

**THE
PATRIOTS
FOUNDATION**

FEDERAL COUNSEL

2019 JUN 17 PM 1:24

BEFORE THE FEDERAL ELECTION COMMISSION OF THE UNITED STATES OF
AMERICA

In the Matter of:

Dan McCready
McCready for Congress
Holly Giarraputo, Treasurer
Double Time Capital, LLC

MUR No. 7618

COMPLAINT

1. Complainant brings this complaint before the Federal Election Commission (“FEC” or “Commission”) seeking an immediate investigation and enforcement action against the candidate for North Carolina’s 9th Congressional District, Mr. Dan McCready, McCready for Congress (“Committee”), Holly Giarraputo as Treasurer, and Double Time Capital, LLC (collectively, “Respondents”) for direct and serious violations of the Federal Election Campaign Act (“FECA” or “Act”).
2. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information providing reason to believe that:
3. Respondents have violated 52 U.S.C. § 30118(a), which prohibits the making and acceptance of corporate contributions and the expenditure by a corporation in connection with federal elections;
4. Respondents have violated 52 U.S.C. § 30125(e), which prohibits federal candidates from directly or indirectly controlling “soft money.”

STATEMENT OF THE LAW

5. Corporations may not make any contributions to candidates for federal office. The Act and FEC regulations define a contribution to include “any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value” to a political committee in connection with any federal election.¹
6. The term “anything of value” includes in-kind contributions, such as goods or services provided without charge or at a charge that is less than the usual and normal charge for such goods or services.²

¹ 52 U.S.C. §§ 30118(b)(2), 30101(8)(a); 11 C.F.R. § 114.1(a)(1).

² 11 CFR § 100.52(d)(1).

7. There is a limited exception to the prohibition on a corporation's rendering of legal and accounting services to a campaign, but only when such services are "for the purpose of ensuring compliance with [the] Act."³
8. Candidates are required to maintain records with which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness in accordance with the provisions of 52 U.S.C. §§ 30102(c)-(d), 30104 and 11 C.F.R. § 104.14(b).
9. The Act also prohibits the solicitation and spending of non-federal campaign funds by federal candidates, including agents acting on their behalf and entities that are directly or indirectly established, maintained, financed, or controlled by one or more federal candidates.⁴
10. Federal candidates may only solicit, receive, direct, transfer, or spend federal campaign funds in connection with a federal election.⁵

STATEMENT OF FACTS

11. Mr. Dan McCready is a candidate for the U.S. House of Representatives in North Carolina's 9th Congressional District.⁶
12. Mr. McCready is a Managing Partner and Co-Founder of Double Time Capital.⁷ According to his financial disclosure, Mr. McCready holds up to \$5 million in assets from Double Time Capital Management, LP.⁸ His campaign website and social media platforms prominently feature his business experience, as do several campaign advertisements.⁹ Mr. McCready has told a reporter that he talks about his clean energy experience every day on the campaign trail.¹⁰
13. On May 28, 2019, Fox News published an article highlighting Mr. McCready's business record at Double Time Capital and its inconsistency with positions Mr. McCready has taken on the campaign trail. For example, while Mr. McCready has said he opposes outsourcing, the article described how his company has enabled outsourcing. The article also described how Mr. McCready's investments are tied to equipment from a Chinese company.¹¹
14. On May 28, 2019, both the Congressional Leadership Fund ("CLF") and the National Republican Congressional Committee ("NRCC") raised this issue following the Fox News report.¹²

³ 11 CFR § 114.1(a)(2)(vii).

⁴ 52 U.S.C. § 30125(e)(1).

⁵ 52 U.S.C. § 30125(e)(1)(A).

⁶ Federal Election Commission, Candidate Profiles, Daniel McCready (last visited June 10, 2019), <https://www.fec.gov/data/candidate/H8NC09123/?tab=about-candidate>.

⁷ Double Time Capital, Our Team, <http://www.doubletimecapital.com/#our-team>.

⁸ Clerk of the House of Representatives, Daniel McCready, 2019 Financial Disclosure Report (Apr. 14, 2019), http://clerk.house.gov/public_disc/financial-pdfs/2019/10025564.pdf.

⁹ Dan McCready for Congress, Meet Dan (last visited June 10, 2019), <https://www.danmccready.com/#calledtoserve>; Dan McCready for Congress (@mccreadyforcongress), Facebook (last visited June 10, 2019), https://www.facebook.com/pg/mccreadyforcongress/about/?ref=page_internal; Dan McCready for NC (@McCreadyForNC), Twitter (Mar. 15, 2019) <https://twitter.com/McCreadyForNC/status/1106573820964544519>; McCready for Congress, "Created" | Dan McCready for Congress, YouTube (Sept. 22, 2018), <https://www.youtube.com/watch?v=CusrulJtdtQA>; McCready for Congress, Invested | McCready for Congress, YouTube (Oct. 25, 2018), <https://www.youtube.com/watch?v=63tamwZjBsk>.

¹⁰ Abby Smith, *Democrats Hope Solar Investor Can Outshine GOP in North Carolina*, Bloomberg Environment (May 4, 2018), <https://news.bloombergenvironment.com/environment-and-energy/democrats-hope-solar-investor-can-outshine-gop-in-north-carolina>.

