

# CLARK HILL

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Charles R. Spies  
T 202.572.8663  
F 202.572.8683  
Email: [cspies@clarkhill.com](mailto:cspies@clarkhill.com)

Clark Hill PLC  
101 Pennsylvania Avenue NW  
Suite 1300 South  
Washington, DC 20004  
T 202.772.0909  
F 202.772.0919

[clarkhill.com](http://clarkhill.com)

September 25, 2018

Jeff S. Jordan  
Assistant General Counsel  
Complaints Examination & Legal Administration  
Federal Election Commission  
1050 First Street, NE  
Washington, DC 20463

**VIA EMAIL: [cela@fec.gov](mailto:cela@fec.gov)**

**Re: MUR 7491: Response to Complaint from Bold Strategies, LLC, et al.**

Dear Mr. Jordan:

We are writing this letter on behalf of Bold Strategies, LLC (“Bold Strategies”) and Kyle Ruckert, in his official capacity as the registered agent of Bold Strategies (collectively, the “Respondents”), in response to the Complaint filed in the above-referenced matter by William Rodney Allen. Because the Respondents did not partake in any of the referenced actions in the Complaint and were not even mentioned (much less accused of wrongdoing) in the Complaint, the Federal Election Commission (the “Commission”) should either dismiss the Complaint on its face, or find no reason to believe a violation of the Federal Election Campaign Act of 1971 (the “Act”) or the Commission’s regulations occurred with respect to the here named Respondents.

The Commission may find “reason to believe” only if a Complaint sets forth sufficient, specific facts, which, if proven true, would constitute a violation of the Act.<sup>1</sup> Unwarranted legal conclusions from asserted facts or mere speculation will not be accepted as true.<sup>2</sup> Moreover, the Commission will dismiss a complaint when the allegations are refuted with sufficiently compelling evidence.<sup>3</sup> As explained in more detail below, the allegations made in the Complaint

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<sup>1</sup> See 11 C.F.R. § 111.4(a), (d).

<sup>2</sup> See MUR 4960, Commissioners Mason, Sandstrom, Smith and Thomas, Statement of Reasons (Dec. 21, 2001).

<sup>3</sup> See *id.*

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do not support a reason to believe finding in this matter. The Complaint should be immediately dismissed.

### **Factual Background**

Mr. Ruckert serves as the president of Bold Strategies, which is a full-service political consulting and government relations firm. Thus, Mr. Ruckert provides government relations and political consulting services to political campaigns, nonprofit groups, and private-sector companies across the country.

One of Mr. Ruckert's clients was previously American Ethane Company, LLC ("AEC"). Mr. Ruckert provided federal lobbying consulting services to AEC from October 2017 through August 2018. Mr. Ruckert is also a director of a federal independent expenditure-only committee called Conservative Louisiana.

### **The Complaint**

The Complaint apparently attempts to contend that a foreign national and potentially foreign-owned or controlled entity contributed to Mike Johnson for Louisiana and Conservative Louisiana. The majority of the Complaint is comprised of an excerpt from an article in a local Louisiana blog called, *The Bayou Brief*, which fails to set forth specific facts indicating that a prohibited contribution was made. Most importantly, the Complaint does not mention the Respondents.

### **Legal Analysis**

The Act and Commission regulations prohibit the making of, or knowing acceptance of, contributions from foreign nationals.<sup>4</sup> A foreign national is an individual who is not a U.S. citizen and who is "not lawfully admitted for permanent residence."<sup>5</sup> The term also includes a foreign government, political party, or business entity.<sup>6</sup>

Commission regulations further provide that foreign nationals "shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person," with regard to that person's election-related activities.<sup>7</sup> This includes decisions concerning the making of contributions, donations, expenditures or disbursements.<sup>8</sup> Thus, a domestic subsidiary

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<sup>4</sup> See 52 U.S.C. 30121(a); 11 C.F.R. § 110.20.

<sup>5</sup> See 52 U.S.C. 30121(b); 22 § U.S.C. 611(b).

<sup>6</sup> See *id.*

<sup>7</sup> See 11 C.F.R. § 110.20(i).

<sup>8</sup> See *id.*

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of a foreign corporation may not make contributions in connection with an election if the donations are derived from foreign funds and a foreign national held the decision-making authority concerning the making of the contribution.<sup>9</sup>

However, Mr. Ruckert had and has no reason to believe that AEC made contributions that were funded or directed by foreign nationals. Furthermore, even if AEC violated the Act and Commission regulations, Mr. Ruckert has no liability simply by acting as a lobbyist for AEC and a director of Conservative Louisiana, since the Complaint does not assert, much less set forth any theory or evidence, that Mr. Ruckert “knowingly” accepted or facilitated such contributions.

### **Conclusion**

In attenuated and unsubstantiated arguments, Mr. Allen failed to demonstrate that any Respondents violated provisions of the Act or the Commission’s regulations; and in the case of Mr. Ruckert, there is no accusation or even theory whereby he would have violated the Act. There are no facts alleged in the Complaint that the funds were derived from a foreign source or directed by a foreign principal, and especially that the Respondents had knowledge of either. We therefore respectfully request that the Commission recognize the legal and factual insufficiency of the Complaint on its face and immediately dismiss it.

Thank you for your prompt consideration of this matter, and please do not hesitate to contact us directly at (202) 572-8663 with any questions.

Respectfully submitted,



Charles R. Spies  
Sloane S. Carlough  
*Counsel to Bold Strategies, LLC and Kyle Ruckert*

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<sup>9</sup>See *id.* at § 110.20(h).