
“join me in this gallant effort to give our President the best chance possible of winning.”
See *Tampa Tribune*, “One-Third of Nader’s Donors Support GOP,” July 15, 2004.

(c) When the validity of Nader’s Arizona petitions were challenged, Nader
was represented in the ballot fight by Lisa Hauser, a lawyer for the Arizona Republican
Party. Ms. Hauser was also part of President Bush’s legal team during the 2000 Florida
recount. See *Chicago Sun-Times*, “GOP is Working to Keep Nader Drive Alive. Bush
Backers are Raising Money for Nader and Assisting Nader Petition Drives,” August 12,
2004.

51. Federal law prohibits political action committees from contributing more
than \$5,000 to a candidate and his/her authorized committees with respect to any election
for federal office. 2 U.S.C. § 441a(a)(2)(A)

52. Federal law requires political action committees to report to the Commission, according to a defined schedule, all contributions made to candidates and their authorized committees in a federal election 2 U S C § 434(a)-(b)

53. The efforts undertaken by and at the direction of the Arizona Republican Party on behalf of Nader/Camejo 2004 constitute in-kind contributions to the Nader campaign. Upon information and belief, the "usual and normal" charge for those services, had they been expensed and reported, was in excess of \$5,000.

54. The Arizona Republican Party never reported to the Commission the contributions it made to Nader/Camejo 2004

55. The Arizona Republican Party, a political action committee, violated federal law, 2 U S C § 441a(a)(2)(A), by making contributions of value in excess of the statutory limit for political action committees with respect to an election for federal office

56. The Arizona Republican Party further violated federal law, 2 U.S.C § 434(a)-(b), by failing to report to the Commission the services it provided as contributions to Nader/Camejo 2004

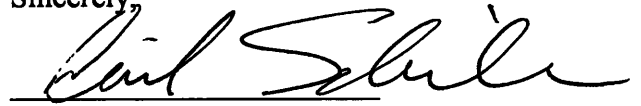
57. The Nader campaign accepted and submitted the signatures obtained in the manners described above to get placed on the ballot in Arizona. In so doing, the Nader respondents violated federal law by accepting unlawful contributions from a political action committee in excess of the statutory limit 2 U S C § 441a(a)(1)(A), (2)(A).

WHEREFORE, complainant requests the Federal Election Commission to conduct an investigation into these allegations, declare that respondents have violated the

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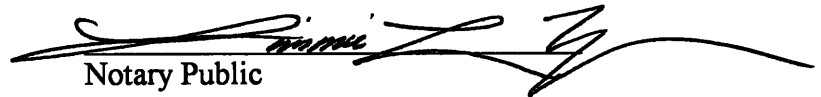
federal campaign finance laws, impose sanctions appropriate to these violations and take such further action as may be appropriate

Sincerely,



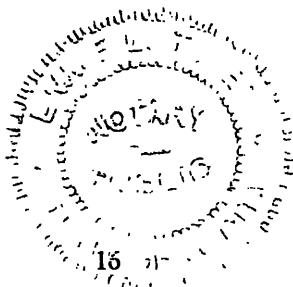
DISTRICT OF COLUMBIA

SUBSCRIBED AND SWORN to before me this 25 day of October, 2004


Notary Public

My Commission Expires:

LIMMIE L. TYLER
Notary Public District of Columbia
~~My Commission Expires 12/14/08~~



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