

OFFICE OF
GENERAL COUNSEL

BEFORE THE
FEDERAL ELECTION COMMISSION

2018 MAY 24 AM 10: 53

Nevada State Democratic Party
Alana Mounce, Executive Director
2320 Paseo Del Prado
Suite B107
Las Vegas, NV 89102

MUR # 7395

Complainant,

v.

Senator Dean Heller
P.O. Box 371907
Las Vegas, NV 89137

Heller for Senate
Chrissie Hastie, Treasurer
P.O. Box 371907
Las Vegas, NV 89137

Heller Enterprises LLC
1892 W. 960 N
Provo, UT 84604

Respondents.

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COMPLAINT

This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) against U.S. Senator Dean Heller; his principal campaign committee, Heller for Senate, and its treasurer, Chrissie Hastie, in her official capacity; and Heller Enterprises LLC (“Heller Enterprises,”) a Utah Limited Liability Company¹ (together, “Respondents”). Respondents appear to have violated the Federal Elections Campaign Act of 1971, as amended (the “Act”) and Federal Election Commission (“FEC” or “Commission”) regulations, by making and accepting excessive and unreported in-

¹ Heller Enterprises LLC, Utah Division of Corporations and Commercial Code, <https://secure.utah.gov/bes/details.html?entity=8851207-0160>.

kind contributions in the form of heavily discounted video production, social media consulting, and digital advertising services.² In addition, there is reason to believe these in-kind contributions may have been made in violation the Act's prohibition on corporate contributions.³ We respectfully request that the Commission immediately investigate these allegations and take action to prevent future violations by Respondents.

FACTUAL BACKGROUND

Senator Dean Heller is running for re-election to the United States Senate in Nevada. His principal campaign committee is Heller for Senate (the "Campaign").⁴ Heller Enterprises is a music production company owned and operated exclusively by Harrison Heller, Dean Heller's son.⁵ On May 18, 2018, the *Reno Gazette Journal* reported that Heller for Senate has paid \$52,500 to Heller Enterprises for "social media consulting services" since 2016.⁶

According to Harrison Heller, Heller Enterprises has been providing extensive online communications services to the Campaign, including "driving content" to the Campaign's social media accounts, taking photographs, filming and producing video content for the Campaign.⁷ While providing the Campaign with all of these services, Harrison Heller confirmed that his company was "being paid below market rate for his work" for the Campaign.⁸ The Campaign also confirmed that Harrison Heller was providing these services at a "cheap discount to the

² James DeHaven, *Sen. Dean Heller Paid Son at Least \$52,500 in Campaign Cash for Social Media Consulting*, *Reno Gazette Journal* (May 18, 2018), <https://www.rgj.com/story/news/politics/2018/05/18/campaign-payments-hellers-son-draw-scrutiny/616533002/>.

³ *Id.*

⁴ Dean Heller, FEC Form 2, Statement of Candidacy (amended May 9, 2018), <http://docquery.fec.gov/pdf/171/201805090200366171/201805090200366171.pdf>.

⁵ DeHaven, *supra* note 2.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

campaign,” despite the fact that Heller Enterprises is a sought-after social media company that “creates social and digital media for Fortune 500 companies.”⁹

According to a Campaign spokesperson, “Harrison Heller was paid a \$2,500 monthly retainer for his services” to the Campaign.¹⁰ In comparison, during the same time period, the Campaign paid Bask Digital Media LLC, another digital advertising firm, over \$50,000 in a single month for digital media services.¹¹

LEGAL ANALYSIS

Under federal law, a “contribution” is defined to include “anything of value,” including “all in-kind contributions” offered to a campaign committee “without charge or at a charge that is less than the usual and normal charge for such goods and services.”¹² Examples of in-kind contributions include a campaign’s use of a contributor’s facilities, equipment, and advertising services.¹³ “If goods or services are provided at less than the usual or normal charge, the amount of the in-kind contribution is the difference between the usual and normal charge for the goods and services at the time of the contribution and the amount charged by the political committee.”¹⁴ Federal law makes clear that contributions made in kind are subject to the same limitations as direct monetary contributions, and all in-kind contributions must be reported on a committee’s regular FEC reports.¹⁵

