

**BEFORE THE  
FEDERAL ELECTION COMMISSION**

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

MUR # 7406

OFFICE OF  
GENERAL COUNSEL  
2018 JUN -5 PM 1:26

Complainant,

v.

Heller for Senate  
Chrissie Hastie, Treasurer  
PO Box 371907  
Las Vegas, NV 89137

Respondents.

**COMPLAINT**

Complainant files this complaint under 52 U.S.C. § 30109(a)(1) against Heller for Senate, and Chrissie Hastie, in her official capacity as Treasurer (collectively “Respondents”) for violating the Federal Election Campaign Act of 1971, as amended (“the Act”), and Federal Election Commission (“FEC” or “Commission”) regulations, as described below.

**FACTS**

Heller for Senate currently serves as Senator Dean Heller’s principal campaign committee for his 2018 reelection campaign.<sup>1</sup> According to records on file with the Commission, Heller for Senate has consistently served as Senator Heller’s principal campaign committee since 2011, and has been registered with the FEC since 2011.<sup>2</sup>

<sup>1</sup> FEC Statement of Organization, Heller for Senate (filed May 5, 2018).

<sup>2</sup> See, e.g., FEC Statement of Organization, Heller for Senate (filed Mar. 15, 2011); FEC Statement of Organization, Heller for Senate (filed Sept. 17, 2013); FEC Statement of Organization, Heller for Senate (filed May 1, 2015); FEC Statement of Organization, Heller for Senate (filed Mar. 15, 2016); FEC Statement of Organization, Heller for Senate (filed Feb. 8, 2017).

In 2017, the FEC concluded its investigation into the Cancer Treatment Centers of America (“CTCA”) for “violating campaign finance laws for more than a decade by paying bonuses to managers to cover company-directed political contributions to dozens of candidates and groups,” resulting in more than \$605,000 in illegal donations.<sup>3</sup> The conciliation agreement between CTCA and the FEC required CTCA to pay a fine of \$288,000, and to “contact all recipients of the illegal contributions and seek disgorgement of the contributions to the Treasury.”<sup>4</sup>

According to *Bloomberg News*, CTCA sent out disgorgement request letters to 35 campaign committees in August of 2017.<sup>5</sup> In response to CTCA’s disgorgement request letters, “15 committees immediately turned over more than \$265,000” in contributions to the U.S. Treasury.<sup>6</sup> *Bloomberg News* reports that Senator Dean Heller, among others, was told to disgorge the illegal CTCA contributions in August of 2017, but “FEC documents show that hasn’t happened.”<sup>7</sup> When asked by *Bloomberg News* about the CTCA contributions, Senator Heller’s congressional office “either didn’t respond or declined to provide a comment.”<sup>8</sup> A review of campaign finance reports filed by Heller for Senate in 2012 shows a total of \$27,500 in contributions from donors employed by CTCA, all from October of 2012.<sup>9</sup>

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<sup>3</sup> Ken Doyle, *Romney’s Old Campaign Sitting on Illegal Campaign Dollars*, *Bloomberg News* (May 9, 2018), available at <https://about.bgov.com/blog/romneys-old-campaign-sitting-illegal-campaign-dollars/>; see also FEC Conciliation Agreement, MUR 7248 (Aug. 1, 2017), <https://www.fec.gov/files/legal/murs/7248/17044423830.pdf>.

<sup>4</sup> Doyle, *supra* note 3.

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

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* (“Of the unknowing recipients of illegal cash who won their elections, Sens. Dean Heller...[was] told to disgorge” all contributions received by CTCA, but “FEC documents show that hasn’t happened.”); see also October Quarterly 2017, Heller for Senate (filed Oct. 14, 2017), <http://docquery.fec.gov/pdf/015/201710200200354015/201710200200354015.pdf>; Year End 2017, Heller for Senate (filed Jan. 31, 2018), <http://docquery.fec.gov/pdf/580/201802080200158580/201802080200158580.pdf>; April Quarterly 2018, Heller for Senate (filed Apr. 14, 2018), <http://docquery.fec.gov/pdf/592/201804180200297592/201804180200297592.pdf>.

<sup>8</sup> Doyle, *supra* note 3.

<sup>9</sup> See Exhibit A, Contributions to Heller for Senate from Individual Donors Employed by Cancer Treatment Centers of America.

## LEGAL ANALYSIS

Pursuant to FEC regulations, if a political committee deposits a contribution that appears to be legal “but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered.”<sup>10</sup> Alternatively, instead of refunding the contribution to the original donor, the political committee may instead disgorge the illegal contribution to the U.S. Treasury within the same thirty-date period.<sup>11</sup> In either instance, if the committee does not have sufficient funds to disgorge the contribution within thirty days of discovering the illegality, the committee must use the next funds it receives to do so.<sup>12</sup>

To report a contribution that is disgorged to the U.S. Treasury, any such payment exceeding \$200 must be disclosed on the political committee’s FEC report on Schedule B supporting Line 21 as an “other disbursement,” listing the purpose of the disbursement as “disgorgement.”<sup>13</sup> Additionally, “[i]f the identity of the original contributor is known and the contribution required itemization, [the political committee must] report the original contribution as a memo entry on Schedule B supporting Line 21, with a cross-reference to the entry for the payment to the U.S. Treasury.”<sup>14</sup>

Here, because Senator Heller was reportedly notified of the illegal CTCA contributions in August of 2017,<sup>15</sup> any refunds of these contributions or disgorgements to the U.S. Treasury should have been completed within thirty dates of that notification and reported on the 2017

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<sup>10</sup> 11 C.F.R. § 103.3(b)(2).

