



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

1 **MEMORANDUM**

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3 **TO:** The Commission

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5 **FROM:** Lisa Stevenson  
6 Acting General Counsel

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8 **BY:** Kathleen Guith *KMG*  
9 Associate General Counsel for Enforcement

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11 Mark Shonkwiler *MS*  
12 Assistant General Counsel

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14 Antoinette Fuoto *AF*  
15 Staff Attorney

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17 **SUBJECT:** MUR 6920 (American Conservative Union, *et al.*)

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19 **RE:** Circulation of Discovery Documents  
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22 **I. INTRODUCTION**

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24 On January 24, 2017, the Commission found reason to believe that American  
25 Conservative Union (“ACU”) violated 52 U.S.C. § 30122 by knowingly permitting its name to  
26 be used to effect a \$1.71 million contribution in the name of another to Now or Never PAC, an  
27 independent expenditure-only political committee.<sup>1</sup> The Commission also found reason to  
28 believe that Unknown Respondents violated 52 U.S.C. § 30122 by making the contribution in the  
29 name of another.<sup>2</sup> Following the Commission’s finding, the Office of General Counsel (“OGC”)  
30 commenced an investigation to determine the identity of the undisclosed donor and the  
31 circumstances surrounding the contribution. On July 11, 2017, the Commission substituted  
32 Government Integrity, LLC (“GI LLC”) in the name of Unknown Respondent, found reason to  
33 believe that Now or Never PAC and James C. Thomas, III (“Thomas”) in his official capacity as  
34 treasurer, and in his personal capacity, knowing and willfully accepted a contribution in the name  
35 of another and failed to properly report that contribution, and found reason to believe that  
36 Thomas knowingly and willfully assisted in the making of a contribution in the name of another

1 See Certification, MUR 6920 (ACU, *et al.*) (Jan. 26, 2017).

2 ACU’s IRS filings indicated that the funds used for the contribution came from an undisclosed donor.

1 in his individual capacity.<sup>3</sup> The Commission also authorized subpoenas to ACU, ACU’s former  
2 executive director, and Thomas. In response to those subpoenas, we have learned of additional  
3 parties who may have been involved in the transaction and have information relevant to our  
4 investigation.

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6 **II. DISCUSSION**

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8 Counsel for Thomas provided OGC with interrogatory answers and responsive  
9 documents, and on July 30, 2017, provided additional information during a telephone  
10 conference. We now seek discovery for several parties named in Thomas’s response.

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12 A. Incentive Discretionary Trust

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14 In response to our request for information regarding the known principals and agents of  
15 GI LLC, Thomas states that an attorney, Charles Harris, “acting as trustee of an entity named  
16 Incentive Discretionary Trust” (the “Trust”) appointed GI LLC’s now-deceased principal.  
17 Additionally, in response to our questioning of whether any person or entity provided the funds  
18 GI LLC used to contribute \$1.8 million to ACU, Thomas responded that GI LLC “received a  
19 donation of approximately \$2.5 million on or around the date” of the transfer from GI LLC to  
20 ACU and “is reasonably certain that the funds were provided to GI LLC by the Incentive  
21 Discretionary Trust.”<sup>4</sup> Accordingly, we now seek information to establish the source of the  
22 funds from Incentive Discretionary Trust used to effect the contribution from GI LLC to ACU.  
23 We are requesting this information to ascertain whether GI LLC is the true source of the  
24 contribution that ACU made to Now or Never PAC. Given the relevance of this information and  
25 the statute of limitations in this matter — the transaction occurred on October 31, 2017 — we  
26 propose the attached order to compel the Trust to provide that information.

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28 B. Axiom Strategies and Jeff Roe

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30 In his Response, Thomas states that Axiom Strategies “has served as a political  
31 consultant to Now or Never PAC and has participated in the PAC’s operations and financial  
32 activities, and the terms of Mr. Thomas’s engagement with Now or Never PAC expressly  
33 authorize him to carry out the instructions of Axiom Strategies in performing his duties as  
34 treasurer.”<sup>5</sup> Thomas also provided several emails regarding the transaction that are addressed to  
35 employees of Axiom. And, during a phone call, counsel for Thomas suggested that Thomas  
36 acted at the direction of Jeff Roe, Axiom’s founder, and that Axiom and Gregg Keller, ACU’s  
37 former executive director, were the likely architects of the transaction. Accordingly, we now  
38 seek information regarding Axiom’s knowledge of the transaction and any documents relating to  
39 the transaction. This information is relevant to our recommendations regarding whether the  
40 various parties acted knowing and willfully. We therefore propose the attached orders to compel  
41 Axiom Strategies and Jeff Roe to provide documents and answer questions regarding the  
42 transaction.

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<sup>3</sup> See Certification, MUR 6920 (ACU, *et al.*) (July 12, 2017).

<sup>4</sup> See Thomas Response to Subpoena at 4 (July 28, 2017)

<sup>5</sup> *Id* at 7.

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