# BEFORE THE FEDERAL ELECTION COMMISSION

Brad Woodhouse American Democracy Legal Fund 455 Massachusetts Avenue, N.W. Washington, DC 20001

Complainant,

V.

Scott Walker 115 East, State Capitol, Madison, WI 53702

MUR 6917

Our American Revival, and Andrew Hitt, treasurer P.O. Box 628154 Middleton, WI 53562

Respondents.

## **COMPLAINT**

Complainant files this complaint under 52 U.S.C. § 30109(a)(1) against Scott Walker, Our American Revival, and Andrew Hitt, its treasurer, in his official capacity (collectively, "Respondents") for violating the Federal Election Campaign Act of 1971, as amended ("the Act") and Federal Election Commission regulations, as described below.

Revival ("OAR"), a political organization organized under section 527 of the Internal Revenue Code. The facts indicate that Gov. Walker is testing the waters for a campaign for president of the United States, using OAR as his exploratory committee, and in doing so is raising and spending funds that are beyond the contribution limits and source restrictions of the Federal Election Campaign Act.

Our American Revival, IRS Form 8871, Political Organization, Notice of Section 527 Status, Jan. 16, 2015, available at http://forms.irs.gov/app/pod/basicSearch/search?execution=e1s3&pacid=52380.

#### A. **FACTS**

Gov. Walker currently is in the process of exploring a run for president. In November 2014, Gov. Walker stated publicly he was seriously considering whether to get into the 2016 presidential race, and noted his wife and sons were supportive of a run.<sup>2</sup> In recent weeks, Gov. Walker declared he is "very interested" in running for president, 3 telling interviewers not to bet against him when asked the odds of him running, 4 made speeches and appearances at political events showcasing potential presidential candidates,<sup>5</sup> and stated he is planning to make repeated trips to early presidential primary states.<sup>6</sup> All of these activities demonstrate he is testing the waters for a presidential run in 2016.

On January 27, 2015, in the midst of this testing the waters activity, Gov. Walker announced he had created OAR.<sup>7</sup> Although OAR is not registered with the Commission, Gov. Walker is operating it as his exploratory committee for his run for president. OAR is functioning as a temporary home for Gov. Walker's presidential political team until he formally announces his candidacy. In its few weeks of existence, OAR has hired numerous political advisors and consultants who are expected to conduct his presidential campaign. OAR's executive director is

<sup>2</sup> Scott Walker Says He's Seriously Weighing Presidential Bid, Associated Press, Nov. 18, 2014, available at http://www.jsonline.com/news/statepolitics/scott-walker-says-hes-seriously-weighing-presidential-bidb99393523z1-283139761.html; David Catanese, Walker's Family On Board With 2016 Run, U.S. News and World Report, Nov. 20, 2014, available at http://www.usnews.com/news/blogs/run-2016/2014/11/20/scott-walkers-familyon-board-with-2016-run.

Transcript, Interview With Wisconsin Governor Scott Walker, Hannity, Jan. 27, 2015 (attached as Exhibit A and video available at http://video.foxnews.com/v/4016382819001/gov-scott-walker-very-interested-in-2016presidential-run/?playlist id=930909813001#sp=show-clips).

<sup>&</sup>lt;sup>4</sup> Id.
<sup>5</sup> Ashley Parker and Trip Gabriel, <u>Prepping for 2016, A Gathering Of Republicans In Iowa Leans Hard To The</u> Right, New York Times, Jan. 25, 2015, available at http://www.nytimes.com/2015/01/25/us/republican-primaryprocess-unofficially-kicks-off.html? r=0; Matea Gold, Scott Walker Works To Harness National Donor Network For White House Run, Washington Post, Feb. 4, 2015, available at http://www.washingtonpost.com/politics/scottwalker-works-to-harness-national-donor-network-for-white-house-run/2015/02/04/44c0ee96-ab5c-11e4-abe8e1ef60ca26de story.html.

Transcript, Interview With Wisconsin Governor Scott Walker, Hannity, Jan. 27, 2015.

