

## **BEFORE THE FEDERAL ELECTION COMMISSION**

## **SECOND GENERAL COUNSEL'S REPORT**

## I. ACTIONS RECOMMENDED

10 We recommend that the Commission: (1) take no further action as to Citizens for Trump;  
11 (2) dismiss the allegations that George G. Lombardi violated 52 US.C. §§ 30102, 30103, 30104,  
12 and 30124(b);  
13 (4) issue  
14 the appropriate letters; and (5) close the file as to all respondents.

15 II. BACKGROUND

On July 11, 2019, the Commission found reason to believe that Citizens for Trump, an organization co-founded by Timothy Selaty, Sr., through his company, Patriotic Warriors, LLC (“Patriotic Warriors”), violated 52 U.S.C. §§ 30102, 30103, and 30104 of the Federal Election Campaign Act of 1971, as amended (the “Act”).<sup>1</sup> The Commission’s reason-to-believe finding relied on a sworn declaration by Selaty, which was filed in federal court in support of Citizens

<sup>1</sup> Certification (“Cert.”) ¶ 2(a) (July 11, 2019), MUR 7401. In addition, the Commission voted to take no action at that time as to allegations that George G. Lombardi, Patriotic Warriors, and Tim Selaty, Sr., violated 52 U.S.C. §§ 30102, 30103, and 30104, that Coalition for Trump violated § 30121, or that Lombardi violated § 30124(b) of the Act. *Id.* ¶ 2(b), (c), (d). The Commission found no reason to believe that Jack Posobiec and Michael Cernovich violated § 30121. *Id.* ¶ 2(e). Finally, the Commission dismissed the allegations that America First-Team Manatee, Inc., Citizens for Trump, Coalition for Trump, Coalition for Trump Superstore, Corey Lewandowski, Donald J. Trump, Donald J. Trump for President, Inc., and Bradley T. Crate in his official capacity as treasurer, Lombardi, Posobiec, Latinos for Trump (aka Latinos with Trump), Madeline Moreira, Cernovich, Patriotic Warriors LLC, Reince Priebus, Robert Jeter, Sam Clovis, Tim Clark, and Selaty violated 52 U.S.C. §§ 30116 and 30118 and 11 C.F.R. § 109.21 by making and accepting prohibited contributions in the form of coordinated communications or expenditures. *Id.* ¶ 2(f). The Commission was evenly divided as to whether to find reason to believe that Coalition for Trump, Coalition for Trump Superstore, and Jeter violated 52 U.S.C. § 30124(b). *Id.* ¶ 1(c).

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1 for Trump's application for a parade permit during the 2016 Republican National Convention  
 2 ("RNC"), and stated that "Citizens for Trump had spent \$10,000 for a rally to support Trump's  
 3 nomination at the Republican National Convention, and planned to spend approximately \$50,000  
 4 more once the parade permit was granted."<sup>2</sup> Further, "the Citizens for Trump website and  
 5 Selaty's Declaration both describe the group's purpose from its inception in July 2015 as  
 6 supporting the nomination or election of Trump."<sup>3</sup>

7 OGC commenced an investigation to complete the factual record, analyze the ownership  
 8 structure of Citizens for Trump, and review its receipts and disbursements in order to determine  
 9 whether the group should have registered and reported as a political committee. During the time  
 10 that OGC was conducting its investigation, the Commission was without a quorum for  
 11 approximately 15 months.<sup>4</sup> OGC's investigation was also impeded by Selaty's blanket  
 12 invocation of the Fifth Amendment in response to the receipt of the Commission's subpoena,  
 13 despite there being no known criminal investigation into Selaty during the relevant period.  
 14 Nevertheless, while the financial information we did obtain was difficult to analyze without a  
 15 witness possessing first-hand knowledge of the purpose behind certain documented transactions,  
 16 the materials produced to OGC suggest that Selaty and his wife, Michelle Selaty, received

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<sup>2</sup> Factual & Legal Analysis ("F&LA") at 5 (Citizens for Trump) (citing Selaty Decl. ¶¶ 12, 22-25, *Citizens for Trump v. Cleveland*, No. 1:16-cv-01465-JG (N.D. Oh. June 13, 2016), [https://www.acluohio.org/sites/default/files/CitizensForTrump.v.Cleveland-Declaration-TimothySelaty2016\\_0614.pdf](https://www.acluohio.org/sites/default/files/CitizensForTrump.v.Cleveland-Declaration-TimothySelaty2016_0614.pdf) ("Selaty Decl.")).

