

**FEDERAL ELECTION COMMISSION**  
**FIRST GENERAL COUNSEL'S REPORT**

**MUR: 7464**

DATE OF COMPLAINT: Aug. 9, 2018

DATE OF SUPPLEMENT: May 29, 2020<sup>1</sup>

DATE OF NOTIFICATIONS:

Aug. 14, 2018 and June 5, 2020

DATE OF LAST RESPONSE:

March 11, 2019

DATE ACTIVATED: March 12, 2019

EXPIRATION OF SOL:

March 28, 2023 (earliest)

December 6, 2023 (latest)

ELECTION CYCLE: 2018

**COMPLAINANT:**Noah Bookbinder, Executive Director  
CREW**RESPONDENTS:**

LZP, LLC

Honor and Principles PAC and

Lisa Lisker in her official capacity as  
treasurer

Independence and Freedom Network, Inc.

Ray McVeigh, Independence and Freedom  
Network, Inc. DirectorJames Ryan, Registered Agent for LZP, LLC  
and Independence and Freedom Network,  
Inc.

Unknown Respondents

**RELEVANT STATUTES  
AND REGULATIONS:**

52 U.S.C. § 30104

52 U.S.C. § 30122

11 C.F.R. § 110.1(e), (g)

11 C.F.R. § 110.4(b)

**INTERNAL REPORTS CHECKED:**

Disclosure Reports

**OTHER AGENCIES CHECKED:**

Ohio Secretary of State

Internal Revenue Service

<sup>1</sup> A First General Counsel's Report ("FGCR") was first circulated in this matter on August 8, 2019, but had not yet been considered by the Commission when the Supplement to the Complaint was submitted. This Office withdrew the FGCR on November 18, 2020, for consideration of the new information included in the Supplement.

1 **I. INTRODUCTION**

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3 This matter concerns allegations that Unknown Respondents made \$270,000 in  
4 contributions in the name of another through LZP, LLC ("LZP"), a newly created LLC, which is  
5 a disregarded member of the Independence and Freedom Network, Inc. ("IFN"), a 501(c)(4)  
6 organization, to Honor and Principles PAC ("Honor PAC"), a federal independent expenditure-  
7 only political committee ("IEOPC"). The events at issue took place over the course of a four-day  
8 period: both LZP and Honor PAC were formed in the same week, then LZP made its first  
9 contribution to Honor PAC, which subsequently made its first disbursement.

10 Respondents represent that LZP received the funds for the federal contributions from its  
11 sole nonprofit corporate member, but do not provide any details regarding the name of the entity  
12 that funded the contributions to Honor PAC, or explain why it did not attribute the contributions  
13 to the LLC's single member.

14 For the reasons explained below, we recommend that the Commission find reason to  
15 believe that: Unknown Respondents, LZP, and IFN and its sole corporate director Ray McVeigh  
16 violated 52 U.S.C. § 30122 by making, and allowing LZP's name to be used to make  
17 contributions in the name of another; that Honor PAC violated 52 U.S.C. § 30122 by knowingly  
18 accepting contributions in the name of another; that Honor PAC violated 52 U.S.C. § 30104(b)  
19 and 11 C.F.R. § 110.1(e) and (g)(2) by failing to properly attribute LLC contributions; and that  
20 LZP violated 11 C.F.R. § 110.1(g)(5) by failing to provide the required attribution information  
21 when making its contributions. We also recommend that the Commission take no action at this  
22 time with regard to James Ryan, LZP and IFN's registered agent. Finally, we recommend that  
23 the Commission authorize compulsory process to investigate these allegations.

1     **II.     FACTUAL BACKGROUND**

2             The key events in this matter took place during a four-day period in March 2018. Honor  
3     PAC registered as an IEOPC with the Commission on March 26, 2018.<sup>2</sup> LZP registered as a  
4     nonprofit LLC with the state of Ohio on March 27, 2018.<sup>3</sup> LZP made its first contribution in the  
5     amount of \$175,000, to Honor PAC on March 28, 2018.<sup>4</sup> Honor PAC made its first  
6     disbursements for political advertising in a nonfederal race on March 29, 2018.<sup>5</sup>

7             Honor PAC filed reports with the Commission disclosing \$270,000 in receipts for 2018,  
8     all from LZP: \$175,000 on March 28, 2018, \$50,000 on April 6, 2018, \$10,000 on April 18,  
9     2018, and \$35,000 on October 19, 2018.<sup>6</sup> It has not reported any receipts for 2019 and 2020. Its  
10    reports also disclose \$252,607.92 in disbursements in 2018: \$24,769.92 for operating  
11    expenditures (for legal fees and compliance consulting) and \$227,838 for “other disbursements”  
12    to media vendors for “non federal-direct mail,” “non federal-media buys,” and “non federal voter

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<sup>2</sup> Honor and Principles PAC, FEC Form 1, *Statement of Organization* (Mar. 26, 2018). As an IEOPC, Honor PAC accepts unlimited contributions from individuals and sources that are otherwise prohibited for authorized campaign committees. See Advisory Opinion 2010-11 (Commonsense Ten).

<sup>3</sup> See LZP Resp. at 2 (Mar. 11, 2019) (stating that “LZP is treated as a disregarded entity for federal income tax purposes”); *LZP, LLC Articles of Organization* (eff. date Mar. 27, 2018), Business Search, Ohio Sec. of State, <https://businesssearch.ohiosos.gov/?=businessDetails/4158880>.

<sup>4</sup> See 2018 April Quarterly Report at 6, Honor and Principles PAC (Apr. 15, 2018) (disclosing only one receipt for the entire reporting period). According to the Commission’s databases, LZP has made federal contributions to only Honor PAC.

<sup>5</sup> *Id.* at 7 (disclosing only one disbursement for the reporting period).

<sup>6</sup> See 2018 April Quarterly, July Quarterly, and Post-Election Reports, Honor and Principles PAC (Apr. 15, 2018, July 14, 2018, and Dec. 6, 2018). Honor PAC also filed 2018 October Quarterly and Year-End Reports and a 2019 Mid-Year Report but did not disclose any receipts for those time periods.

