

COPY

RECEIVED  
FEDERAL ELECTION  
COMMISSION

2010 SEP -2 AM 11:10

BEFORE THE  
FEDERAL ELECTION COMMISSION

OFFICE OF GENERAL  
COUNSEL

Missouri Democratic Party  
PO Box 719  
Jefferson City, MO 65101

Complainant,

v.

MUR # 10368

Roy Blunt  
P.O. Box 50100  
Springfield, MO 65805,

Crossroads GPS  
1401 New York Avenue, NW  
Suite 1200  
Washington, DC 20005,

Respondents.

**COMPLAINT**

Complainant files this complaint under 2 U.S.C. § 437g(a)(1) against Roy Blunt and Crossroads GPS ("Respondents") for multiple violations of the Federal Election Campaign Act ("Act"), as described below.

**A. FACTS**

Roy Blunt is a candidate for the United States Senate in Missouri. Crossroads Grassroots Policy Strategies ("Crossroads GPS") is a corporation that incorporated under the laws of Virginia on June 2, 2010, and that is tax exempt under section 501(c)(4) of the Internal Revenue Code. It is a spin-off group of American Crossroads, a political committee that is registered with the FEC.<sup>1</sup> According to multiple news sources, American Crossroads was founded by Karl Rove, and Rove has been active in raising funds for the organization. *See National Journal*,

---

<sup>1</sup> Following the FEC's recent Advisory Opinions 2010-09 and 2010-11, American Crossroads registered as a political committee with the FEC, indicating they planned to raise funds in unlimited amounts to make independent expenditures in connection with federal elections.

15044330352

4/22/10; *Politico*, 5/20/10; *New York Times*, 5/23/10 (identifying American Crossroads as Rove's "Brainchild"); *Washington Post*, 6/1/10; *Politico*, 7/20/10. Crossroads GPS was established as a spin-off group to permit large donors to contribute to it without having their identities disclosed to the IRS or FEC. *Politico*, 7/20/10. Rove is reported to have held a meeting at his home for American Crossroads and other outside groups that included a legal briefing about the FEC's coordination rules. *National Journal*, 4/22/10.

Blunt and Rove's close relationship is well documented. During former-President Bush's first presidential campaign, Blunt worked closely with Rove, and spoke with then-Governor Bush, Rove, or the campaign's political director at least three times a week. *Roll Call*, 5/6/99. In 2002, the press reported that Blunt and Rove "regularly" had breakfast together, and in 2004, Blunt noted that he and Rove had breakfast "almost every week." *Kansas City Star*, 11/30/02; *CQ Today*, 8/31/04.

Now that Blunt is a candidate for Senate, Rove has been actively supporting his old friend. On June 28, 2010, Rove traveled to Missouri to headline two fundraisers for Blunt, a breakfast in St. Charles and a luncheon in Springfield. *Politico*, 6/24/10; *St. Louis Post-Dispatch*, 6/25/10; *Kansas City Star*, 6/25/10. While in the state, Rove recorded a web-video that was posted to YouTube on June 29. In that video, Rove states:

Hi, it's Karl Rove, former White House aide. I'm out campaigning for Roy Blunt because there's a sharp clear difference between he and his Democrat opponent. Roy will be a strong voice for conservative values, for the values of Missouri, and will fight the Obama agenda when he thinks the president's wrong. His prospective democratic opponent on the other hand, she would go along with everything that the president wants and she shows no independence from him whatsoever and her reluctance to stand up and fight for the things that Missouri believes in. Roy's been a leader in fighting the Obama agenda on healthcare and fighting the Obama stimulus package. He was a leader in making certain Republicans stand up and fight against the cap and trade bill that would've raised taxes and would've taxed energy use by every person in the state of Missouri and all across the country and cost us jobs. It's really vital that we elect this good man to the United States Senate and your contribution and your active support are important. Thank you.

At the end of the video, the video states that it is "Paid for and authorized by Friends of Roy Blunt."<sup>2</sup>

On August 21, 2010, Crossroads GPS began airing an advertisement attacking Blunt's opponent, Robin Carnahan, for supporting healthcare reform.<sup>3</sup>

## B. LEGAL ARGUMENT:

### 1. Legal Background

The Act limits the amount of money that any person may contribute to Federal candidates and political committees. 2 U.S.C. § 441a(a). It is illegal for anybody to contribute, and for any candidate to receive, contributions to candidates in excess of \$2,400 per election. *Id.* The Act also prohibits corporations from making contributions or expenditures in connection with Federal elections. 2 U.S.C. § 441b(a).