<sup>3</sup> F&LA at 6 (Citizens for Trump) (citing Selaty Decl. ¶ 9). Selaty further swore: "The goal of Citizens for Trump is to organize massive grassroots volunteer support to assist the official Trump presidential campaign in winning the Republican nomination, and the general election in November of 2016." *Id.* at 6 n. 23. (quoting Selaty Decl. ¶ 9).

<sup>4</sup> The Commission lost its quorum for approximately nine months beginning on September 1, 2019, regained its quorum for approximately one month, and then lost its quorum again for nearly six months until December 18, 2020.

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1 donations and made disbursements for a network of webpages, activities, and organizations;  
2 however, many of the disbursements appear to have been for personal purposes.

3 Given the dollar amounts OGC now can directly attribute to relevant political spending  
4 by Citizens for Trump, the age of the matter, and the unlikelihood that additional investigation  
5 will yield significant information in the absence of a time- and resource-intensive subpoena  
6 enforcement action, we recommend that the Commission close the file. However, given the  
7 information about Selaty's activity learned from the investigation and the potential that Selaty's  
8 and Citizens for Trump's conduct may have violated criminal laws,

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10 **III. RESULTS OF THE INVESTIGATION**

11 **A. Selaty Was Unwilling to Provide Information About Citizens for Trump  
12 Absent a Criminal Immunity Agreement**

13 On July 19, 2019, OGC notified Citizens for Trump, through Selaty, of the Commission's  
14 reason-to-believe finding and attempted to obtain additional information through informal  
15 discovery questions enclosed with the notification letter.<sup>5</sup> On August 21, 2019, OGC was  
16 contacted by an attorney who claimed to represent Selaty personally, but did not represent  
17 Citizens for Trump in this matter.<sup>6</sup> The attorney stated that Selaty would not voluntarily  
18 cooperate with any discovery requests but would cooperate fully if Selaty was given a criminal  
19 immunity deal with DOJ, although Selaty's counsel did not indicate awareness of any criminal

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<sup>5</sup> Citizens for Trump did not designate counsel in this matter. Accordingly, Selaty was the addressed recipient of the notification letter informing Citizens for Trump of the Commission's reason to believe finding, which enclosed informal discovery questions for the organization. Per this Office's recommendation, the Commission voted to take no action at this time as to Selaty pending an investigation. See Cert. ¶ 2(b) (July 11, 2019). As Citizens for Trump's co-founder, Selaty appears to be a key witness in possession of crucial information regarding Citizens for Trump's activities.

<sup>6</sup> Emails from Alexander Penalta, Esq., counsel for Timothy Selaty, Sr., to Nicholas Bamman, Att'y, FEC (Aug. 21, 2019, 4:47 PM and Aug. 23, 2019, 2:31 PM).

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1 investigation or process against Selaty.<sup>7</sup> Nor are we presently aware of any such investigation or  
2 process. OGC informed Selaty's counsel that this office could not offer any sort of immunity  
3 deal on behalf of DOJ, and that it intended to serve a subpoena if Citizens for Trump continued  
4 to decline to provide additional information voluntarily.<sup>8</sup> OGC did not receive any such  
5 information.

6 In the fall of 2019, the Commission approved a subpoena to Citizens for Trump seeking  
7 documents and information regarding the group's organizational structure, leadership, financial  
8 transactions, fundraising activity, communications, rallies or parades, and relationships with  
9 other entities and individuals.<sup>9</sup> The subpoena also sought information concerning the formation  
10 and leadership structure of Patriotic Warriors, a company operated by Selaty and which Selaty  
11 had earlier declared to be a co-founder of Citizens for Trump.<sup>10</sup> After another attempt to obtain  
12 information from Selaty voluntarily, on October 1, 2019, OGC served the subpoena on Selaty's  
13 counsel.

14 After requesting several extensions and refusing to sign a tolling agreement, Selaty  
15 ultimately declined to provide any information on behalf of Citizens for Trump and instead,  
16 through his counsel, "assert[ed] all of his constitutional rights, including but not limited to his  
17 Fifth Amendment right to not incriminate himself, afforded to him under the United States  
18 Constitution and the constitution of the State of Texas."<sup>11</sup> Selaty did not provide any

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<sup>7</sup> *Id.*; see also Memorandum to the Commission Regarding the Circulation of Discovery Documents at 1 (Aug. 27, 2019).

<sup>8</sup> Memorandum to File Regarding Summary of Call with Respondent (Sept. 18, 2019).

<sup>9</sup> Cert. at 1 (Sept. 4, 2019).

<sup>10</sup> Subpoena to Citizens for Trump (Oct. 1, 2019); see also Selaty Decl. ¶ 7.

<sup>11</sup> Email from Alexander Penalta, Esq., counsel for Timothy Selaty, Sr., to Nicholas Bamman, Att'y, FEC (Nov. 19, 2019, 11:48 AM).