¹¹ Lukas Mikelionis, *North Carolina Dem candidate vows to 'get tough' with China - despite investing in company that outsourced to China*, Fox News (May 28, 2019), <https://www.foxnews.com/politics/north-carolina-democrat-dan-mccready-china-outsourcing>.

¹² Congressional Leadership Fund, *McCready Outsourced Jobs to China, Endangered N.C.'s Power Grid* (May 28, 2019)

<https://www.congressionalleadershipfund.org/blog/mccready-outsourced-jobs-to-china-endangered-n-c-s-power-grid/>; National Republican Congressional Committee, *China Dan McCready is back into hiding!* (May 28, 2019), <https://www.nrcc.org/2019/05/28/china-dan-mccready-is-back-into-hiding/>.

15. In June of 2019, counsel to Double Time Capital sent threatening letters to CLF and the NRCC claiming that their statements were defamatory in nature and demanding immediate retraction.¹³
16. In contrast, McCready for Congress has made no public statements regarding this matter. The Fox News article states that the campaign did not respond to repeated requests for comment.¹⁴ To our knowledge, neither the campaign nor its outside counsel has publicly demanded CLF or the NRCC issue a correction or retraction.
17. In light of these facts, there is reason to believe that McCready for Congress and Mr. McCready offloaded the task of responding to political criticisms to a corporation instead of expending campaign resources. The CLF and NRCC claims were directed at the inconsistencies between Mr. McCready's campaign rhetoric and his business record. Yet it was through Double Time Capital that these criticisms were answered. Indeed, Double Time Capital's attorney specifically asserts that the statements harm "Dan McCready's personal and business reputation" in the demand letter to the NRCC.¹⁵
18. Mr. McCready may not use his position as Managing Partner at Double Time Capital to marshal corporate resources in support of his congressional campaign. He may not make his business record an issue in the campaign then use his company to respond to political criticism under the implausible pretext that his political opponents were attacking the company.

CAUSES OF ACTION

AGAINST RESPONDENTS MR. DAN MCCREADY, MCCREADY FOR CONGRESS, HOLLY GIARRAPUTO, AND DOUBLE TIME CAPITAL, LLC

Prohibited Contribution From a Corporation in Violation of 52 U.S.C. § 30118(a).

19. Double Time Capital, LLC, by providing legal services to conduct quintessential campaign activity, and the Committee's knowing receipt of such services results in a clear violation of 52 U.S.C. § 30118(a).

Directing of Non-Federal Funds by a Federal Candidate in Violation of 52 U.S.C. § 30125(e).

20. Additionally, because Mr. McCready, his corporate agents, or both he and his corporate agents directly or indirectly instructed Double Time Capital's attorneys to send threatening letters to political opponents, they are liable for facilitating in-kind corporate contributions in violation of 52 U.S.C. § 30125(e).

PRAYER FOR RELIEF

21. Wherefore, the Commission should find reason to believe that Mr. Dan McCready, McCready for Congress, Holly Giarraputo, and Double Time Capital, LLC have violated 52

¹³ Letter from John R. Wester, Counsel, Robinson, Bradshaw & Hinson, P.A., to Dan Conston, Pres., Congressional Leadership Fund (June 5, 2019), <https://www.congressionalleadershipfund.org/wp-content/uploads/2019/06/McCready-Letter-to-CLF.pdf>; Letter from John R. Wester, Counsel, Robinson, Bradshaw & Hinson, P.A., to Parker Poling, Exec. Dir., National Republican Congressional Committee (June 6, 2019), https://www.nrcc.org/wp-content/uploads/2019/06/DTC_Ltr-to-Parker-Poling-and-NRCC.pdf.

¹⁴ Mikelionis, *supra* note 11.

¹⁵ Letter from John R. Wester, Counsel, Robinson, Bradshaw & Hinson, P.A., to Parker Poling, Exec. Dir., National Republican Congressional Committee, *supra* note 13.

U.S.C. § 30118(a) and 52 U.S.C. § 30125(e) and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2). The Commission should determine and impose appropriate sanctions for any and all violations. Further, the Commission should enjoin respondents from any future violations, and impose any necessary and appropriate remedies to ensure respondents future compliance with FECA.

June 14, 2019

Respectfully Submitted,



The Patriots Foundation

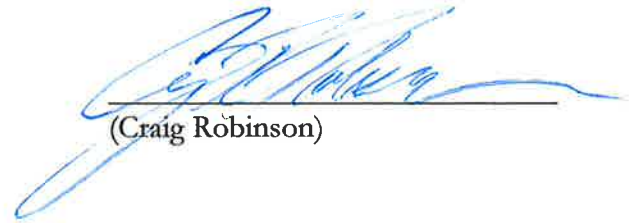
Craig Robinson

4020 121st Street, Urbandale, IA 50323

VERIFICATION

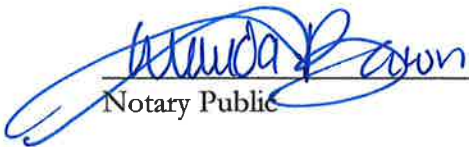
22. The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

For Complainant "The Patriots Foundation"



(Craig Robinson)

Sworn to and subscribed before me this 14th day of June, 2019.



Notary Public