Here, the Campaign admittedly accepted in-kind contributions from Heller Enterprises by allowing the company to provide extensive online communications and advertising services at a

⁹ *Id.*

¹⁰ *Id.*

¹¹ See DeHaven, *supra* note 2; Heller for Senate, FEC Form 3, 2018 April Quarterly at 404, 431, <http://docquery.fec.gov/pdf/592/201804180200297592/201804180200297592.pdf> (showing payments to Bask Digital Media totaling \$51,000 in February 2018).

¹² 11 C.F.R. § 100.52(a), (d).

¹³ *Id.* § 100.52(d)(1).

¹⁴ *Id.*

¹⁵ See 52 U.S.C. § 30116; 11 C.F.R. §§ 110.1; 104.13.

significantly discounted rate.¹⁶ The Campaign paid Heller Enterprises just \$52,500 for two years' worth of services, which Harrison Heller described as "below market rate" and which the Campaign described as at "a cheap discount."¹⁷ In fact, based on a review of the Campaign's FEC reports, Heller Enterprises was paid in two years what another digital advertising firm was paid *in a single month*.¹⁸ However, the Campaign has not reported a single in-kind contribution from either Harrison Heller or Heller Enterprises on its FEC reports.¹⁹ Failure to report these in-kind contributions is a direct violation of Federal law and Commission regulations.²⁰

Additionally, a corporation is strictly prohibited from making any in-kind or monetary contribution to a Federal candidate's campaign committee.²¹ Campaign committees are prohibited from knowingly accepting corporate contributions, and are responsible for ascertaining the legality of all contributions, including those provided in kind.²² As a limited liability company, Heller Enterprises may elect to be treated as either a corporation or a partnership for Federal taxation purposes.²³ If Heller Enterprises has elected to be taxed as a corporation, any in-kind contribution from Heller Enterprises to the Campaign is a direct violation of the Act and Commission regulations as an illegal corporate contribution.²⁴

REQUESTED ACTION

¹⁶ See DeHaven, *supra* note 2.

¹⁷ See DeHaven, *supra* note 2.

¹⁸ See Bask Digital Media LLC, Services, <https://baskdigital.com/#services>; see also Heller for Senate, FEC Form 3, 2018 April Quarterly at 404, 431, <http://docquery.fec.gov/pdf/592/201804180200297592/201804180200297592.pdf>.

¹⁹ See FEC.gov, Search of Heller for Senate Receipts,

https://www.fec.gov/data/receipts/?two_year_transaction_period=2018&data_type=processed&committee_id=C00494229&contributor_name=Heller&min_date=01%2F01%2F2017&max_date=05%2F20%2F2018.

²⁰ See 11 C.F.R. § 104.13.

²¹ 52 U.S.C. § 30118; 11 C.F.R. §§ 110.1(g); 114.2.

²² See 11 C.F.R. § 103.3(b)(1).

²³ See 26 C.F.R. § 301.7701-3.

²⁴ 52 U.S.C. § 30118; 11 C.F.R. §§ 110.1(g); 114.2.

As discussed herein, there is reason to believe that the Respondents have violated the Act and Commission regulations, either by accepting and making excessive and unreported in-kind contributions, or by accepting and making illegal corporate in-kind contributions. We respectfully request that the Commission promptly investigate these allegations, enjoin Respondents from further violations of the Act and Commission regulations, and fine Respondents the maximum amount permitted by law for the above violations.

Sincerely,



Nevada State Democratic Party
Alana Mounce, Executive Director
2320 Paseo Del Prado
Suite B107
Las Vegas, NV 89102

SUBSCRIBED AND SWORN to before me this 23rd day of May, 2018.



Notary Public

My Commission Expires:

9/30/2019