1 calls.”<sup>7</sup> Honor PAC reported that it made its first disbursement on March 29, 2018, in the  
2 amount of \$163,838 to Target Enterprises LLC for a “non federal IE-Media Buy.”<sup>8</sup> According to  
3 the Complaint, Honor PAC paid for an ad attacking Ohio State Representative Larry  
4 Householder and supporting his opponent, Kevin Black, in the May 8, 2018 primary election for  
5 that state office.<sup>9</sup> In 2019 and 2020, Honor PAC reported making \$17,392.08 in disbursements  
6 for legal fees and compliance consulting.<sup>10</sup>

7 Based in large part on the proximity between the dates of Honor PAC (March 26) and  
8 LZP's (March 27) formations, along with the March 28 contribution from LZP and Honor PAC's  
9 March 29 disbursement to Target Enterprises, the Complaint alleges that LZP made, and Honor  
10 PAC knowingly accepted, a contribution in the name of another.<sup>11</sup> The Complaint states that  
11 LZP “does not appear to conduct any business” and has no presence on the internet, and argues  
12 that it was “virtually impossible that [LZP] generated sufficient income to pay for the

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<sup>7</sup> 2018 April Quarterly, July Quarterly, and Post-Election Reports, Honor and Principles PAC. Honor PAC is also registered as a SuperPAC with the state of Ohio, but has only filed one report with the state (a Statement of Organization filed on March 29, 2018) and has disclosed no receipts or disbursements. *See* Honor and Principles PAC (Super PAC) filings, Ohio Sec. of State, [https://www6.ohiosos.gov/ords/f?p=CFDISCLOSURE:39:::NO:RP:P39\\_ENTITY\\_ID,P39\\_LISTTYPE:14969,simple](https://www6.ohiosos.gov/ords/f?p=CFDISCLOSURE:39:::NO:RP:P39_ENTITY_ID,P39_LISTTYPE:14969,simple).

<sup>8</sup> 2018 April Quarterly Report at 7, Honor and Principles PAC.

<sup>9</sup> *See* Compl. at 5 (Aug. 9, 2018) (citing, Medium Buying, TWITTER (Apr. 1, 2018, 8:37 PM), <https://twitter.com/MediumBuying/status/980605173247758336>). It appears that Honor PAC paid for at least two other ads supporting Black and advocating the defeat of Householder that aired on April 23 and May 6, 2018. *See* Medium Buying, TWITTER (Apr. 23, 2018, 10:18 AM), <https://twitter.com/MediumBuying/status/988421940326162435>; Medium Buying, TWITTER (May 6, 2018, 4:43 PM), <https://twitter.com/MediumBuying/status/993229755343409153>.

<sup>10</sup> *See* 2019 Mid-Year and Year-End Reports, 2020 April Quarterly Report, and Termination Reports (Jul. 13, 2020, Oct. 15, 2020, and Dec. 4, 2020), Honor and Principles PAC. Honor PAC's requests to terminate have been denied while this MUR remains pending. *See* Ltr. to Counsel James Tyrrell, Denying Termination Request (Oct. 23, 2020).

<sup>11</sup> Compl. at 4-5.

1 contribution in just one day.”<sup>12</sup> Therefore, the Complaint also alleges that Unknown  
2 Respondents must have provided the \$175,000 to LZP to make the initial contribution to Honor  
3 PAC and, as a result, LZP acted as a conduit by knowingly permitting its name to be used to  
4 effect that contribution.<sup>13</sup>

5 On May 29, 2020, the Complainant filed a Supplement alleging the same violations by  
6 IFN, a 501(c)(4) organization that controls LZP, and its director, Ray McVeigh.<sup>14</sup> IFN filed  
7 articles of incorporation with the Ohio Secretary of State on April 13, 2017, listing Ryan as its  
8 registered agent, but it dissolved on December 31, 2020.<sup>15</sup> IFN's 2018 Form 990 filed with the  
9 IRS lists LZP as a disregarded entity with a total income of \$271,000 for 2018.<sup>16</sup> The same form  
10 also lists an unnamed contributor who gave \$271,000 to IFN, which the Supplemental Complaint  
11 states supports the allegation that LZP's contribution was derived from a single source.<sup>17</sup>

12 IFN's IRS filing discloses that it made \$1,120,000 in political campaign activity  
13 expenditures to “other organizations for section 527 exempt function activities,” and lists “Honor

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<sup>12</sup> *Id.* at 1, 5.

<sup>13</sup> *Id.* at 6.

<sup>14</sup> Supp. Compl. at 4 (May 29, 2020) (citing IFN 2018 Form 990 (Nov. 2019) (“IFN 2018 Form 990”), <https://www.documentcloud.org/documents/6773070-Independence-and-Freedom-Network-Inc-2018-990.html>). IFN's Internal Revenue Service (“IRS”) form lists McVeigh as its only officer and states that he did not receive any compensation for his work for IFN, which averaged two hours a week. IFN 2018 Form 990 at 7.

<sup>15</sup> See IFN, *Articles of Incorporation*, Business Search, Ohio Sec. of State (Apr. 13, 2017), <https://bizimage.ohiosos.gov/api/image/pdf/202036405238>; IFN, *Certificate of Dissolution*, Business Search, Ohio Sec. of State (Dec. 31, 2020), <https://bizimage.ohiosos.gov/api/image/pdf/202036405238>. Unlike with its articles of incorporation, IFN's certificate of dissolution was not filed by Ryan's law firm. Additionally, it appears that the dissolution was filed in an expedited manner, through payment of an additional expedited service fee.

<sup>16</sup> See IFN 2018 Form 990 at 5 (answering “Yes” to question 33 asking “Did the organization own 100% of an entity disregarded as separate from the organization?”); *id.* at Schedule R (listing LZP as IFN's only disregarded entity and noting that IFN is the “Direct controlling entity”).

<sup>17</sup> See IFN 2018 Form 990 at 20. The form lists six additional contributions that it received from individuals in the following amounts: \$352,000, \$950,000, \$800,000, \$183,702, \$105,000, and \$275,000.

1 and Principles PAC” and “Onward Ohio Inc.” as those 527 organizations receiving funds from  
2 IFN.<sup>18</sup> According to its filing, IFN provided \$270,000 to Honor and Principles PAC and  
3 \$850,000 to Onward Ohio Inc.<sup>19</sup> On a separate schedule requiring a list of “Grants and Other  
4 Assistance to Organizations, Governments and Individuals in the United States,” IFN again lists  
5 Honor PAC, Onward Ohio Inc., as well as two other groups, MORCC and Security is Strength  
6 LLC.<sup>20</sup> Onward Ohio is registered as an IEOPC with the Commission and disclosed receiving an  
7 \$850,000 contribution from IFN on March 16, 2018.<sup>21</sup> Honor PAC did not disclose any  
8 contributions from IFN on its disclosure reports filed with the Commission.