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1 information concerning what specific discovery requests implicated his rights under the Fifth  
 2 Amendment or the constitution of the State of Texas.<sup>12</sup> Selaty reiterated that he would comply  
 3 with the Commission's investigation if he were offered "full immunity from prosecution."<sup>13</sup>

4 On January 17, 2020, OGC sent Selaty's counsel a letter explaining that the Commission  
 5 could not grant Selaty immunity from criminal prosecution and urging compliance with the  
 6 subpoena because the Fifth Amendment did not apply to the information sought.<sup>14</sup> On February  
 7 5, 2020, counsel for Selaty responded that Selaty would continue to refuse to comply with the  
 8 subpoena by invoking the Fifth Amendment.<sup>15</sup>

9 Following formal third-party discovery discussed below, on January 22, 2021, counsel  
 10 for Selaty informed OGC that he had forwarded all communications to his client, but had not  
 11 received a response, and therefore, "it appears that I am not representing Mr. Selaty, at this  
 12 time."<sup>16</sup>

### 13        **B.      Third-Party Discovery**

14        OGC also pursued both formal and informal discovery from third-party witnesses  
 15 identified as potentially having additional pertinent information about Citizens for Trump's  
 16 organization and operations. In November 2019, OGC contacted Jack Posobiec, whom the  
 17 Complaint identified as a "Special Projects Director" of Citizens for Trump and author of a book  
 18 entitled "Citizens for Trump," for information concerning his involvement with Citizens for

<sup>12</sup>        *Id.*

<sup>13</sup>        *Id.*

<sup>14</sup>        Letter from Nicholas Bamman, Att'y, FEC, to Alexander Penalta, Esq., counsel for Tim Selaty, Sr. (Jan. 17, 2020).

<sup>15</sup>        Email from Alexander Penalta, Esq., counsel for Timothy Selaty, Sr., to Nicholas Bamman, Att'y, FEC (Feb. 5, 2020, 7:56 PM).

<sup>16</sup>        Email from Alexander Penalta, Esq., counsel for Timothy Selaty, Sr., to Nicholas Bamman, Att'y, FEC (Jan. 22, 2021, 3:33 PM).

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1       Trump and its formation, organization, activities, and relationship with several other individuals  
 2       and organizations.<sup>17</sup> Although Posobiec was initially responsive over the phone, informing OGC  
 3       that he did not know Selaty well, was involved with Citizens for Trump only as a volunteer for  
 4       the 2016 RNC rally, and had no involvement with the finances of Citizens for Trump, he did not  
 5       answer follow-up calls, respond to voicemails, or reply to written correspondence.<sup>18</sup>

6           In November 2019, OGC also requested that Ground Floor, LLC, an entity that sent a  
 7       proposal to Citizens for Trump for audio/visual services for the 2016 RNC rally, provide  
 8       documentation related to any services provided to Citizens for Trump.<sup>19</sup> Ground Floor  
 9       responded that it never provided the proposed services to Citizens for Trump, purportedly due to  
 10      Citizens for Trump's lack of funding.<sup>20</sup>

11           In addition, OGC sought, and in July 2020 the Commission approved, subpoenas to Rally  
 12      Piryx, LLC, and PayPal Holdings, Inc. ("PayPal"), two payment-processing companies that  
 13      Citizens for Trump used to in connection with its solicitations of funds.<sup>21</sup> In response to the  
 14      subpoena, Rally Piryx, LLC, stated that "Rally Piryx, LLC allows our clients to create multiple

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<sup>17</sup>       Letter from Nicholas Bamman, Att'y, FEC, to Jack Posobiec (Nov. 5, 2019). Posobiec was a Respondent in this matter, but after the Commission dismissed the coordination allegations and found no reason to believe that Posobiec solicited foreign national contributions, he was no longer personally implicated in the alleged violations. *See* F&LA at 2-3 (Posobiec).

<sup>18</sup>       Memorandum to File Regarding Summary of Call with Jack Posobiec (Nov. 5, 2019); Emails from Nicholas Bamman, Att'y, FEC, to Jack Posobiec (Nov. 25, 2019, 12:49 PM; Jan. 9, 2020, 2:31 PM; Feb. 5, 2020, 4:07 PM).

<sup>19</sup>       Letter from Nicholas Bamman, Att'y, FEC, to Luke Livingston, Ground Floor, LLC (Nov. 5, 2019) (attaching Questions and Document Requests); Email from Nicholas Bamman, Att'y, FEC, to Luke Livingston, Ground Floor, LLC (Nov. 12, 2019, 3:35 PM).