<sup>&</sup>lt;sup>7</sup> Dan Balz, Scott Walker Forms Committee In Preparation For 2016 Presidential Bid, Washington Post, Jan. 27, 2015, available at http://www.washingtonpost.com/blogs/post-politics/wp/2015/01/27/scott-walker-formscommittee-in-preparation-for-2016-presidential-bid/.

former Republican National Committee ("RNC") political director Rick Wiley, who is widely expected to be Gov. Walker's campaign manager. OAR also hired: Matt Mason, the RNC's former field director, as its national political director; David Polyansky, a political strategist who ran Iowa political campaigns for former presidential candidate Mike Huckabee and Sen. Joni Ernst (R-IA), as senior Iowa advisor; Dollster and political consultant Ed Goeas as a senior advisor; Brian Tringali and B.J. Martino, two members of Mr. Goeas' firm who worked for Gov. Walker on his previous gubernatorial campaigns, to oversee polling operations; Kirsten Kukowski, the RNC's former deputy communications director/press secretary, as its communications director; and Mark Stephenson, a former campaign aide to Sen. Ernst, as the chief data officer. 11

Gov. Walker also is conducting fundraisers around the county for OAR that appear to be tied to his potential candidacy. Gov. Walker recently held fundraisers for OAR in California, Colorado, Tennessee, and New Jersey, and he plans to raise more money in New York and Florida in the near future.<sup>12</sup>

OAR touts that it accepts unlimited contributions from individual, corporations, and political action committees.<sup>13</sup> At least one large contribution to OAR appears to be directly linked to Gov. Walker's presidential campaign. Stanley Hubbard, a major donor to political

Peter Hamby, Walker Builds 2016 Team With Likely Campaign Manager, CNN, Jan. 8, 2015, available at <a href="http://www.cnn.com/2015/01/07/politics/walker-builds-2016-team-with-likely-campaign-manager/">http://www.cnn.com/2015/01/07/politics/walker-builds-2016-team-with-likely-campaign-manager/</a>.
Mike Allen, Playbook, Politico, Jan. 28, 2015, available at <a href="http://www.politico.com/playbook/0115/">http://www.politico.com/playbook/0115/</a>

playbook16884.html.

Jennifer Jacobs, GOP Strategist With Iowa Ties Joins Team Scott Walker, Des Moines Register, Jan. 25, 2015, available at <a href="http://www.desmoinesregister.com/story/news/politics/2015/01/23/gop-strategist-david-polyansky-joins-team-scott-walker/22201093/">http://www.desmoinesregister.com/story/news/politics/2015/01/23/gop-strategist-david-polyansky-joins-team-scott-walker/22201093/</a>; Mark Preston, Eyeing 2016, Walker Adds Veteran Operatives To Political Team, CNN, Feb. 2, 2015, available at <a href="http://www.cnn.com/2015/02/02/politics/scott-walker-2016-campaign-hires/">http://www.cnn.com/2015/02/02/politics/scott-walker-2016-campaign-hires/</a>. Id.

<sup>&</sup>lt;sup>12</sup> Gold, *Washington Post*, Feb. 4, 2015; James Hohmann and Kenneth P. Vogel, <u>Walker Targets Romney Donors</u>, <u>Jeb Turf</u>, *Politico*, Feb. 4, 2015, *available at* <a href="http://www.politico.com/story/2015/02/walker-targets-romney-donors-jeb-turf-114894.html">http://www.politico.com/story/2015/02/walker-targets-romney-donors-jeb-turf-114894.html</a>.

campaigns, said he and his family are backing Gov. Walker for president and sent a \$25,000 check to OAR, adding "we will do more." Gov. Walker's appeals also are generating other substantial contributions. According to a public press report, Gov. Walker "picked up a \$100,000 check on the spot from one attendee" at a California fundraiser. 15

The purpose of the current fundraising is to "to raise enough money to finance Walker's travel and pay for a staff." Both of these functions support Gov. Walker's testing the waters for a presidential campaign. OAR's staff is comprised almost entirely of political operatives and consultants, and in addition to traveling for fundraising, Gov. Walker has announced his plans to travel to "important primary states including Iowa, New Hampshire, South Carolina, Nevada, and Florida in the coming weeks and months."