9 Honor PAC denies the allegations made in the original Complaint, stating that its donor  
10 form requests contributor identification information and “also requires the donor’s assurances  
11 that the contribution, whether personal or corporate, will not be reimbursed by another person or

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<sup>18</sup> *Id.* at Schedule C.

<sup>19</sup> *Id.* The IRS’s Tax Exempt Organization database does not show a record of Honor PAC ever having registered as a 527 organization. *See* Tax Exempt and Organization Search, IRS, <https://apps.irs.gov/app/eos/allSearch> (entering search terms “Honor and Principles” and EIN 82-4933172, the employer identification number listed for Honor PAC on IFN’s 2018 Form 990, does not yield any results). There is an “Onward Ohio Policy Institute” registered as a 527 organization with the IRS, but its filings do not list an \$850,000 contribution from IFN. *See* 2018 Form 990EZ and 2019 Form 990-N, IRS, <https://apps.irs.gov/app/eos/allSearch> (reporting \$10,000 in receipts in 2018 and less than \$25,000 in 2019).

<sup>20</sup> IFN 2018 Form 990 at Schedule I. As of the date of this report, IFN has not made any other filings with the IRS.

<sup>21</sup> *See* 2018 April Quarterly Report, Onward Ohio. During the 2018 election cycle, Onward Ohio disclosed \$877,300 in receipts and \$1,803,448.23 in total disbursements, and an ending cash on hand of \$650.72. The committee terminated in 2020. *See* Termination Approval Ltr. (Oct. 20, 2020), Onward Ohio. Onward Ohio was also registered as nonprofit corporation with the state of Ohio but its articles of incorporation were canceled in October 2020 for its failure to file a statement of continued existence. *See* Onward Ohio filings, Ohio Sec. of State <https://businesssearch.ohiosos.gov/?=businessDetails/2436941> (indicating a cancellation date of Oct. 20, 2020).

Security is Strength LLC and MORCC are not listed as 527 organization with the IRS, but there is a Security is Strength PAC registered with the Commission. That PAC has not disclosed contributions from IFN.

1 entity.”<sup>22</sup> Honor PAC further asserts that “[t]here was nothing suspicious on the face of [LZP’s]  
2 contribution” and that Honor PAC “was not under any further obligations with respect to the  
3 contribution.”<sup>23</sup> Honor PAC apparently did not request information regarding the proper  
4 attribution of the contribution from the LLC, which was the only contributor it reported.

5 In its response, LZP represents that it has a single member that is a 501(c)(4) nonprofit  
6 corporation but does not identify this nonprofit corporate member.<sup>24</sup> LZP asserts it contributed  
7 to Honor PAC “using its own assets that are legally indistinguishable from those of its nonprofit  
8 corporate member” under Ohio law.<sup>25</sup> It asserts that, under Ohio law, a nonprofit LLC with a  
9 single nonprofit member shares its assets and liabilities with its single member and need not,  
10 therefore, show that it generated any income prior to making a contribution.<sup>26</sup> The response also  
11 states that LZP and its single member had “more than enough of such assets to cover the  
12 contribution to [Honor PAC],” but does not identify the source of LZP’s (or its member’s)  
13 assets.<sup>27</sup> LZP further argues that because it and its member had “indistinguishable assets,” LZP

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<sup>22</sup> Honor PAC Resp. at 2 (Oct. 29, 2018). Honor PAC, which does not appear to have a website, does not attach a copy of the donor form to the response or explain where this form can otherwise be found. Moreover, Honor PAC does not represent that it provided its donor form to LZP.

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

<sup>24</sup> LZP Resp. at 2. Other than the representation that it has a single nonprofit corporate member, LZP provides no information about itself, such as its organizational purpose or other activities. LZP does not appear to have a website or other online presence and its public profile appears to include only the fact of its contributions to Honor PAC.

<sup>25</sup> *Id.* at 3.

<sup>26</sup> *Id.* at 2 (citing Ohio Rev. Code § 5701.14, a provision of the state’s tax code, which provides that “a single member limited liability company that operates with a nonprofit purpose . . . shall be treated as part of the same legal entity as its nonprofit member, and all assets and liabilities of that single member limited liability company shall be considered to be that of the nonprofit member”). LZP does not elaborate on its apparent position that a provision that treats all of *the LLC’s assets* as those of the LLC’s member can be inverted to treat of all of the *member’s assets* as those of the LLC. LZP also does not represent that it had assets other than by asserting rights to the assets of its member.

<sup>27</sup> *Id.* at 3.

1 could not have served as a conduit or intermediary to effect a contribution from its member  
2 because, under Ohio law, it was required to make the contribution in LZP's own name.<sup>28</sup>  
3 LZP has not submitted any additional clarification since being notified of the  
4 Supplemental Complaint in this matter and has not indicated whether IFN was its nonprofit  
5 corporate member that provided the assets used to make the contributions to Honor PAC. This  
6 Office also notified IFN and LZP's registered agent, James Ryan, who is the only known LZP  
7 representative.<sup>29</sup> According to publicly available information, Ryan has been the registered agent  
8 for approximately 151 entities in Ohio.<sup>30</sup> During the 2018 and 2020 election cycles, Ryan  
9 registered three nonprofit corporations (IFN, CHTFA, Inc., and American Exceptionalism  
10 Institute, Inc.) and fifty LLCs, including LZP and Security is Strength LLC.<sup>31</sup> Letters sent to

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<sup>28</sup> *Id.* at 3 (citing Ohio Rev. Code § 1705.34, a provision of the state's corporations code, which states that "[r]eal and personal property owned or purchased by a limited liability company shall be held and owned in the name of the company," and "[c]onveyance of that property shall be made in the name of the company"). LZP does not represent that it "owned or purchased" any property or that it conveyed such property to make the contributions. LZP's response also addresses whether Unknown Respondents made an earmarked contribution, but that issue is not alleged in the Complaint. *See id.* at 5 (representing that LZP "never received an express or implied, or written or oral instructions or designations from any mysterious 'Unknown Respondent' with respect to the funds it used to make its contributions" to Honor PAC).

<sup>29</sup> *See* Ltrs. to James E. Tyrrell III, counsel to LZP and Honor and Principles PAC, Ltr. to James G. Ryan, Ltr. to James McVeigh and IFN (June 5, 2020); Corrected Notification Ltr. to Ray McVeigh and IFN, cc James Ryan (Dec. 15, 2020). *See also* LZP, LLC *Articles of Organization* (eff. date Mar. 27, 2018), Business Search, Ohio Sec. of State, <https://businesssearch.ohiosos.gov?=-businessDetails/4158880> (listing attorney James G. Ryan of Columbus, OH as its registered agent).