<sup>20</sup>       Letter from Luke Livingston, Ground Floor, LLC, to Nicholas Bamman, Att'y, FEC (Nov. 12, 2019). Livingston also represented by email that he had searched his files and email and did not have any documents other than one additional proposal to Citizens for Trump and an introductory email. Email from Luke Livingston, Ground Floor, LLC, to Nicholas Bamman, Att'y, FEC (Nov. 14, 2019, 2:44 PM).

<sup>21</sup>       Cert. at 1 (July 2, 2020).

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1 donation pages [*i.e.*, webpages that solicit funds] from a single [Rally Piryx] account.”<sup>22</sup>  
 2 Further, the “only account related to Tim Selaty, Sr. is Patriotic Warriors, LLC,” which  
 3 contained two donation pages for “Citizens for Trump.”<sup>23</sup> Rally Piryx asserted in its subpoena  
 4 response that “[n]o transactions were made on this account.”<sup>24</sup>

5 In response to the Commission’s subpoena, PayPal<sup>25</sup> produced records for nine accounts  
 6 associated with Citizens for Trump, Patriotic Strategies, LLC, Patriotic Warriors, LLC, and Tim  
 7 Selaty, Sr.<sup>26</sup> These records revealed that three of the accounts received in the aggregate more  
 8 than \$400,000; however, the records regarding the accounts did not solely reflect activity for  
 9 Citizens for Trump, but instead showed a mixture of activity for different people and entities.<sup>27</sup>

10 Most of the line-item entries in the produced spreadsheets do not contain explanatory text,  
 11 limiting OGC’s ability to analyze the purpose of the transactions. Nevertheless, approximately  
 12 \$8,000 in receipts and \$4,200 in disbursements are specifically labeled as “Citizens for Trump,”  
 13 “C4T,” or “CFT” in the transaction logs that PayPal produced. The three accounts also appear  
 14 related to one another because the account records list overlapping email addresses connected to  
 15 Citizens for Trump (*e.g.*, [donate@citizensfortrump.com](mailto:donate@citizensfortrump.com) and [citizensfortrump@gmail.com](mailto:citizensfortrump@gmail.com)),  
 16 physical addresses (records for two accounts list Selaty’s home address), and individuals with

<sup>22</sup> Rally Piryx Subpoena Resp. at 1 (Aug. 13, 2020).

<sup>23</sup> *Id.*

<sup>24</sup> *Id.* at 2.

<sup>25</sup> According to the PayPal Records Guide provided as part of the Subpoena Response, “PayPal is an account-based service that allows customers to send and receive money using their credit card, bank account, or PayPal balance. Account holders use PayPal to electronically send money to other internet merchants or friends and relatives. In order to initiate a payment, the customer must log into their account from a computer, phone or table, enter the email address or phone number of the recipient, the amount they want sent, and the funding option.” PayPal Resp. at 4 (Aug. 13, 2020).

<sup>26</sup> PayPal Subpoena Resp. (Aug. 17, 2020).

<sup>27</sup> The remaining six of the nine accounts had little to no activity.

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1 connections to Selaty (*e.g.*, Selaty's wife; James Brown, manager of Patriotic Strategies, LLC, a  
 2 company apparently connected to Patriotic Warriors and Selaty; and Amanda Lee, the registered  
 3 agent for Patriotic Warriors).<sup>28</sup>

4 Many of the outgoing payments from the accounts appear to be for personal purposes,  
 5 including purchases of gas, food, and gifts to family; however, there are also a number of  
 6 payments suggesting an interrelated network of websites and activities. There are payments for  
 7 web hosting and services for a large number of websites, almost all of which are now defunct,  
 8 that appear to relate to various social issues, but do not refer to or identify candidates. Payments  
 9 to web hosting companies for other URLs, most of which were never active, reference state and  
 10 federal candidates or potential candidates, such as citizensforcruz.com, votefordewit.com,  
 11 draftjanmorgan.com, janmorganforgovernor.com, janmorganforarkansas.com, standwithjan.com,  
 12 and citizensforkidrock.com.<sup>29</sup> Other websites solicited funds for activities as diverse as  
 13 consulting, social media, and the sale of merchandise.<sup>30</sup>

14 Of the three relevant PayPal accounts for which records were obtained, the largest PayPal  
 15 account by volume and number of transactions, ending in 0724, is registered to Michelle Selaty,

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<sup>28</sup> Unlike a traditional bank account, a PayPal account allows a person to pay and receive funds with reference solely to an email address. PayPal Resp. at 4 (Aug. 13, 2020).

<sup>29</sup> Only one of these URLs has a history on the Internet Archive, janmorganforgovernor.com, which solicited funds for Jan Morgan's candidacy in the Republican Primary for Governor of Arkansas in the 2018 election cycle. *See, e.g.*, JAN MORGAN FOR GOVERNOR (Dec. 14, 2017), janmorganforgovernor.com [<http://web.archive.org/web/20171214095436/https://janmorganforgovernor.com/>].

