

OFFICE OF  
GENERAL COUNSEL

FEDERAL ELECTION COMMISSION

2019 DEC 16 PM 2: 10

In the matter of:

Senator Joni Ernst  
910 N. 6th St.  
Red Oak, Iowa 51566

Joni for Iowa  
P.O. Box 93441  
Des Moines, IA 50393

MUR No.: 7672

Cabell Hobbs as Treasurer of Joni for Iowa  
P.O. Box 93441  
Des Moines, IA 50393

Jobs Opportunity and New Ideas PAC  
P.O. Box 93441  
Des Moines, IA 50393

Iowa Values  
1331 SE University Ave, No. 210  
Waukee, IA 50263

2019 DEC 13 AM 10: 23  
CELA  
FEDERAL ELECTION  
COMMISSION

COMPLAINT

1. Campaign for Accountability (“CfA”) and Daniel Stevens bring this complaint before the Federal Election Commission (“FEC” or “Commission”) seeking an immediate investigation and enforcement action against Senator Joni Ernst; her principal campaign committee, Joni for Iowa; its Treasurer, Cabell Hobbs; Sen. Ernst’s leadership political action committee, Jobs Opportunity and New Ideas PAC; and Iowa Values, a section 501(c)(4) organization, for direct and serious violations of the Federal Election Campaign Act (“FECA” or “the Act”) and Commission regulations. Evidence strongly suggests that Sen. Ernst and her agents established Iowa Values for the purpose of supporting Sen. Ernst’s re-election to the U.S. Senate in 2020. Iowa Values is making expenditures in connection with her re-election campaign—including expenditures for Facebook advertisements that republish campaign material prepared by Joni for Iowa—in

violation of the FECA -- and Federal Election Commission ("FEC" or "Commission") regulations. The Commission should immediately investigate Sen. Ernst and Iowa Values' attempts to skirt these laws and regulations in order raise and spend unlimited and undisclosed funds to support Sen. Ernst's re-election campaign.

#### Complainants

2. Complainant CfA is a Section 501(c)(3) organization dedicated to ensuring accountability of public officials and compliance with federal laws. Toward this end, CfA seeks to protect and advance the right of citizens to be informed about the activities of government officials and to ensure the integrity of government officials and the government decision-making process by exposing unethical and illegal conduct of those involved in government. CfA uses research, litigation, and communications to advance its mission.

3. In furtherance of its mission, CfA also monitors campaign finance activities of those who finance federal elections and publicizes information regarding those who violate federal campaign finance laws. In order to assess whether an individual or entity is complying with federal campaign finance laws, CfA needs the information contained in disclosure reports political committees must file pursuant to FECA, 52 U.S.C. § 30104(a)&(b); 11 C.F.R. §§ 104.1, 104.3. CfA is hindered in its programmatic activity when an individual or entity fails to disclose campaign finance information in reports required by the FECA.

4. CfA relies on the FEC's proper administration of the FECA's reporting requirements because the FECA-mandated disclosure reports are the only source of information CfA can use to determine if an individual or entity is complying with the FECA. The proper administration of the FECA's reporting requirements includes mandating that all disclosure reports required by the

FECA are properly and timely filed with the FEC. CfA is hindered in its programmatic activity when the FEC fails to properly administer the FECA's reporting requirements.

5. Complainant Daniel Stevens is Executive Director of Campaign for Accountability, a citizen of the United States, and a registered voter and resident of the District of Columbia. As a registered voter, Mr. Stevens is entitled to receive information contained in disclosure reports required by the FECA, 52 U.S.C. § 30104; 11 C.F.R. §§ 104.2, 104.3. Mr. Stevens is harmed when an individual, candidate, political committee, or other entity fails to report campaign finance activity as required by the FECA. *See FEC v. Akins*, 524 U.S. 11, 19 (1998), quoting *Buckley v. Valeo*, 424 U.S. 1, 66-67 (1976) (“[P]olitical committees must disclose contributors and disbursements to help voters understand who provides which candidates with financial support.”). Ms. Huling is further harmed when the FEC fails to properly administer the FECA's reporting requirements, limiting her ability to review campaign finance information.