<sup>30</sup> *See Agent or Registrant Name Search*, Ohio Sec. of State, <https://businesssearch.ohiosos.gov/#> (enter "James G. Ryan" in Agent/Registrant search field).

<sup>31</sup> *Id.* IFN and American Exceptionalism Institute Inc., which Ryan registered and incorporated on the same date, have been the subject of press reports concerning contributions they made to IEOPCs. *See, e.g.,* Eliana Johnson, *New ad accuses Paul of siding with terrorists* (Apr. 24, 2018), POLITICO, <https://www.politico.com/story/2018/04/24/dark-money-group-pressures-paul-cia-haspel-546043> (discussing \$100,000 ad campaign paid for by American Exceptionalism Institute, Inc.) and Jim Provance, *"Dark Money" makes way into governor campaigns* (Apr. 17, 2018), THE BLADE, <https://www.toledoblade.com/local/politics/2018/04/17/Dark-money-makes-way-into-governor-campaigns/stories/20180417150> (discussing IFN's \$850,000 contribution to Onward Ohio in 2018). *See also* Andrew J. Tobias, *Dark Money flowing into 2018 Ohio Republican Primary Elections* (Apr. 16, 2018), CLEVELAND.COM, [https://www.cleveland.com/open/2018/04/dark\\_money\\_flow\\_into\\_2018\\_o.html](https://www.cleveland.com/open/2018/04/dark_money_flow_into_2018_o.html) (discussing IFN and LZP's contributions to IEOPCs).

1 McVeigh and IFN at the P.O. Box address listed on IFN's IRS filings were returned as  
2 undeliverable with no forwarding address. However, Ryan was copied on the notification letters  
3 to IFN, in his capacity as its registered agent.<sup>32</sup> Neither IFN, McVeigh, nor Ryan submitted  
4 responses to the complaint notification.<sup>33</sup>

5 Finally, LZP argues that the Commission has never provided any guidance on the  
6 attribution requirements that would apply to contributions to IEOPCs from a single-member  
7 nonprofit LLC with a nonprofit corporate member.<sup>34</sup> It asserts that none of the Commission's  
8 regulations regarding LLC attribution apply because LZP had only one member who was not a  
9 natural person and did not have profits to share amongst a number of individuals.<sup>35</sup> LZP requests  
10 that the Commission dismiss the Complaint, which it characterizes as a matter of first  
11 impression, under principles of due process and fair notice.<sup>36</sup>

### 12 **III. LEGAL ANALYSIS**

#### 13 **A. Contributions in the Name of Another**

14 The Act provides that a contribution includes "any gift, subscription, loan, advance, or  
15 deposit of money or anything of value made by any person for the purpose of influencing any

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<sup>32</sup> See Corrected Notification Ltr. to McVeigh and IFN, and cc to James Ryan (Dec. 15, 2020); Email to James Ryan (Dec. 15, 2020) (including copies of original complaint and the supplement); Amended Notification Ltr. to McVeigh and IFN, with cc to James Ryan (June 5, 2020).

<sup>33</sup> Attorney James E. Tyrrell III submitted a designation of counsel form on behalf of Ryan but despite making various assurances to CELA staff that he would be submitting a written response on behalf of Ryan, as well as supplemental responses on behalf of LZP and Honor PAC, no such responses have been submitted to date. The most recent assurances were made in December 2020 that the responses would be submitted by the end of 2020. We have not been contacted by any attorneys representing IFN.

<sup>34</sup> LZP Resp. at 5-8.

<sup>35</sup> *Id.* at 6-7.

<sup>36</sup> *Id.* at 8.

1 election for Federal office.”<sup>37</sup> The term “person” for purposes of the Act and Commission  
2 regulations includes partnerships, corporations, and “any other organization or group of  
3 persons.”<sup>38</sup> The Act prohibits a person from making a contribution in the name of another  
4 person, knowingly permitting his or her name to be used to effect such a contribution, or  
5 knowingly accepting such a contribution.<sup>39</sup> The Commission has included in its regulations  
6 illustrations of activities that constitute making a contribution in the name of another:

- 7 (i) Giving money or anything of value, all or part of which was provided to  
8 the contributor by another person (the true contributor) without disclosing  
9 the source of money or the thing of value to the recipient candidate or  
10 committee at the time the contribution is made; or
- 11 (ii) Making a contribution of money or anything of value and attributing as the  
12 source of the money or thing of value another person when in fact the  
13 contributor is the source.<sup>40</sup>

14 The requirement that a contribution be made in the name of its true source promotes  
15 Congress’s objective of ensuring the complete and accurate disclosure by candidates and  
16 committees of the political contributions they receive.<sup>41</sup> Courts therefore have uniformly  
17 rejected the assertion that “only the person who actually transmits funds . . . makes the  
18 contribution,”<sup>42</sup> recognizing that “it is implausible that Congress, in seeking to promote  
19 transparency, would have understood the relevant contributor to be [an] intermediary who merely

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<sup>37</sup> 52 U.S.C. § 30101(8)(A).

<sup>38</sup> *Id.* § 30101(11); 11 C.F.R. § 100.10.

<sup>39</sup> 52 U.S.C. § 30122.

<sup>40</sup> 11 C.F.R. § 110.4(b)(2)(i)–(ii).

<sup>41</sup> *United States v. O’Donnell*, 608 F.3d 546, 553 (9th Cir. 2010) (“[T]he congressional purpose behind [Section 30122] — to ensure the *complete and accurate disclosure* of the contributors who finance federal elections — is plain.”) (emphasis added); *Mariani v. United States*, 212 F.3d 761, 775 (3d Cir. 2000) (rejecting constitutional challenge to Section 30122 in light of compelling governmental interest in disclosure).

<sup>42</sup> *United States v. Boender*, 649 F.3d 650, 660 (7th Cir. 2011).

1 transmitted the campaign gift.”<sup>43</sup> Consequently, both the Act and the Commission’s  
2 implementing regulations provide that a person who furnishes another with funds for the purpose  
3 of contributing to a candidate or committee “makes” the resulting contribution.<sup>44</sup> This is true  
4 whether funds are advanced to another person to make a contribution in that person’s name or  
5 promised as reimbursement of a solicited contribution.<sup>45</sup> Because the concern of the law is the  
6 true source from which a contribution to a candidate or committee originates, we look to the  
7 structure of the transaction itself and the arrangement between the parties to determine who in  
8 fact “made” a given contribution.