<sup>11</sup> FEC Adv. Op. 1996-05 (Kim), n.4; FEC Adv. Op. 1995-19 (Indian-American Leadership Investment Fund).

<sup>12</sup> 11 C.F.R. § 103.3(b)(2).

<sup>13</sup> FEC Campaign Guide for Congressional Candidates 114, <https://www.fec.gov/resources/cms-content/documents/candgui.pdf>.

<sup>14</sup> *Id.*

<sup>15</sup> Doyle, *supra* note 3.

October Quarterly report, which covered activity between July 1, 2017 and September 30, 2017. Additionally, because each of the \$2,500 contributions from CTCA employees were originally itemized on Heller for Senate's FEC reports, the disgorgement or refunds should have similarly been itemized on the report.<sup>16</sup> However, despite having sufficient funds to refund or disgorge the \$27,500 in illegal contributions,<sup>17</sup> no such disgorgement or refund was reported on the 2017 October Quarterly report—not in a lump sum payment to the U.S. Treasury or in individual refunds to the original contributors.<sup>18</sup> Similarly, Heller for Senate did not report refunds or disgorgements of any of the contributions from CTCA employees in its 2017 Year-End report, or in its 2018 April Quarterly report.<sup>19</sup>

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<sup>16</sup> See Exhibit A, Contributions to Heller from Individual Donors Employed by Cancer Treatment Centers of America.

<sup>17</sup> October Quarterly 2017, Heller for Senate (filed Oct. 14, 2017), <http://docquery.fec.gov/pdf/015/201710200200354015/201710200200354015.pdf> (reporting \$4,185,001.09 in cash on hand at the end of the reporting period).


<sup>18</sup> *Id.*

<sup>19</sup> Year End 2017, Heller for Senate (filed Jan. 31, 2018), <http://docquery.fec.gov/pdf/580/201802080200158580/201802080200158580.pdf>; April Quarterly 2018, Heller for Senate (filed Apr. 14, 2018), <http://docquery.fec.gov/pdf/592/201804180200297592/201804180200297592.pdf>.

**REQUESTED ACTION**

As we have shown above, Respondents have violated the Act and Commission regulations by failing to disgorge or refund illegal contributions within the required thirty-day period. Accordingly, we respectfully request that the Commission investigate these alleged violations, and that Respondents be enjoined from further violations and be fined the maximum amount permitted by law.

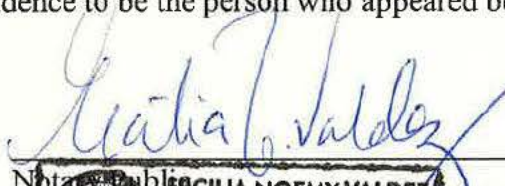
Sincerely,



Alana Mounce  
Executive Director, Nevada State Democratic Party

State of Nevada                     )  
  )  
County of Clark                    )

SUBSCRIBED AND SWORN to before me on the 18th day of May, 2018, by Alana Mounce, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



Notary Public **MERCILIA NOEMY VALDEZ**  
Notary Public, State of Nevada  
No. 05-97291-1  
My Appt. Exp. June. 10, 2021

Seal

My Commission Expires:

June 10, 2021

**Exhibit A****Contributions to Heller for Senate from Individual Donors Employed by Cancer Treatment Centers of America**

<b>CONTRIBUTOR</b>	<b>EMPLOYER</b>	<b>RECIPIENT</b>	<b>AMOUNT</b>	<b>DATE</b>	<b>SOURCE</b>
Magnussen, Eric	Cancer Treatment Center	Heller for Senate	\$2,500	10/26/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291733">http://docquery.fec.gov/cgi-bin/fecimg/?12021291733</a>
Meisner, Anne	Cancer Treatment Center	Heller for Senate	\$2,500	10/26/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291733">http://docquery.fec.gov/cgi-bin/fecimg/?12021291733</a>
Mackin, Stephen	Cancer Treatment Center	Heller for Senate	\$2,500	10/24/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291730">http://docquery.fec.gov/cgi-bin/fecimg/?12021291730</a>
Steiner, John	Cancer Treatment Center	Heller for Senate	\$2,500	10/23/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291723">http://docquery.fec.gov/cgi-bin/fecimg/?12021291723</a>
Lis, Christopher	Cancer Treatment Center	Heller for Senate	\$2,500	10/20/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291715">http://docquery.fec.gov/cgi-bin/fecimg/?12021291715</a>
Picchietti, Phillip	Cancer Treatment Center	Heller for Senate	\$2,500	10/20/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291714">http://docquery.fec.gov/cgi-bin/fecimg/?12021291714</a>
Mayo, Robert	Cancer Treatment Center	Heller for Senate	\$2,500	10/20/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291714">http://docquery.fec.gov/cgi-bin/fecimg/?12021291714</a>
Conway, John	Cancer Treatment Center	Heller for Senate	\$2,500	10/20/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291713">http://docquery.fec.gov/cgi-bin/fecimg/?12021291713</a>
Kroll, Stephen	Cancer Treatment Center	Heller for Senate	\$2,500	10/20/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291713">http://docquery.fec.gov/cgi-bin/fecimg/?12021291713</a>
McNeil, John	Cancer Treatment Centers of Am	Heller for Senate	\$2,500	10/20/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12021291713">http://docquery.fec.gov/cgi-bin/fecimg/?12021291713</a>
Bonner, Stephen	CTCA	Heller for Senate	\$2,500	10/17/2012	<a href="http://docquery.fec.gov/cgi-bin/fecimg/?12020984577">http://docquery.fec.gov/cgi-bin/fecimg/?12020984577</a>
<b>TOTAL</b>			<b>\$27,500.00</b>		