#### Respondents

6. Senator Joni Ernst, FEC Identification Number S4IA00129, is a current United States Senator from Iowa, and she is running for re-election in 2020.<sup>1</sup>

7. Joni for Iowa, FEC Identification Number C00546788, is her principal campaign committee.<sup>2</sup>

8. Cabell Hobbs is the Treasurer of Joni for Iowa, a position he has held since July 8, 2015.<sup>3</sup>

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<sup>1</sup> Joni K. Ernst, FEC Form 2 Statement of Candidacy (filed July 15, 2019) <https://docquery.fec.gov/pdf/437/201907159150937437/201907159150937437.pdf>.

<sup>2</sup> Joni for Iowa, FEC Form 1 Statement of Organization (filed July 15, 2019) <https://docquery.fec.gov/pdf/420/201907159150936420/201907159150936420.pdf>.

<sup>3</sup> Joni for Iowa, FEC Form 1 Statement of Organization (filed Nov. 8, 2019) <https://docquery.fec.gov/pdf/461/201911089165338461/201911089165338461.pdf>; Joni for Iowa, FEC Form 1 Statement of Organization (filed July 8, 2015) <https://docquery.fec.gov/pdf/719/15020179719/15020179719.pdf>.

9. Jobs Opportunity and New Ideas PAC, FEC Identification Number C00566851, is Sen. Ernst's leadership political action committee ("PAC").<sup>4</sup>

10. Iowa Values is a nonprofit 501(c)(4) organization, that was founded in 2017, ostensibly to "educate the public about common-sense solutions to various public policy issues of national importance including limited government, defending life, cutting wasteful spending, finding solutions for the challenges facing rural America, and building a strong national defense."<sup>5</sup>

### FACTUAL BACKGROUND

11. Employees of Iowa Values have deep and longstanding ties to Sen. Ernst. Jon Kohan served as Executive Director of Iowa Values at its founding and throughout 2017 and 2018.<sup>6</sup> Previously, he was her campaign manager in 2014, and served as her Deputy Chief of Staff in the U.S. Senate until 2015.<sup>7</sup> He began working at the D.C.-based political consulting firm Jamestown Associates in January of 2017, and continues to work there today.<sup>8</sup> Jamestown Associates provides consulting services for both Joni for Iowa and Jobs Opportunity and New Ideas PAC.<sup>9</sup> The company began providing services to Sen. Ernst's campaign committee and PAC in 2017, at the same time Kohan began serving as Executive Director of Iowa Values.<sup>10</sup>

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<sup>4</sup> Jobs Opportunity and New Ideas PAC, FEC Form 1 Statement of Organization (filed Jan. 31, 2018) <https://docquery.fec.gov/pdf/496/201801319091105496/201801319091105496.pdf>.

<sup>5</sup> Iowa Values, 2017 IRS Form 990, accessed via ProPublica, *available at* <https://projects.propublica.org/nonprofits/organizations/815224793/201833189349304518/IRS990> [hereinafter "2017 Iowa Values 990"].

<sup>6</sup> *Id.* at 8; Brian Slodysko, "'Dark money' ties raise questions for GOP Sen. Ernst of Iowa," AP News (Dec. 6, 2019) <https://apnews.com/eeb44fc06b0cb202bc1edbd1adee7f7d>.

<sup>7</sup> LinkedIn.com, Jon Kohan, <https://www.linkedin.com/in/iamkohan/> (last accessed Dec. 10, 2019).

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

<sup>9</sup> FEC.gov, Search for Disbursements to Jamestown Associates from Joni for Iowa and Jobs Opportunity and New Ideas PAC, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00546788&committee\\_id=C00566851&recipient\\_name=jamestown](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00546788&committee_id=C00566851&recipient_name=jamestown) (last accessed Dec. 10, 2019).