9       The Complaint’s allegation that LZP was used to make contributions by other persons is  
10 supported by the fact that LZP purported to make a \$175,000 contribution in its own name to  
11 Honor PAC two days after Honor PAC was formed and one day after LZP was formed, and by  
12 the lack of public information regarding the LLC’s activities or evidence indicating that LZP  
13 could make such a contribution without an infusion of funds provided to it for that purpose.  
14 When an LLC purports to make a political contribution in close temporal proximity to its  
15 formation date, without evidence of activity or any specific information regarding the provenance

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<sup>43</sup> *O’Donnell*, 608 F.3d at 554; *see also Citizens United v. FEC*, 558 U.S. 310, 371 (2010) (“The First Amendment protects political speech; and disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.”); *Doe v. Reed*, 561 U.S. 186, 199 (2010) (“Public disclosure also promotes transparency and accountability in the electoral process to an extent other measures cannot.”).

<sup>44</sup> *See Boender*, 649 F.3d at 660 (holding that to determine who made a contribution “we consider the giver to be the *source* of the gift, not any intermediary who simply conveys the gift from the donor to the donee.” (emphasis added)); *O’Donnell*, 608 F.3d at 550; *Goland v. United States*, 903 F.2d 1247, 1251 (9th Cir. 1990) (“The Act prohibits the use of ‘conduits’ to circumvent . . . [the Act’s reporting] restrictions.” (quoting then-Section 441f)).

<sup>45</sup> *O’Donnell*, 608 F.3d at 555. Moreover, the “key issue . . . is the *source* of the funds” and, therefore, the legal status of the funds when conveyed from a conduit to the ultimate recipient is “irrelevant to a determination of who ‘made’ the contribution for the purposes of [Section 30122].” *United States v. Whittemore*, 776 F.3d 1074, 1080 (9th Cir. 2015) (holding that defendant’s “unconditional gifts” to relatives and employees, along with suggestion they contribute the funds to a specific political committee, violated Section 30122 because the source of the funds remained the individual who provided them to the putative contributors).

1 of its funds, the circumstances may support a reasonable inference that the LLC was provided  
 2 funds for the purpose of making a contribution, *i.e.*, that the LLC was used as a conduit to mask  
 3 the identity of the true contributor. However, in determining whether such an inference is  
 4 supported, the Commission should consider the overall record, including the amount of the  
 5 contribution, the LLC's stated purposes and activity, and whether other information, such as the  
 6 attribution of the LLC contribution, suggests an attempt to circumvent the Act's disclosure  
 7 requirements.<sup>46</sup>

8 In previous LLC conduit contribution cases, we have recommended finding reason to  
 9 believe, after considering all available information, where the overall record indicated that the  
 10 LLC was likely not the true source of the contribution.<sup>47</sup> By contrast, we have not recommended

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<sup>46</sup> See also Section III.B, *infra*, regarding the proper attribution of LLC contributions.

<sup>47</sup> This Office recently recommended, and the Commission found, reason to believe where there was a reasonable basis to infer the LLC was not the true source of a contribution, based in part on the absence of activity to account for its funds and the temporal proximity between the LLC's formation date and the date of the contribution.

. Additionally, this Office recommended finding reason to believe an LLC had made conduit contributions in two cases where the contributions were made *the day after* the LLC or entity was created. See First Gen. Counsel's Report at 8-9, MURs 7014, 7017, 7019, and 7090 (DE First Holdings, *et al.*) (also recommending, at 12-13, reason to believe finding for LLC that made two \$250,000 contributions sixteen days and twenty-two days, respectively, after its formation, and vaguely offered only that it was formed as a "for-profit LLC"); First Gen. Counsel's Report at 10-11, MUR 6969 (MMWP12, LLC, *et al.*). Likewise, in MUR 6995, this Office recommended finding reason to believe an LLC made conduit contributions where it ambiguously stated that it had plans to do business in the future and purported to make a \$100,000 contribution two weeks after being formed. See First Gen. Counsel's Report at 9-10, MUR 6995 (Right to Rise, *et al.*). In MUR 6968, this Office recommended finding reason to believe an LLC made a \$150,000 conduit contribution to an IEOPC approximately seven weeks after it was formed, on a record that also linked that LLC to a company whose executive officers made contributions in their own names to the IEOPC and a multicandidate PAC that supported the same candidate. See First Gen. Counsel's Report at 9-10, MUR 6968 (Tread Standard, LLC, *et al.*). In MURs 7031 and 7034, this Office recommended finding reason to believe an LLC made conduit contributions where the LLC's manager acknowledged that it was created for the specific purpose of making donations to charities, nonprofit organizations, and political committees, and over a nine-month period, the LLC made contributions totaling \$884,000 to multiple political committees. See First Gen. Counsel's Report at 10-11, MURs 7031 and 7034 (Children of Israel, LLC, *et al.*). In each of these cases, the Commission split 2-2 on the recommendation to find reason to believe under 52 U.S.C. § 30122. Certification, MURs 7014, 7017, 7019, and 7090 (DE First Holdings, *et al.*) (May 10, 2018); Certification, MUR 6969 (MMWP12, LLC, *et al.*) (June 7, 2018); Certification, MUR 6995 (Right to Rise, *et al.*) (May 8, 2018); Certification, MUR 6968 (Tread Standard, LLC, *et al.*) (May 8, 2018); Certification, MURs 7031 and 7034 (Children of Israel, LLC, *et al.*) (June 7, 2018).