Moreover, according to public press reports, Gov. Walker set up OAR to see if his ideas resonate with voters, and "if we see that's a message that resonates, that would probably encourage us to go forward." This is further proof Gov. Walker is using OAR to decide whether the run for president.

### B. LEGAL ARGUMENT

Commission regulations provide that "only funds permissible under the Act" may be used for testing the waters activities.<sup>20</sup> Accordingly, an individual who undertakes such activities may not do so using contributions that exceed the limits provided for in the Act, or using funds from

<sup>14</sup> Gold, Washington Post, Feb. 4, 2015.

<sup>&</sup>lt;sup>15</sup> Id.

<sup>16</sup> Id

<sup>&</sup>lt;sup>17</sup> 11 C.F.R. §§ 100.72(a); 100.131(a); Federal Election Commission, <u>Campaign Guide</u>, <u>Congressional Candidates</u> and Committees, June 2014, at 1, *available at* http://www.fec.gov/pdf/candgui.pdf.

and Committees, June 2014, at 1, available at <a href="http://www.fec.gov/pdf/candgui.pdf">http://www.fec.gov/pdf/candgui.pdf</a>.

Scott Bauer, Wisconsin Governor Finds Gaps In 2016 GOP Field Encouraging, Associated Press, Jan. 28, 2015, available at <a href="http://abcnews.go.com/Politics/wireStory/wisconsin-governor-finds-gaps-2016-gop-field-encouraging-28551044">http://abcnews.go.com/Politics/wireStory/wisconsin-governor-finds-gaps-2016-gop-field-encouraging-28551044</a>.

<sup>19</sup> Id.

<sup>&</sup>lt;sup>20</sup> 11 C.F.R. §§ 100.72(a); 100.131(a).

prohibited sources. These prohibitions apply both to individuals and exploratory committees established to test the waters.

The Act limits individual contributions to a candidate to \$2,700 per election during the 2015-16 election cycle, and contributions from a multi-candidate political action committee to \$5,000 per year.<sup>21</sup> Candidates may not knowingly receive excessive contributions.<sup>22</sup> Corporations are strictly prohibited from making political contributions under the Act, and candidates are prohibited from accepting them.<sup>23</sup> As such, an individual may not use contributions exceeding the Act's limits or corporate money to fund testing the waters activities. Further, even though funds received for testing the waters activities are not initially considered contributions, such funds become contributions if the individual subsequently becomes a candidate.<sup>24</sup> Thus, a candidate who accepted excessive contributions or corporate funds for testing the waters activities has accepted illegal contributions in violation of the Act.

By admitting he is "very interested" in running, appearing at multiple events showcasing potential presidential candidates, and making repeated visits to early primary states, Gov. Walker has made clear he is testing the waters for a presidential race. OAR's activities to date indicate it is operating as Gov. Walker's exploratory committee. Gov. Walker has made plain he is using OAR to decide whether the run for president, and he is raising funds for OAR that are being used to pay for his travel and his staff of political advisors. As a result, any contributions he or OAR uses testing the waters may not exceed the Act's limits or come from a corporation.

Gov. Walker and OAR violated the Act by accepting a \$25,000 contribution from Mr. Hubbard far in excess of the prescribed limits. Gov. Walker and OAR further violated the Act

<sup>&</sup>lt;sup>21</sup> 52 U.S.C. § 30116(a)(2)(A); 80 Fed. Reg. 5752 (Feb. 3, 2015).
<sup>22</sup> 52 U.S.C. § 30116(f).
<sup>23</sup> 52 U.S.C. § 30118(a); 52 U.S.C. § 30116(f).

<sup>&</sup>lt;sup>24</sup> 11 C.F.R. § 100.72.

by accepting a \$100,000 contribution from an unknown contributor. OAR also accepts corporate contributions, and while it is not clear if either of these contributions or any other contributions to OAR came from corporations, if they did, those contributions also would violate the Act.