<sup>30</sup> *See, e.g.*, PATRIOTIC PROJECTS, (Mar. 30, 2016), <https://www.patrioticprojects.com> [<https://web.archive.org/web/20160330192937/https://www.patrioticprojects.com/>] (providing online subscription-based tool for "conservative patriots to create and manage their projects"); TEA PARTY CMTY., (June 20, 2017), <https://www.teapartycommunity.org/> [<http://web.archive.org/web/20170620012407/https://teapartycommunity.org/>] (depicting apparent "Tea Party Movement" social media alternative, *see also infra* note 35); BAN SHARIA LAW (Mar. 11, 2016), <http://bansharia law.com> [<https://web.archive.org/web/20160311210316/http://bansharialaw.com/>] (advocating for banning Sharia law and soliciting purchases of merchandise).

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1 Timothy Selaty's wife.<sup>31</sup> The account records list several email addresses, including  
 2 citizensfortrump@gmail.com and although funds were only sent to  
 3 .<sup>32</sup> The produced records reflect that this account had total receipts  
 4 of approximately \$380,000, of which \$3,445 were expressly identified in memo text as  
 5 attributable to Citizens for Trump.<sup>33</sup> Some of these funds were received in 2017 and contain the  
 6 notation "Roger Stone CFT Exclusive Book Signing Tickets," indicating by use of the initialism  
 7 "CFT" that Citizens for Trump may have remained active after the 2016 election.<sup>34</sup> In addition,  
 8 the account records reflect receipts from individuals with explanatory notes such as "donations to  
 9 tea party community," "Tea Party dues," or "tpc."<sup>35</sup> Nearly all of the receipts prior to September  
 10 2016 came from "Timothy Selaty" or "Patriotic Warriors" by way of a funds transfer through  
 11 PayPal's platform from the email addresses and  
 12 sales@patrioticwarriors.com, respectively.<sup>36</sup>

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<sup>31</sup> See PayPal Subpoena Resp. at 17-24 (Aug. 17, 2020).

<sup>32</sup> *Id.* Because PayPal permits the transfer of funds solely by reference to an email address, the email addresses associated with an account represent more than just a method of contact, and are more analogous to a wire transfer routing number from a traditional bank.

<sup>33</sup> See PayPal Resp., Spreadsheet titled "TransactionLog-citizensfortrump@gmail.com-2280691268553750 724-20200813185805 (produced Aug. 17, 2020) ("0724 Transaction Log") (listing transactions for an account ending in 0724).

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* "The Tea Party Community" appears to refer to a now-defunct alternative to Facebook co-founded by Selaty. *Tea Party Community*, WIKIPEDIA, [https://en.wikipedia.org/wiki/Tea\\_Party\\_Community](https://en.wikipedia.org/wiki/Tea_Party_Community) (last visited Mar. 21, 2022) ("The Tea Party Community was a social networking and political networking website intended as an alternative to Facebook for use by American conservatives, founded by Ken Crow, Tim Selaty, Sr. and Tim Selaty, Jr.").

<sup>36</sup> Transfers from the email address sales@patrioticwarriors.com came from PayPal account number 8744, which is discussed below. PayPal did not produce information for the account associated with

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1        Many of the payments from this account were made via a debit card for what appear to be  
 2 personal purchases.<sup>37</sup> Approximately \$14,000 was withdrawn at ATMs.<sup>38</sup> This account was  
 3 also used to make personal transfers to Evaline Selaty, who appears to be the Selatys' daughter.<sup>39</sup>  
 4 Other payments were to godaddy.com, a website used to purchase internet domains and build  
 5 websites, to purchase the URLs for an assortment of webpages, few of which appear to relate to  
 6 supporting Trump, but rather relate to other political, social, and personal causes.<sup>40</sup> The account  
 7 also made payments for Citizens for Trump merchandise and webpage development.<sup>41</sup>

8        With respect to another account, ending in 8744, PayPal's production reflected an  
 9 account registered in the name of Amanda Lee, the registered agent of Patriotic Warriors, with  
 10 receipts of approximately \$14,000.<sup>42</sup> The account records list several registered email addresses,  
 11 including [donate@citizensfortrump.com](mailto:donate@citizensfortrump.com) and [sales@patrioticswarriors.com](mailto:sales@patrioticswarriors.com).<sup>43</sup> The transaction log  
 12 for the account lists hundreds of entries depicting recurring payments from individuals made to  
 13 the email address [sales@patrioticwarriors.com](mailto:sales@patrioticwarriors.com) for assorted levels of "membership."<sup>44</sup> Although  
 14 Selaty asserted in court filings that Patriotic Warriors "founded" Citizens for Trump, the

<sup>37</sup> 0724 Transaction Log, PayPal Debit Card Tab.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*, Payments Sent Tab. Payments to Evaline Selaty were frequently accompanied with personal notes, including, e.g., "Just because we love you!"; "Love you!"; "Merry Christmas!" and "gift."