1 finding reason to believe in cases where the overall record — including, *e.g.*, evidence that the  
2 LLC engaged in commercial activity and had the ability to make the contributions at issue with  
3 its own income, a sworn statement attesting that the LLC had not received outside funds to make  
4 the contribution, and information suggesting that the LLC was not being used to circumvent the  
5 Act's disclosure requirements — indicated that the LLC in question was not used as a conduit.<sup>48</sup>

6 The record in this matter supports a finding that there is reason to believe that Unknown  
7 Respondents violated the Act's prohibition against contributions in the name of another by  
8 making contributions through LZP, that IFN, Ray McVeigh, and LZP violated the Act by  
9 knowingly permitting LZP's name to be used to effect such contributions, and that Honor PAC  
10 knowingly accepted those contributions.<sup>49</sup> In its response, LZP implies that it was provided  
11 funds by its purported single member to make the contributions to Honor PAC.<sup>50</sup> LZP's  
12 arguments that state law entitles, or even requires, it to have made contributions in LZP's name

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<sup>48</sup> See First Gen. Counsel's Report at 9-10, MURs 7013 and 7015 (IGX, LLC, *et al.*) (recommending finding no reason to believe LLC made \$500,000 conduit contribution five months after its formation on a record that included, *inter alia*, press articles that indicated that the LLC was a legitimate business that had already funded several film projects, one with a named director and another shown at the SXSW film festival); First Gen. Counsel's Report at 8-9, MUR 6930 (Prakazrel "Pras" Michel, *et al.*) (recommending no reason to believe single member LLC made conduit contribution on evidence including, *inter alia*, declaration from LLC's single member); *but see* Indictment, *United States v. Prakazrel Michel et al.*, Case No. 1:19-CR-148 (D.D.C. May 3, 2019) (charging LLC's single member, Michel, with four counts, including the making of false records in a federal investigation, in relation to alleged conduit contributions and Michel's declaration filed with the Commission). In both of these cases, the Commission split evenly on the recommendation to find no reason to believe under 52 U.S.C. § 30122. Certification, MURs 7013 and 7015 (IGX, LLC, *et al.*) (Apr. 10, 2018); Certification, MUR 6930 (Prakazrel "Pras" Michel, *et al.*) (Feb. 23, 2016).

<sup>49</sup> Although it is not alleged in the Complaint or the Supplement, the facts in this matter raise the question whether IFN's activities in providing over \$1 million in funding to IEOPCs constituted federal political activity, requiring it to register as a committee with the Commission. 52 U.S.C. § 30101(4)(A); 11 C.F.R. § 100.5 (defining a "political committee" as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year"). However, not enough information is available regarding IFN's overall activities to determine whether its major purpose was the nomination or election of a federal candidate. See *Buckley v. Valeo*, 424 U.S. 1, 79 (1976) (*per curiam*). Therefore, we do not make any recommendations regarding IFN's political committee status.

<sup>50</sup> LZP Resp. at 3.

1 using its member's funds are not persuasive. The plain language of the state corporate law  
2 provision at Ohio Rev. Code § 1705.34 governs an LLC's conveyance of property it owns or has  
3 purchased, but LZP makes no representations that it owns or has purchased any property. To the  
4 extent LZP claims ownership over all of its member's property pursuant to the Ohio tax  
5 provision at Ohio Rev. Code § 5701.14, that provision states on its face that all of the LLC's  
6 assets are deemed to be those of its nonprofit member but the member's assets are not deemed to  
7 be those of the nonprofit LLC.<sup>51</sup> In making its argument, LZP neither addresses nor disputes the  
8 assertion that it appears to have engaged in no activity other than making the contributions at  
9 issue and appears to have been formed solely to make contributions using the funds of another.  
10 The record supports a conclusion that that was, indeed, the case.

11 First, the temporal proximity between LZP's formation and its first contribution to Honor  
12 PAC just two days later supports a conclusion that LZP was likely created to effect a  
13 contribution, and that LZP was not the true contributor to Honor PAC but was, instead, provided  
14 funds for the purpose of making the contribution. In its response, LZP does not explain the  
15 reason for the LLC's formation, the quick turnaround for making its first political contribution as  
16 a newly formed entity, or how the making of that contribution almost immediately after the  
17 LLC's organization was consistent with the LLC's organizational purpose or governing  
18 documents. The absence of any public information of LZP's activity other than the making of  
19 contributions, considered in conjunction with the timing between LZP's creation and first

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<sup>51</sup> The legislative history of the tax provision indicates that it was intended to extend state property tax exemptions available to nonprofit corporations to nonprofit LLCs with single nonprofit corporate members as well as to property conveyed *from a nonprofit LLC to its nonprofit corporate member*. See Ohio Legis. Serv. Comm'n, OH Comm'n Syn., 2007-2008 H.B. 160 ¶ 5 (Feb. 3, 2009); *cf.* I.R.S. Prov. Ltr. Rul. 2001-34-025 (Aug. 24, 2001) (determining that real property debt conveyance to a nonprofit LLC with single nonprofit corporate member is entitled to the exempt treatment used by its member because LLC is a tax-disregarded entity and, therefore, the corporate member "treat[s] the operations and finances of the limited liability company as its own").

1 contribution, tend to support a conclusion that funds were directed to LZP for the purpose of  
2 making a political contribution.

3         Second, while LZP asserts that its corporate member had sufficient assets from which to  
4 make the contribution to Honor PAC, it does not reveal the identity of that corporate member or  
5 describe the origin of those assets. In its response, LZP provides no information concerning the  
6 nature of the company, or how its corporate member procured the assets that LZP used for its  
7 contributions to Honor PAC totaling \$270,000.<sup>52</sup> Instead, information from the Supplemental  
8 Complaint reveals that IFN directly controlled LZP's activities, and it is possible that IFN was  
9 actually LZP's nonprofit corporate member. IFN's IRS filing states that it owned 100% of LZP  
10 and further discloses that it received a \$271,000 contribution from an individual, which could  
11 have been the source of LZP's \$270,000 in total contributions to Honor PAC.<sup>53</sup> Indeed, IFN's  
12 2018 Form 990 lists LZP's total income as only \$271,000.<sup>54</sup> Additionally, in disclosing its  
13 "Political campaign activity expenditures" IFN's IRS filing lists contributions to purported 527  
14 organizations; however, both of those entities, Honor PAC and Onward Ohio, were actually  
15 committees registered with the Commission.<sup>55</sup> In fact, both committees disclosed those  
16 contributions in their reports filed with the Commission, albeit Honor PAC listed the  
17 contributions as coming from LZP and not IFN. Therefore, we are unable to conclude that those

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<sup>52</sup> In contrast, in other matters, LLCs have provided detailed statements describing the nature of their activity, source of income and assets and averring that the funds held were not provided for the purpose of making political contributions. *See, e.g.*, MUR 6930 (Michel) (recommending no reason to believe based on, *inter alia*, detailed affidavit concerning source of LLC's assets and purpose of LLC provided to rebut the allegations); *but see* Indictment, *United States v. Prkazrel Michel et al.*, Case No. 1:19-CR-148 (D.D.C. May 3, 2019).

<sup>53</sup> IFN 2018 Form 990 at 5, Schedule B, and Schedule R.

<sup>54</sup> *Id.* at Schedule R.