# C. REQUESTED ACTION

As shown, Respondents have violated the Act and Commission regulations by accepting excessive contributions to pay for testing the waters activities. Respondents also may have violated the Act and Commission regulations by accepting funds from a prohibited source. We respectfully request that the Commission promptly investigate this violation, and that Respondents be enjoined from further violations and be fined the maximum amount permitted by law.

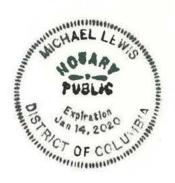
Sincerely,

SUBSCRIBED AND SWORN to before me this 10th day of February, 2015.

Notary Public

My Commission Expires:

JANUARY 14, 2020







#### FOCUS - 1 of 101 DOCUMENTS

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BYLINE: Sean Hannity, Sarah Palin, Lt. Col. Ralph Peters

GUESTS: Gov. Scott Walker, Robert Grenier, Brian Billick, Jason Redman, Sean Parnell, Nicolas Irving, Joe Bastardi,

Dennis Kucinich

#### BODY:

(BEGIN VIDEOTAPE)

SEAN HANNITY, HOST (voice-over): And they're off!

UNIDENTIFIED MALE: We need leaders who will stand with our allies against radical Islamic terrorists!

SARAH PALIN (R-AK), FMR. GOV., FOX CONTRIBUTOR: Now is the time for both conservative colors (ph)...

HANNITY: As we inch closer to 2016, top Republican leaders are starting to sound pretty presidential. Governor Scott Walker and Sarah Palin are here tonight.

UNIDENTIFIED MALE: The Army has decided that they want to pursue Bergdahl.

HANNITY: New reports that the Army will charge Bowe Bergdahl with desertion.

UNIDENTIFIED MALE: These could be connected to climate change.

HANNITY: And the liberal mainstream media uses winter storm Juno to tout their global warming agenda. How wrong they are!

And it's almost Super Bowl Sunday, but "deflate-gate" is looming over the Patriots' heads.

ROBERT KRAFT, PATRIOTS OWNER: I would expect and hope that the league would apologize to our entire team.

HANNITY: All of that, plus tonight's big question of the day, straight ahead.

(END VIDEOTAPE)

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HANNITY: And welcome to "Hannity." So the road to 2016 is heating up. Some very prominent members of the Republican Party -- they're starting to sound a bit presidential. This weekend, many of those names that were being floated (ph) around (ph) as possible candidates -- they gathered at the Iowa Freedom Summit. Among them, Wisconsin governor Scott Walker. He got the crowd in Des Moines all fired up with a pretty passionate speech. Take a look.

(BEGIN VIDEO CLIP)

GOV. SCOTT WALKER (R), WISCONSIN: We need leaders in America who understand, who ultimately understand the measure of success in government is not how many people are dependent on the government. The measure of success in government is how many people are no longer dependent on the government.

(CHEERS AND APPLAUSE)

(END VIDEO CLIP)

HANNITY: And earlier today, Scott Walker took the very first steps towards a presidential run, establishing a committee. Here now, the man himself, the governor from the great state of Wisconsin, Scott Walker.

All right, you sound like a presidential candidate. You going to run?

WALKER: Well, I'm very interested for very much the same reason that some five years ago, Tonette and I sat down and talked about and ultimately prayed about getting into the race for governor because back then, we were afraid that our sons were growing up in a state that wasn't as great as the one we grew up in.

I'm proud to tell you, many years later now, because of our reforms, our state is better for them. But I have the same worries about this country for my sons today that I had for my state many years ago. I think we need new, bold leadership from outside of Washington that's proven to take on the challenges we face in this country right now.

HANNITY: All right, in a blue state, Wisconsin, you've won three elections in four years. Now you're about maybe about to get ready to run again, which is very impressive. I know you have a record that's impressive, as well. The question is, what's it going to take for you to make that decision? Where do you make the leap? How do you make the -- what's the obstacle right now?

WALKER: Well, part of it right now is this early stage. We created our Americanrevival.com to get out and start talking about (INAUDIBLE) because I think, as a state leader who's actually had to do things -- and it's not just in Wisconsin. We see it in Iowa and South Carolina. We see it in Michigan and in Ohio and other places where you've got Republican leadership for the last few years.