Federal campaign finance law treats coordinated expenditures by a non-party, non-candidate sponsor as in-kind contributions to the candidate or political party with whom they were coordinated. *See* 2 U.S.C. § 441a(a)(7)(B)(i)-(ii); 11 C.F.R. § 109.21(b). An ad is a "coordinated communication" if it is paid for by a person other than the candidate and it satisfies a content standard and a conduct standard. The content standard is met if, *inter alia*, a public communication references a Senate candidate and is publicly disseminated in the candidate's jurisdiction 90 days or fewer before the candidate's election. 11 C.F.R. § 109.21(c)(4)(i). The conduct standard is met if the candidate requested or suggested the ad; if the candidate or party was materially involved in decisions about it; if the candidate or party and the sponsor had substantial discussions in which information material to the ad was conveyed; or if a former

<sup>2</sup> The video is available at <http://www.youtube.com/watch?v=tdL-rfCHIU>.

<sup>3</sup> The advertisement is available at [http://www.youtube.com/watch?v=4lr9xEr9zgU&feature=player\\_embedded](http://www.youtube.com/watch?v=4lr9xEr9zgU&feature=player_embedded).

candidate or party employee, consultant, or common vendor used candidate or party information in producing the ad for the sponsor. *See id.* § 109.21(d).

**2. Crossroads GPS May Have Made, and Blunt May Have Accepted, an Illegal In-Kind Contribution**

The Commission should investigate whether the ad is a "coordinated communication" under Commission rules. The ad indicates that it was "Paid for by Crossroads Grassroots Policy Strategies." It also meets the content prong: it is a public communication that clearly identifies Blunt's opponent and it is broadcast in Missouri during the 90 days before the 2010 general election.

There is strong evidence that Crossroads GPS's advertisement was coordinated with Blunt. News accounts closely tie Rove to American Crossroads and Crossroads GPS, identifying him as a founder and advisor. Meanwhile, there is extensive evidence of close ties between Rove and Blunt. Blunt and Rove's relationship extends back to at least 1999. Blunt worked closely with Rove during the 2000 presidential election, and in the years since, they have had breakfast together "regularly" and "almost every week." *Kansas City Star*, 11/30/02; *CQ Today*, 8/31/04.

Further, Rove has been active in supporting Blunt's campaign. In June 2010, the same month Crossroads GPS was created and less than 2 months before Crossroads GPS launched its ad, Rove traveled to Missouri to campaign for Blunt. He headlined two fundraisers for Blunt and recorded a web video for Blunt's campaign that was "paid for by" Blunt's campaign. In particular, the web video tout's Blunt's opposition to health care reform -- just as the video attacks his opponent's support of it.

13044330355

In recording the video, Rove would have learned valuable information about the Blunt campaign's messaging. And, given Rove's close relationship with Blunt, it is likely that the two had additional discussions of the campaign's plans, projects, activities, and needs. Further, given Rove's intimate and well-publicized role in the organization, it is unlikely that the Crossroads GPS created and aired the ad without Rove's involvement. Thus, there is strong evidence that the ad also meets the Commission's conduct prong.

Assuming that there was coordination, Blunt and Crossroads GPS violated 2 U.S.C. § 441a and 441b: Crossroads GPS knowingly made, and Blunt knowingly accepted, prohibited corporate contributions well in excess of \$2,400. The FEC should also investigate whether this violation was knowing and willful – as one news report indicated, Rove himself sponsored a briefing for American Crossroads that covered the FEC's coordination rules, so Rove should have been aware of the prohibition against coordination.

13044330357

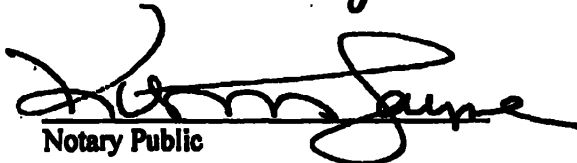
**C. REQUESTED ACTION**

As we have shown, there is substantial evidence that Respondents have violated the Federal Election Campaign Act. We respectfully request the Commission to investigate these violations, including whether they were knowing and willful. Should the Commission determine that Respondents have violated FECA, we request that Respondents be enjoined from further violations and be fined the maximum amount permitted by law.

Sincerely,



SUBSCRIBED AND SWORN to before me this 25 day of August, 2010.

  
Notary Public

My Commission Expires:

2/7/2014