<sup>40</sup> Account records show a payment for less than \$8.37 to GoDaddy for the website "georgelombardi.com," an apparent reference to Respondent George Lombardi. *Id.*, Payments Sent Tab at Line 246. Our review of the PayPal records did not reveal a further connection with Lombardi.

<sup>41</sup> *Id.*, Payments Sent Tab at Line 182 (showing \$260 payment to "NEXUS" with memo text of "Citizens4Trump T-shirt merchandise order"), Line 165 (showing \$100 payment to Selaty with memo text "CFT Server Work"), Line 174 (showing \$270 payment to "NEXUS" with memo text of "CFT Work and Merchandise"), Line 176 (showing \$75 payment to "NEXUS" with memo text of "CFT Merchandise sales"), Line 178 (showing \$60 payment to "NEXUS" with memo text of "CFT Merchandise sales").

<sup>42</sup> PayPal Resp. at 9-12 (Aug. 17, 2020).

<sup>43</sup> *Id.*

<sup>44</sup> See PayPal Resp., Spreadsheet titled "TransactionLog-1699336529208408744-20200813191008" (produced Aug. 17, 2020) ("8744 Transaction Log") (listing transactions for an account ending in 8744).

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1 information obtained in the investigation did not reveal additional information regarding the  
 2 relationship between the two organizations or whether the funds that appear to have been  
 3 provided as some kind of membership fees were related to Citizens for Trump. Of the  
 4 approximately \$14,000 in receipts, only \$730 are attributed to Citizens for Trump by memo text.  
 5 Outgoing payments from this account were primarily made to Michelle Selaty at the 0724 PayPal  
 6 account described above.<sup>45</sup>

7 Records for the last account, ending in 9241, indicate that it was registered in the name of  
 8 James Brown, “manager” of Patriotic Strategies, LLC, and lists Selaty’s home address as the  
 9 address of record.<sup>46</sup> Account records list several email addresses, including  
 10 patrioticstrategiesllc@gmail.com and citizensfortrump@gmail.com.<sup>47</sup> The transaction log for  
 11 the account shows \$4,000 in receipts almost exclusively comprised of “donations” to “Citizens  
 12 for Trump.”<sup>48</sup> Many of the payments from the account are for web-hosting fees associated with  
 13 various websites, the URLs of which appear to relate to a variety of causes and candidates, as  
 14 well as payments for the hosting of www.citizensfortrump.com.<sup>49</sup> Some of the websites do not  
 15 appear on the Internet Archive, while others were captured only once or twice, suggesting that  
 16 they were not active for long.<sup>50</sup> There are also purchases of food and gas, as well as ATM

<sup>45</sup> *Id.* Of the 55 payments sent from this account, 37 were sent to Michelle Selaty and three were sent to Selaty. *Id.*

<sup>46</sup> PayPal Resp. at 13-16 (Aug. 17, 2020).

<sup>47</sup> *Id.*

<sup>48</sup> See PayPal Resp., Spreadsheet titled “TransactionLog-citizensfortrump@gmail.com-1802128034376609 241-20200813190707” (produced Aug. 17, 2020) (“9241 Transaction Log”) (listing transactions for an account ending in 9241).

<sup>49</sup> The web address for Citizens for Trump is still active and re-routes visitors to the Facebook group “Citizens for Trump.” See [www.citizensfortrump.com](http://www.citizensfortrump.com) (last visited Mar. 21, 2022).

<sup>50</sup> See, e.g., DISHONEST JONNY (Oct. 7, 2017), <http://dishonestjonny.com> [<https://web.archive.org/web/20171007004157/http://dishonestjonny.com/>] (advocating against Jon Husted, candidate for the Republican primary election for Ohio governor in 2018).

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1 withdrawals, on the debit card associated with the account.<sup>51</sup> Unlike the receipts, the outgoing  
2 payments are not specifically labeled as Citizens for Trump.