The ideas that are going to transform America aren't coming from people in Washington, they're coming from our state leaders.

HANNITY: Yes.

WALKER: And so the first step is to get out in those states, talk about that. But I think if there's a sense out there, which I heard on Saturday, that people want not just dynamic speakers, they want people who've got a proven record, who've actually done something, not just talked about it, who are from outside of Washington. And increasingly, I think they want new, fresh leaders.

HANNITY: We...

WALKER: We're going to take Hillary Clinton on. We got to have a name from the future, not one from the past.

HANNITY: The only criticism I've ever heard about you potentially being a national candidate is that you don't have the fire in the belly, the passion, the inspiration. I mean, I don't think you want to become Obama hope and change and Greek columns. Do you feel that you can connect with the American people, a broad base, and with fire and passion? Is that in you? Do you feel that burning desire to do that?

WALKER: Absolutely, I think I can. You look at Wisconsin. I had almost universal support amongst Republicans, in fact, higher than any governor in the country in the 2014 election. Yet in Wisconsin, you can't win with just Republican votes. We took double-digit, 12-point margin amongst independent, self-identified independent voters in our state, and even a few discerning Democrats because in the end, I believe what people in the -- my state wanted last fall is what I think they want in this country, is they want leadership. They want people to boldly chart out where they want to take this

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country, and then they want to know that they've got the courage and the capacity to actually get it done. I think over the last four years, we've been tested.

HANNITY: All right. I'm looking for a conservative leader with a bold, inspiring agenda that's going to solve problems for the country, the debt, deficit. I want to be energy independent. I want our border secure. I want school choice. What are you going to do? If you get to be president of the United States, what agenda are you going to run on?

WALKER: Well, I think very much what I've done at the state (ph). All the things you've just mentioned, I promoted in the state of Wisconsin, not just taking unions on, we passed statewide school choice, we're going to expand that even more in terms of who it's available to. We lowered taxes. We pushed economic growth. We pushed energy independence.

I think in this country, what we need going forward is a pro-growth agenda that talks about how you help everyone live their piece of the American dream, not pits one group against another group of Americans, that doesn't put favorites, you know, in Washington or anywhere else out there, and then puts power — more importantly, takes the power out of Washington and puts it not only back into the states, but most importantly, back into the hands of the hard-working taxpayers.

Everyone in this country wants to live their piece of the American dream. We need leaders who understand that. The best way to do that is get it out to the people.

HANNITY: All right, what's your timeline for running, Governor?

WALKER: Oh, I think...

(CROSSTALK)

WALKER: Yes, by this midsummer, I think any realistic candidate...

HANNITY: This summer?

WALKER: ... has got to be in by the summer. We've (INAUDIBLE) for me. My budget will come out next Tuesday with -- for the fifth and sixth year in a row, I'll lower property taxes. I want a few months to get that job done. But I'm going to be in New Hampshire and South Carolina and back in Iowa, and we're going to be talking about these issues for the next several months, you know, because we're excited about where we can take this country.

HANNITY: And if you were going to give me odds of your running, what are the odds?

WALKER: Oh, I don't think it's ever been good to bet against me, and certainly, in the last three elections for governor in the past four years.

HANNITY: All right.

WALKER: I wouldn't be betting against me in a race like this, either.

HANNITY: All right, Governor Scott Walker, thank you. Thanks for being with us.

WALKER: Thank you, Sean.

And also at the Iowa Freedom Summit this weekend was Governor Sarah Palin of Alaska.

(BEGIN VIDEO CLIP)

PALIN: Things must change for this cover -- our government. Look at it! It isn't too big to fail, it's too big to succeed!

Man, the middle class, everyday Americans are really getting taken for a ride. That's status quo! And GOP leaders, by the way -- you know, the man can only ride you when your back is bent! So strengthen it!

(END VIDEO CLIP)

HANNITY: All right here with reaction, FOX News contributor, former Alaska governor Sarah Palin. Governor, good to see you. Welcome back.

PALIN: Thank you.

HANNITY: All right, so prior to this, while you were there on the ground, you were asked if you're considering running for president. Your answer?