<sup>55</sup> *Id.* at Schedule C.

1 assets were provided to LZP for any other lawful purpose and not for the purpose of making a  
2 political contribution.<sup>56</sup>

3 Third, the timing of Honor PAC's formation and its first disbursement, in relation to  
4 LZP's formation and first contribution, also raises an inference that the IEOPC may have been  
5 involved in the alleged conduit contribution scheme. As described above, Honor PAC's  
6 registration with the Commission, LZP's registration as an LLC, LZP's first contribution to  
7 Honor PAC, and Honor PAC's first independent expenditure all took place within a four-day  
8 time period.<sup>57</sup> All of Honor PAC's receipts came exclusively from IFN, through LZP, and the  
9 political committee apparently failed to seek information from either entity for the proper  
10 attribution of any of the contributions on its disclosure reports. These facts support an inference  
11 that Honor PAC was aware of the true purpose behind LZP's creation, namely, concealing the  
12 identity of the true contributor.

13 The available information suggests that LZP's creation was an attempt to circumvent the  
14 Act's disclosure requirements. Based on the foregoing, we recommend that the Commission find  
15 reason to believe that Unknown Respondents and LZP violated 52 U.S.C. § 30122 by making  
16 and allowing LZP's name to be used to make contributions in the name of another and that  
17 Honor PAC violated 52 U.S.C. § 30122 by knowingly accepting contributions in the name of  
18 another.<sup>58</sup> Because IFN and Ray McVeigh controlled LZP, and may have directed the  
19 contributions to Honor PAC, we also recommend that the Commission find reason to believe that

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<sup>56</sup> Without information about LZP's single member we cannot determine whether the funds came from a lawful or prohibited source, such as from a foreign national in violation of 52 U.S.C. § 30121.

<sup>57</sup> *Supra* at 3.

<sup>58</sup> Although Honor PAC appears to have spent money only on state races, as a federally registered IEOPC Honor PAC must still comply with applicable provisions of the Act and Commission regulations.

1 they also violated 52 U.S.C. § 30122. However, although questions remain regarding Ryan's  
2 involvement with the creation of IFN and LZP, there is insufficient information regarding Ryan's  
3 involvement with LZP's contributions to Honor PAC at this stage. Therefore, we recommend  
4 that the Commission take no action at this time as to James Ryan. He will, however, be notified  
5 of the Commission's findings as to IFN in his capacity as IFN's registered agent.

6 **B. Attribution of LLC Contributions**

7 Whether or not LZP was provided funds to make the contributions, it failed to provide  
8 and Honor PAC failed to report the proper attribution of the contributions to LZP's unknown  
9 single member. Under the Act, all political committees, including IEOPCs, are required to file  
10 periodic disclosure reports with the Commission, which accurately report all contributions  
11 received and disbursements made.<sup>59</sup> Commission regulations state that "[a] contribution by an  
12 LLC that elects to be treated as a partnership by the Internal Revenue Service pursuant to 26 CFR  
13 301.7701-3, *or does not elect treatment as either a partnership or a corporation*, pursuant to that  
14 section, shall be considered a contribution from a partnership pursuant to 11 CFR 110.1(e)."<sup>60</sup>  
15 Thus, contributions by an LLC that does not elect to be treated as a corporation by the Internal  
16 Revenue Service and does not have a single natural-person member are treated as partnership  
17 contributions, which must be attributed to both the LLC and its member or members.<sup>61</sup>  
18 Furthermore, when such an LLC makes a contribution, it must affirm to the recipient, at the time

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<sup>59</sup> 52 U.S.C. § 30104(a), (b); 11 C.F.R. § 104.3(a), (b).

<sup>60</sup> 11 C.F.R. § 110.1(g)(2) (emphasis added). The regulations further specify that a "contribution by an LLC with a single *natural person* member that does not elect to be treated as a corporation by the Internal Revenue Service . . . shall be attributed only to that single member." *Id.* § 110.1(g)(4) (emphasis added); *see also id.* § 110.1(g)(3) (governing contributions by LLCs electing IRS treatment as corporations and LLCs with publicly-traded shares). The current record does not support a finding that LZP is a publicly traded LLC. *See* 11 C.F.R. § 110.1(g)(3).

<sup>61</sup> 11 C.F.R. § 110.1(e), (g).

1 the LLC makes the contribution, that the LLC is eligible to make a contribution and indicate how  
2 the contribution is to be attributed.<sup>62</sup>

3 The Commission's regulations concerning the attribution of LLC contributions apply on  
4 their face to all such LLC contributions irrespective of recipient.<sup>63</sup> The Commission has  
5 recognized that because LLCs are a product of state law and many states have very minimal LLC  
6 disclosure requirements, LLCs must affirmatively provide attribution information when making  
7 political contributions so that the recipient committees can accurately disclose those  
8 contributions to the public.<sup>64</sup>

9 LZP asserts it has a single corporate member and has not elected treatment as a  
10 corporation. Assuming that LZP is, in fact, a single member LLC with a non-natural person  
11 member, LZP's contributions totaling \$270,000 to Honor PAC are considered, under  
12 Commission regulations, as contributions by a partnership. Further, these regulations direct that  
13 the partnership contribution must be attributed to both the partnership and all partners in  
14 proportion to their shares.<sup>65</sup> Because there would not be multiple partners under the LZP's  
15 current organizational structure, the share of the contributions attributable to LZP's single  
16 member would be 100%. If, for example, IFN was LZP's single member, then its contribution  
17 would have been attributable to IFN. However, LZP did not provide the required attribution

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<sup>62</sup> 11 C.F.R. § 110.1(g)(5).

<sup>63</sup> See 52 U.S.C. §§ 30116(a)(1), 30118(a); Treatment of Limited Liability Companies Under the Federal Election Campaign Act, 64 Fed. Reg. 37,397, 37,398 – 37,399 (July 12, 1999) (“LLC E&J”) (discussing role of LLC attribution rules in identifying prohibited contributions from foreign national or government contractor sources, concerns that apply to all LLC contributions, including contributions to IEOPCs).

<sup>64</sup> LLC E&J at 37,399 (“The Commission further notes that the recipient committee would have no way of knowing how to attribute a contribution made by an eligible multi-member or single member LLC, unless that information was provided.”).

<sup>65</sup> See 11 C.F.R. § 110.1(e), (g).

1 information when it made three separate contributions to Honor PAC and also did not provide  
2 that information in response to the Complaint in this matter.