<sup>10</sup> *Id.*

Payments from Joni for Iowa and Jobs Opportunity and New Ideas PAC to Jamestown Associates continued through Sept. 2019.<sup>11</sup>

12. Claire Holloway Avella is a fundraising consultant who is President of the consulting firm Holloway Consulting.<sup>12</sup> When Iowa Values first incorporated in the District of Columbia in 2017, the address of Holloway Consulting, located in Arlington, Virginia, was listed as the corporation's business address on the organization's founding documents.<sup>13</sup> Holloway Avella has sent at least one fundraising email on behalf of Iowa Values, in which she asked a donor to make "an investment of \$50,000" after an introduction by Sen. Ernst.<sup>14</sup> Holloway Consulting also serves as a fundraising consultant to Joni for Iowa, Jobs Opportunity and New Ideas PAC, and multiple joint fundraising committees that are also authorized committees for Joni Ernst (the "Ernst Committees").<sup>15</sup> Since the start of the 2020 election cycle, Holloway Consulting has been paid over \$420,000 from the Ernst Committees.<sup>16</sup> Most recently, Holloway Consulting was paid \$1,000 for finance consulting by Joni for Iowa on September 18, 2019. Holloway Consulting was also paid \$4,545.44 for finance consulting by the Jobs Opportunity and New Ideas PAC on June 17, 2019.<sup>17</sup> Just a few months after sending the fundraising email on behalf of Iowa Values, Holloway Avella was listed as an organizer for two of Sen. Ernst's fundraising events.<sup>18</sup>

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<sup>11</sup> *Id.*

<sup>12</sup> Holloway Consulting, Inc., "Our Team," <http://www.hollowayconsulting.net/ourteam.html>.

<sup>13</sup> See District of Columbia Dept. of Consumer and Regulatory Affairs, Iowa Values, attached as Exhibit A.

<sup>14</sup> Brian Slodysko, "'Dark money' ties raise questions for GOP Sen. Ernst of Iowa," AP News (Dec. 6, 2019) <https://apnews.com/eeb44fc06b0cb202bc1edbd1adee7f7d>.

<sup>15</sup> FEC.gov, Search of Disbursements to Holloway Consulting from Joni for Iowa, Ernst Victory, Ernst Victory Fund, Ernst Victory Iowa, Jobs Opportunity and New Ideas PAC, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00546788&committee\\_id=C00566851&committee\\_id=C00566984&committee\\_id=C00571927&committee\\_id=C00610428&recipient\\_name=holloway+consulting&min\\_date=01%2F01%2F2014](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00546788&committee_id=C00566851&committee_id=C00566984&committee_id=C00571927&committee_id=C00610428&recipient_name=holloway+consulting&min_date=01%2F01%2F2014) (last accessed Dec. 10, 2019).

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Brian Slodysko, "'Dark money' ties raise questions for GOP Sen. Ernst of Iowa," AP News (Dec. 6, 2019) <https://apnews.com/eeb44fc06b0cb202bc1edbd1adee7f7d>.

13. A press release from June 2019 named Derek Flowers as the executive director of Iowa Values.<sup>19</sup> When Iowa Values registered as a nonprofit corporation with the Iowa Secretary of State two years earlier, in June of 2017, it listed the address 1331 SE University Ave in Waukee, Iowa as its “principal office” in Iowa.<sup>20</sup> According to property records from Dallas County, Iowa, Derek Flowers owns a condominium at that same address.<sup>21</sup> Flowers is also closely connected to Sen. Ernst and her campaign; he served as campaign manager for Sen. Ernst’s primary campaign in 2014<sup>22</sup> and was an official with her political action committee in 2015.<sup>23</sup> In addition, the Ernst Committees have reported over \$130,000 in payments for political strategy and event consulting to Midland Strategies LLC, which is registered at the same address as the condo owned by Flowers - 1331 University Ave, #210, Waukee, Iowa.<sup>24</sup> The Ernst Committees have also reported thousands of dollars in payments and reimbursements to Flowers personally.<sup>25</sup> Many of those payments occurred after Mr. Flowers’ address was used to register Iowa Values as a foreign corporation in Iowa.