3         Although a transaction log for one of the accounts shows ATM withdrawals for  
4 approximately \$200 at a gas station in Cleveland at the time of the RNC convention, suggesting  
5 that Selaty attended the convention, our review of the records PayPal produced do not  
6 corroborate Selaty's sworn statements in court filings that Citizens for Trump (or any other  
7 entity) made \$10,000 in expenditures for hotels and lodging related to the RNC rally in July  
8 2016.<sup>52</sup> Nor do the account records obtained reflect that Citizens for Trump spent \$50,000  
9 additional funds after the parade permit was approved, as Selaty affirmed Citizens for Trump  
10 would do.<sup>53</sup>

#### 11         IV.     LEGAL ANALYSIS

12         The Act and Commission regulations define a "political committee" as "any committee,  
13 club, association or other group of persons which receives contributions aggregating in excess of  
14 \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000  
15 during a calendar year."<sup>54</sup> In *Buckley v. Valeo*, the Supreme Court held that defining political

<sup>51</sup>         9241 Transaction Log, PayPal Debit Card Tab.

<sup>52</sup>         Selaty Decl. ¶ 22 ("Citizens for Trump has already spent roughly \$10,000 to pay deposits to secure lodging in hotels and rental homes for the main organizers and for guest speakers (speakers listed above in No. 13). If our permit does not get approved, or if it is approved so late that we are forced to cancel the march, we will lose this money already spent on lodging."); *see also* 0724 Transaction Log, PayPal Debit Card Tab, Lines 477-82. The transaction log also shows payments to Jack Posobiec for \$1,260 around the time of the RNC convention. *See* 0724 Transaction Log, Payments Sent Tab, Line 205 (\$200 payment for "services for citizens for trump" on July 30, 2016), Line 197 (\$160 payment for "CitizenForTrump.com Special Projects Director Reimbursement Thank You :)" on August 23, 2016, Lines 183-84 (showing total payments of \$500 for "For Citizens for Trump related activities" and "Citizens4Trump" in late September 2016), Line 172 (showing \$400 payment for "c4t travel expenses" on October 17, 2016).

<sup>53</sup>         Selaty Decl. ¶¶ 23-24.

<sup>54</sup>         52 U.S.C. § 30101(4)(A); 11 C.F.R. § 100.5. Contribution is defined as, *inter alia*, "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(8)(A)(i). Expenditure is defined as "any purchase, payment,

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1 committee status “only in terms of the annual amount of ‘contributions’ and ‘expenditures’”  
 2 might be overbroad, reaching “groups engaged purely in issue discussion.”<sup>55</sup> To cure that  
 3 infirmity, the Court concluded that the term “political committee” “need only encompass  
 4 organizations that are under the control of a candidate or the major purpose of which is the  
 5 nomination or election of a candidate.”<sup>56</sup> Accordingly, under the Act as thus construed by the  
 6 Supreme Court, an organization that is not controlled by a candidate must register as a political  
 7 committee only if it (1) crosses the \$1,000 threshold during a calendar year and (2) has as its  
 8 “major purpose” the nomination or election of a federal candidate.<sup>57</sup>

9 Assuming *arguendo* that the \$8,000 in receipts reflected in the PayPal transaction logs  
 10 specifically identified as for Citizens for Trump crossed the \$1,000 statutory threshold for receipt  
 11 of contributions with respect to the organization’s political committee status, the information  
 12 from the investigation is ambiguous with respect to the major purpose of Citizens for Trump  
 13 because the funds identified as attributable to Citizens for Trump were intermixed with hundreds  
 14 of thousands of dollars of personal and unknown activity. Importantly, the investigation was  
 15 unable to confirm the information relevant to the Commission’s reason-to-believe finding:  
 16 Selaty’s sworn statement in court that \$10,000 had already been spent on lodging for guest  
 17 speakers and organizers for the RNC rally.<sup>58</sup> Our review of the transaction logs did not reveal  
 18 outgoing payments in and around the time of the RNC rally to corroborate \$10,000 of total

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distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office.” *Id.* § 30101(9)(A)(i).

<sup>55</sup> 424 U.S. 1, 79 (1976).

<sup>56</sup> *Id.*

<sup>57</sup> In examining the “major purpose” of an organization, the Commission takes a case-by-case approach that requires a fact-intensive analysis of the group’s activities. See Political Committee Status, 72 Fed. Reg. 5595, 5601 (Feb. 7, 2007) (Supplemental Explanation and Justification).

<sup>58</sup> F&LA at 5 (Citizens for Trump).

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1 spending, let alone \$10,000 of spending relevant to planning and staging a political rally at any  
2 time. The PayPal transaction logs reveal only small withdrawals from an ATM in Cleveland  
3 around the time of the RNC rally and approximately \$1,200 in payments to Posobiec in  
4 connection with Citizens for Trump. At the same time, the accounts reflected hundreds of  
5 thousands of dollars in activity that is devoid of indicia reflecting a major purpose of nominating  
6 or electing a federal candidate.<sup>59</sup> For example, we identified no contributions to candidates or  
7 other political committees and no independent expenditures.