3 LZP argues that because the Commission's LLC regulations do not specifically address  
4 LLCs comprised of a single nonprofit corporate member, then the regulations do not apply or, in  
5 the alternative, that the Commission should dismiss the matter as a matter of discretion.<sup>66</sup> These  
6 arguments are not persuasive because the LLC attribution rules apply on their face to all LLC  
7 contributions other than in certain situations not presented here (such as those from LLCs  
8 electing corporate treatment or that have publicly-traded shares), without regard to the LLC's  
9 membership structure or the tax status of the single member. Indeed, the regulations require an  
10 LLC to provide attribution information not only for single natural person member LLCs and  
11 LLCs that elect to be treated as a partnership, but also for all LLCs that "[do] not elect treatment  
12 as either a partnership or corporation."<sup>67</sup>

13 LZP's argument that this is a case of first impression, and that it should not, therefore, be  
14 subject to treatment under partnership attribution rules, is unpersuasive. In its explanation of the  
15 LLC rules, the Commission noted that an LLC's provision of attribution information is necessary  
16 so that the recipient may make proper attribution of "a contribution made by an eligible multi-  
17 member or single member LLC."<sup>68</sup> The Commission has also noted in the context of advisory

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<sup>66</sup> LZP Resp. at 5-7. LZP argues that as a nonprofit LLC with a nonprofit corporate member, LZP's member (unlike a for-profit corporate member) has no partnership "profits" by which to measure the partner's share. *Id.* at 6-7 (citing 11 C.F.R. § 110.1(e), concerning attribution per partner's "share of the partnership profits").

<sup>67</sup> 11 C.F.R. § 110.1(g)(2).

<sup>68</sup> LLC E&J at 37,399.

1 opinions dating back to 2004 that an LLC with a sole corporate member that has not elected  
2 treatment as a corporation would be treated as a partnership under Commission regulations.<sup>69</sup>

3 Similarly, Honor PAC states that “there was nothing suspicious on the face” of LZP’s  
4 March 28, 2018, contribution, but does not explain why it did not seek attribution information for  
5 a contribution it received from an LLC, pursuant to Commission regulations, or after it received  
6 LZP’s subsequent contributions on April 6, 2018 and October 19, 2018.<sup>70</sup> This omission is  
7 pronounced by LZP’s status as Honor PAC’s sole reported source of contributions.

8 The available information indicates that LZP failed to provide attribution information to  
9 Honor PAC at the time it made its contributions, as required under 11 C.F.R. § 110.1(g)(5).  
10 Further, Honor PAC did not seek such information and, as a result, failed to properly attribute the  
11 contributions to LZP’s single nonprofit corporate member in order to accurately report all  
12 contributions received. Therefore, we recommend that the Commission find reason to believe  
13 LZP violated 11 C.F.R. § 110.1(g)(5), and that Honor PAC violated 52 U.S.C. § 30104(b) and  
14 11 C.F.R. § 110.1(e) and (g)(2), in connection with the reporting of LZP’s contributions.

#### 15 **IV. PROPOSED INVESTIGATION**

16 We propose to investigate: (1) the source of LZP’s contributions to Honor PAC;  
17 (2) details regarding the nature of LZP’s business function and the purpose of its creation;

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<sup>69</sup> Advisory Opinion 2004-42 at 3 (Pharmavite LLC) (noting that LLC with a sole corporate member was considered a “disregarded entity” by the IRS but that “Commission regulations provide that a non-publicly traded LLC that does not affirmatively elect treatment for tax purposes as a corporation is treated by the Commission as a partnership”); Advisory Opinion 2009-14 at 1, 5 (Mercedes-Benz USA LLC) (stating that the LLC, which had a single corporate member, “is treated as a partnership under Commission regulations because it is a non-publicly traded LLC that has not affirmatively elected treatment as a corporation for tax purposes”). The Commission recently found reason to believe a LLC violated either the foreign national contribution prohibition at 52 U.S.C. § 30121 or the corporate contribution prohibition at 52 U.S.C. § 30118, applying the attribution regulations discussed here, on a record that was unclear as to the tax-election status of the LLC. Factual and Legal Analysis, MUR 7491 (American Ethane)

<sup>70</sup> Honor PAC Resp. at 2.

1 (3) whether the assets used to make the contributions were provided to LZP for the purpose of  
2 making political contributions; (4) whether LZP's single member already possessed assets  
3 derived from a lawful source to make contributions; (5) whether IFN was LZP's single member  
4 and the extent of IFN and McVeigh's role in making the contribution; and (6) whether Honor  
5 PAC had knowledge of the source of LZP's contributions. We plan to begin by seeking relevant  
6 information directly from LZP, IFN, McVeigh, and Honor PAC on an informal basis, through  
7 interviews, answers to written questions, and requests for supporting documentation, but we  
8 recommend that the Commission authorize the use of compulsory process, including the issuance  
9 of appropriate interrogatories, document subpoenas, and deposition subpoenas, as necessary to  
10 complete the investigation.<sup>71</sup>

## 11 **V. RECOMMENDATIONS**

- 12 1. Find reason to believe that Unknown Respondents violated 52 U.S.C. § 30122 by  
13 making contributions in the name of another;
- 14 2. Find reason to believe that Independence and Freedom Network, Inc., Ray McVeigh,  
15 and LZP, LLC violated 52 U.S.C. § 30122 by allowing LZP's name to be used to  
16 make contributions in the name of another;
- 17 3. Find reason to believe that LZP, LLC violated 11 C.F.R. § 110.1(g)(5) by failing to  
18 provide attribution information;
- 19 4. Find reason to believe that Honor and Principles PAC and Lisa Lisker in her official  
20 capacity as treasurer violated 52 U.S.C. § 30122 by knowingly accepting  
21 contributions in the name of another;
- 22 5. Find reason to believe that Honor and Principles PAC and Lisa Lisker in her official  
23 capacity as treasurer violated 52 U.S.C. § 30104(b) and 11 C.F.R. §§ 110.1(e) and  
24 (g)(2) by failing to properly report LLC attribution information;
- 25 6. Take no action at this time as to James Ryan;
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<sup>71</sup> Given that our notifications letters to McVeigh have been returned as undeliverable, we intend to start the process of locating McVeigh by requesting owner information for the P.O. Box that IFN used for its address.

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- 7. Approve the attached Factual and Legal Analyses;
- 8. Authorize compulsory process; and
- 9. Approve the appropriate letters.

Lisa J. Stevenson  
Acting General Counsel

April 23, 2021  
Date

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