<sup>19</sup> Iowa Values, “Conservative Organization Begins Voter Outreach,” (June 27, 2019) <https://us3.campaign-archive.com/?u=1e7cc07d8991b902eb884256d&id=f04d90419f>.

<sup>20</sup> Iowa Values Business Entity Summary, Iowa Sec’y of State (last accessed Dec. 10, 2019).

<sup>21</sup> Property Record for 1331 SE University Ave #210, Waukee, IA, Dallas County Iowa County Assessor (last accessed Dec. 10, 2019).

<sup>22</sup> Andrea Drusch and National Journal, Iowa Senate Candidate Joni Ernst's Secret Weapon: Mitt Romney, The Atlantic (June 3, 2014) <https://www.theatlantic.com/politics/archive/2014/06/iowa-senate-candidate-joni-ernsts-secret-weapon-mitt-romney/372077/>.

<sup>23</sup> Catherine Lucey, 2016 GOP Hopefuls to ‘roast and ride’ in Iowa, The Associated Press (June 6, 2015) [https://www.telegraphherald.com/news/iowa-illinois-wisconsin/article\\_3caefc02-4826-523e-bba9-0bf32c1071e8.html](https://www.telegraphherald.com/news/iowa-illinois-wisconsin/article_3caefc02-4826-523e-bba9-0bf32c1071e8.html).

<sup>24</sup> FEC.gov, Search of Disbursements to Midland Strategies from Joni’s Roast and Ride and Jobs Opportunity and New Ideas PAC, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00566851&committee\\_id=C00614198&recipient\\_name=MIDLAND+STRATEGIES&min\\_date=01%2F01%2F2015](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00566851&committee_id=C00614198&recipient_name=MIDLAND+STRATEGIES&min_date=01%2F01%2F2015); Midland Strategies LLC, Business Entity Summary, Iowa Secretary of State (accessed Dec. 10, 2019).

<sup>25</sup> FEC.gov, Search of Disbursements to Derek Flowers from Joni’s Roast and Ride and Jobs Opportunity and New Ideas PAC, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00566851&committee\\_id=C00614198&recipient\\_name=derek+flowers&min\\_date=01%2F01%2F2015](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00566851&committee_id=C00614198&recipient_name=derek+flowers&min_date=01%2F01%2F2015).



14. Iowa Values did not publicly announce its founding until May of 2018.<sup>26</sup> In 2017, Iowa Values reported spending over \$268,000 total, spending \$5,000 on political activity, for “Political Media Production.”<sup>27</sup> And yet, supporting Sen. Ernst and defending her record appears to be a key priority of Iowa Values. In July 2019, Holloway Avella sent an email requesting donations to Iowa Values.<sup>28</sup> She described the purpose of Iowa Values as being “to push back against . . . negative attacks . . .” on Sen. Ernst’s record.<sup>29</sup> In a strategy memo distributed by Holloway Avella, Iowa Values stated it intended to give Sen. Ernst “the best possible jumping off point in 2020,” targeting voters that “represent the firewall between winning and losing for Senator Ernst.”<sup>30</sup>

15. In 2019, soon after Sen. Ernst announced her candidacy for re-election,<sup>31</sup> Iowa Values began disseminating communications on Facebook that promote Sen. Ernst and her record as U.S. Senator from Iowa. One ad, which contains a link to a video posted to Iowa Values’ YouTube page, conveys positive messaging about Sen. Ernst, stating “From caring for our neighbors to standing up for what’s right, Joni shares our values.”<sup>32</sup>

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<sup>26</sup> Erin Murphy, Tauke co-founds conservative Iowa think tank, Waterloo-Cedar Falls Courier (May 24, 2018) [https://wcfcourier.com/news/local/govt-and-politics/tauke-co-founds-conservative-iowa-think-tank/article\\_1fb95883-fd69-50ae-af3f-918d688fbd6a.html](https://wcfcourier.com/news/local/govt-and-politics/tauke-co-founds-conservative-iowa-think-tank/article_1fb95883-fd69-50ae-af3f-918d688fbd6a.html)

<sup>27</sup> 2017 Iowa Values 990.