8 Given the difficulties we encountered in analyzing the financial information in the  
9 absence of Selaty's compliance with the Commission's subpoena to Citizens for Trump, this  
10 Office considered pursuing several other avenues to obtain relevant information. For example,  
11 we expected that Michelle Selaty, the registered owner of the main PayPal account, would  
12 similarly invoke the Fifth Amendment. The PayPal accounts list many bank account and credit  
13 card numbers, as well as additional email addresses, which could have formed the basis for  
14 requesting additional subpoenas for financial activity from PayPal and other financial  
15 institutions. However, given our inability to glean pertinent insights from the initial production  
16 of raw PayPal transaction data, we concluded that without first-hand witness testimony to  
17 explain the purposes of the transactions, a review of additional financial data, even if obtained,  
18 could be time-consuming and might not meaningfully advance the investigation. We believe that  
19 we would have encountered similar challenges with obtaining information, and if obtained,  
20 analyzing the information, with respect to other potential witnesses identified in this report.

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<sup>59</sup> 72 Fed. Reg. at 5601 ("The Commission may also need to evaluate the organization's spending on Federal campaign activity, as well as any other spending by the organization.").

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1       The age of this case also informs our recommendations to end the investigation and close  
 2   the file in this matter. As set forth above, the reason-to-believe finding relied in large part on  
 3   financial activity surrounding the RNC rally on July 18, 2016, which was not supported by  
 4   additional information developed through the investigation. Further, the activity in 2017 may  
 5   not relate to the nomination or election of a federal election — *e.g.*, receipts in 2017 for the  
 6   Roger Stone book signing are not, on their face, activity connected to the election or nomination  
 7   of a federal candidate. We therefore do not believe it would be a prudent use of the  
 8   Commission's resources to continue investigating, given the age of the activity at issue and in  
 9   combination with other considerations such as the investigation appearing to reflect *less* relevant  
 10   spending for purposes of a political-committee status determination than was thought to have  
 11   existed at the reason-to-believe stage.<sup>60</sup> Accordingly, we recommend that the Commission  
 12   exercise its prosecutorial discretion and take no further action on these allegations.<sup>61</sup>

13       Although the investigation did not uncover information that we would recommend the  
 14   Commission use as a basis to continue expending resources to pursue the question of whether  
 15   Citizens for Trump illegally failed to register and report as a political committee, it revealed  
 16   information suggesting that Citizens for Trump may have violated laws beyond the  
 17   Commission's jurisdiction.<sup>62</sup> The mixed use of the main PayPal account and the extent to which  
 18   certain expenses appear to have been personal raises questions as to whether donations were

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<sup>60</sup>       Selaty Decl. ¶¶ 12, 22-25 (identifying \$10,000 spent and \$50,000 more in planned spending).

<sup>61</sup>       *Heckler v. Chaney*, 470 U.S. 821, 831 (1985); *see also* Second Gen. Counsel's Rpt. ("Second GCR") at 21, 23, MUR 6997 (Americans Socially United) (taking no further action, citing *Heckler*, issuing an admonishment, Cert. at 1 (Apr. 20, 2021), MUR 6997 (approving recommendations)).

<sup>62</sup>       See Second GCR at 18, MUR 7194 (Unknown Respondent) (recommending closing the file  
 Cert. at 1 (May 12, 2021), MUR 7194 (approving recommendations)).

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1 raised and spent pursuant to donor intent.<sup>63</sup>

2

3 For the reasons stated above, we recommend that the Commission take no further action  
4 as to Citizens for Trump, Selaty, and Patriotic Warriors in this matter,

5

6 We further recommend that the Commission dismiss the allegations as to George  
7 G. Lombardi because the investigation did not reveal any relevant participation on his part.

8 Finally, we recommend that the Commission close the file as to all respondents.

9 **V. RECOMMENDATIONS**

- 10 1. Take no further action as to Citizens for Trump;
- 11 2. Dismiss the allegations that George G. Lombardi violated 52 U.S.C. §§ 30102,  
12 30103, and 30104;
- 13 3. Dismiss the allegations that George G. Lombardi violated 52 U.S.C. § 30124(b);
- 14 4.
- 15
- 16 5. Approve the appropriate letters; and

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<sup>63</sup> See Second GCR, MURs 7011, 7092 (HC4 President, *et al.*) (describing respondent's guilty plea to mail fraud for making material false statements in the solicitation of donations to three political committees he formed and for not spending the donations received according to donor intent).

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1            6.      Close the file as to all respondents.

Lisa J. Stevenson  
Acting General Counsel

March 22, 2022

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Date

Charles Kitcher

Charles Kitcher

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## Acting Assistant General Counsel



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