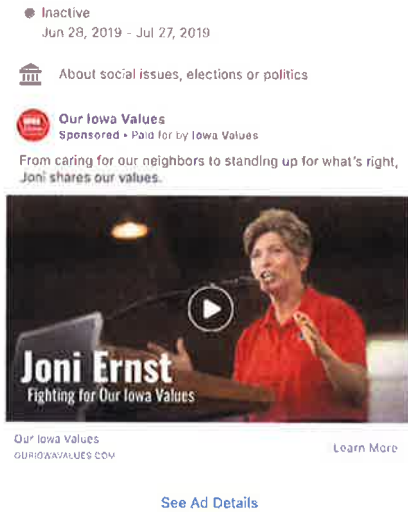
<sup>28</sup> Brian Slodysko, “‘Dark money’ ties raise questions for GOP Sen. Ernst of Iowa,” AP News (Dec. 6, 2019) <https://apnews.com/eeb44fc06b0cb202bc1edbd1adee7f7d>.

<sup>29</sup> *Id.*

<sup>30</sup> Iowa Values Strategy Memo, attached as Exhibit B.

<sup>31</sup> The Gazette, “Ernst Announces Reelection Bid: ‘I am going to hold this seat’” (June 15, 2019) <https://www.thegazette.com/subject/news/government/joni-ernst-roast-ride-election-campaign-bikers-20190615>.

<sup>32</sup> Our Iowa Values, Facebook Ad Library, [https://www.facebook.com/ads/library/?active\\_status=all&ad\\_type=all&country=US&q=Our%20Iowa%20Values&view\\_all\\_page\\_id=785144711668660](https://www.facebook.com/ads/library/?active_status=all&ad_type=all&country=US&q=Our%20Iowa%20Values&view_all_page_id=785144711668660). (last accessed Dec. 10, 2019) [hereinafter “Iowa Values Facebook Ad Library”].



The still photograph used as the video thumbnail, which does not appear in the video itself, appears to have been obtained from Joni for Iowa’s Facebook page.<sup>33</sup> In the associated video, a narrator states:

What are the values that make Iowans different? Caring for our neighbors, putting service over self, and doing the right thing. Even when it’s hard. We deserve leaders who have walked in our shoes and share these beliefs, like Joni Ernst. Standing up for Iowans all across our state and fighting for what we believe in. We are Iowans. These are our Iowa values.<sup>34</sup>

16. Some of Iowa Values’ Facebook advertisements contain generic calls for viewers to canvass for “Iowa values,” and feature photographs of Sen. Ernst that can be found on her campaign’s website and social media pages. For example, the photograph in the ad below also appeared on Sen. Ernst’s campaign website homepage:<sup>35</sup>

<sup>33</sup> Joni Ernst, Facebook, (Aug. 27, 2016) <https://www.facebook.com/joniforiowa/photos/a.600921606606422/1233092730055970/> (last accessed Dec. 10, 2019).

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

<sup>35</sup> See Iowa Values Facebook Ad Library; Joni for Iowa, <https://joniernst.com/> (Sept. 17, 2019).



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Jul 12, 2019 - Jul 23, 2019

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## LEGAL ANALYSIS

17. Federal law and Commission regulations are carefully drafted to separate the activities of candidates and officeholders from those of “dark money” organizations like Iowa Values, which can raise and spend unlimited corporate money without disclosing the source of their funding or the nature of their activity to the FEC and the public. These rules are intended to reduce the likelihood and appearance of corruption that such organizations can cause, and to further the Commission’s goal of transparency and disclosure in the funding of federal elections.

18. The Act prohibits federal candidates, officeholders and their agents from directly or indirectly establishing an entity that solicits, receives, directs, transfers or spends funds in connection with a federal election that are not subject to the contribution limits, source prohibitions, and reporting requirements of the Act.<sup>36</sup> When considering whether a candidate has “established” an entity, the Commission focuses principally on whether the candidate “directly or through his agent, had an active or significant role in the formation of the entity.”<sup>37</sup>

<sup>36</sup> 52 U.S.C. § 30125(e)(1)(A); 11 C.F.R. § 300.61.

<sup>37</sup> 11 C.F.R. § 300.2(c)(2)(ix).

19. Iowa Values' founding executive director was Jon Kohan, a close ally and former campaign manager of Sen. Ernst, who was simultaneously working as a consultant at Jamestown Associates, a D.C.-based consulting firm that was retained by Sen. Ernst's leadership PAC and her campaign committee.<sup>38</sup> In addition, Iowa Values' founding documents list the Virginia address of Claire Holloway Avella's consulting firm as the organization's own business address.<sup>39</sup> At the time that Iowa Values was established, Holloway Avella served as fundraising consultant for Sen. Ernst's campaign operations.<sup>40</sup> There is no plausible reason why two D.C.-based consultants would decide on their own accord to help establish a 501(c)(4) organization focused on the values of the State of Iowa other than to support the re-election of Sen. Ernst.

20. In addition, Derek Flowers appears to have been working as a strategy consultant for Sen. Ernst's leadership PAC and joint fundraising committee during the same time period when he agreed to have his own address listed on Iowa Values' corporate paperwork, despite the fact that he was not being paid by Iowa Values at the time and did not have a formal role in Iowa Values until up to two years later. The fact that Flowers "volunteered" his own address as the principal address of Iowa Values while receiving income as a consultant for Sen. Ernst's leadership PAC strongly suggests that he was in fact acting as an agent of Sen. Ernst while helping to establish Iowa Values.

21. The facts lead to only one rational conclusion: that these consultants with close ties to Sen. Ernst, who were all working for paid consultants of Sen. Ernst's campaign, were acting as

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<sup>38</sup> See 2017 Iowa Values 990; FEC.gov, Search for Disbursements to Jamestown Associates from Joni for Iowa and Jobs Opportunity and New Ideas PAC, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00546788&committee\\_id=C00566851&recipient\\_name=jamestown](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00546788&committee_id=C00566851&recipient_name=jamestown) (last accessed Dec. 10, 2019).

<sup>39</sup> See Exhibit A.

<sup>40</sup> FEC.gov, Search of Disbursements to Holloway Consulting from Joni for Iowa, Ernst Victory, Ernst Victory Fund, Ernst Victory Iowa, Jobs Opportunity and New Ideas PAC, [https://www.fec.gov/data/disbursements/?data\\_type=processed&committee\\_id=C00546788&committee\\_id=C00566851&committee\\_id=C00566984&committee\\_id=C00571927&committee\\_id=C00610428&recipient\\_name=holloway+consulting&min\\_date=01%2F01%2F2014&max\\_date=07%2F30%2F2019](https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00546788&committee_id=C00566851&committee_id=C00566984&committee_id=C00571927&committee_id=C00610428&recipient_name=holloway+consulting&min_date=01%2F01%2F2014&max_date=07%2F30%2F2019) (last accessed Dec. 10, 2019).

agents of Sen. Ernst when they started Iowa Values in order to support her campaign.

Accordingly, the available evidence suggests that Sen. Ernst, through her agents, established Iowa Values.

22. Iowa Values is a 501(c)(4) organization that raises unlimited funds outside of the Act's contribution limits.<sup>41</sup> According to Iowa Values' own materials, it intends to spend funds in connection with Sen. Ernst's re-election campaign in 2020 by "shoring up" voters for Sen. Ernst, and targeting those voters that will represent "the difference between winning and losing" her seat in the Senate.<sup>42</sup> Since the announcement of Sen. Ernst's re-election campaign, Iowa Values' public communications have been focused on promoting Sen. Ernst, often directly advocating on her behalf.<sup>43</sup>

23. Some of these communications have gone so far as to republish campaign materials that appear to have been prepared by Sen. Ernst's campaign. Under Commission regulations, "[t]he financing of the dissemination, distribution, or republication, in whole and in part . . ." of campaign materials prepared by a candidate or the candidate's authorized committee is considered a contribution from the entity making the expenditure to the candidate who prepared the material.<sup>44</sup> Although there are several exceptions to this general rule, none apply here.<sup>45</sup> If the

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<sup>41</sup> Brian Slodysko, "Dark money' ties raise questions for GOP Sen. Ernst of Iowa," AP News (Dec. 6, 2019) <https://apnews.com/eeb44fc06b0cb202bc1edbd1adee7f7d> (stating that Holloway Avella asked a donor to make a \$50,000 contribution to Iowa Values).

<sup>42</sup> See Exhibit B.

<sup>43</sup> See Iowa Values Facebook Ad Library.

<sup>44</sup> 11 C.F.R. § 109.23(a).

<sup>45</sup> An entity may use "a brief quote of materials that demonstrate a candidate's position" as part of a communication without making an in-kind contribution. The Commission has dismissed allegations that third parties republished campaign materials without reporting the communications as in-kind contributions when the campaign materials at issue are incidental to the communication, in particular where campaign materials "comprise only a small portion" of the communication in question. Statement of Reasons, Comm'r. Hans A. von Spakovsky and Ellen L. Weintraub, Matter Under Review 5743 (EMILY's List), at 4. See also FEC Matter Under Review 6840 (All Citizens for Mississippi) (dismissing a complaint where a campaign photograph constituted just one-sixth of the advertisement's dimensions). However, here, the use of campaign photographs is anything but "incidental." It is the main visual representation for several of the Facebook ads.

candidate or her agents coordinate with an entity that republishes campaign materials, for example by requesting or suggesting that the entity pay to distribute the campaign materials, the candidate who prepared the material has received, and is required to report, an in-kind contribution.<sup>46</sup>

24. The still “thumbnail” image in Iowa Values’ Facebook video advertisement is a campaign photograph of Sen. Ernst that appears to have been created by Joni for Iowa.<sup>47</sup> The only visual material in the advertisements calling on supporters to “Canvass for Iowa Values” is a photograph of Sen. Ernst that appears to have been obtained from her campaign.<sup>48</sup> Because these advertisements republish campaign materials without falling into the exceptions created by Commission regulation or precedent, they are in-kind contributions to Joni for Iowa which are clearly made in connection with Sen. Ernst’s election campaign. As a nonprofit corporation, Iowa Values is prohibited from making contributions to federal candidates, and any in-kind contribution from Iowa Values to Joni for Iowa is therefore unlawful under the Act.<sup>49</sup> If Joni for Iowa coordinated with Iowa Values in the creation or dissemination of the advertisements, it has accepted an illegal in-kind contribution.

25. Accordingly, based on the available evidence, it appears likely that Sen. Ernst and her agents have illegally established a dark money entity that is raising and spending funds outside of the federal limits to support her re-election campaign in plain violation of 52 U.S.C. § 30125(e)(1).

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<sup>46</sup> 11 C.F.R. §§ 109.21(d)(6); 109.23(a).

<sup>47</sup> Iowa Values Facebook Ad Library.

<sup>48</sup> *Id.*

<sup>49</sup> 11 C.F.R. § 114.2.

## CONCLUSION

WHEREFORE, Campaign for Accountability and Daniel Stevens respectfully request that the Commission immediately investigate whether respondents violated the FECA and FEC regulations, declare the respondents to have violated the FECA and Commission regulations, impose sanctions for these violations, and take such further steps as may be appropriate, pursuant to the Act.



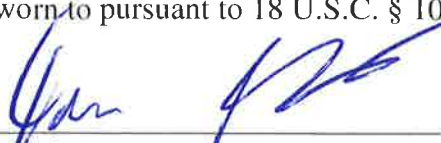
ON BEHALF OF COMPLAINANTS

Daniel Stevens  
Executive Director  
Campaign for Accountability  
611 Pennsylvania Avenue, S.E.  
#337  
Washington, D.C. 20003

**Verification**


Campaign for Accountability and Daniel Stevens hereby verify that the statements made in the attached Complaint are, upon information and belief, true.

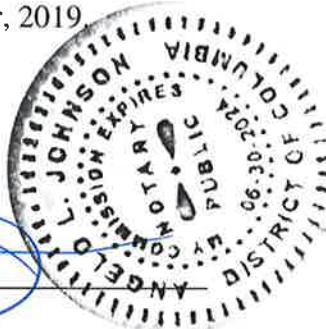
Sworn to pursuant to 18 U.S.C. § 1001.

  
\_\_\_\_\_  
Daniel Stevens

District of Columbia:SS

SUBSCRIBED AND SWORN to before me on this 12<sup>th</sup> day of December, 2019.

  
\_\_\_\_\_  
Notary Public



My Commission Expires:

06/30/2024  
\_\_\_\_\_



# EXHIBIT A



## Department of Consumer and Regulatory Affairs

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IOWA VALUES - Initial File Number: N0005577618

<a href="#">Main</a>	<a href="#">Reports</a>	<a href="#">Trade Names</a>	<a href="#">Governors</a>
<b>Entity Info</b>			
<b>Business Name</b>	IOWA VALUES		
<b>Suffix</b>			
<b>Registration / Effective Date</b>	2/01/2017		
<b>Commencement Date</b>	2/01/2017		
<b>Entity Status</b>	Active		
<b>Foreign Name</b>			
<b>Date of Organization</b>			
<b>State</b>			
<b>Country</b>			
<b>Business Address</b>			
<b>Line1</b>	c/o Holloway Consulting Inc.		
<b>Line2</b>	2300 Clarendon Blvd, Suite 1306		
<b>City</b>	Arlington	<b>State</b>	Virginia
<b>Zip</b>	22201		
<b>Agent</b>			
<b>Is non-commercial Registered Agent?</b>	No		
<b>Name</b>	C T CORPORATION SYSTEM		
<b>Address</b>			
<b>Line1</b>	1015 15th St NW		
<b>Line2</b>	Suite 1000		
<b>City</b>	Washington	<b>State</b>	District of Columbia
<b>Zip</b>	20005		
<b>Email</b>	CT-StateCommunications@votestruwer.com		

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## EXHIBIT B



### Strategy Overview

#### Iowa Values - 2019

The 2020 Election Cycle is upon us and Iowa Values is approaching 2020 with an effort to be data driven and people focused. Instead of building down from a broad-based television ad campaign we will build up from a person to person ground game focusing on the most critical segments of the electorate critical to the advancement of our issues and the candidates that support them. There is no shortage of television ads, particularly at the end of an election cycle. Often outside organizations throw good money after bad as a means of 'helping'. This is too often at a certain point ineffective and inefficient.

Iowa Values will be data driven. At this point in the election cycle we don't need to communicate with all voters. We do however need to identify and communicate directly with specific segments of the electorate that will be determinant in winning or losing in 2020. Our focus, particularly in 2019, will be to determine what those voters care most about and to communicate with them directly. The mistake often made by entities such as Iowa Values is that we can shape opinion and action simply by bombarding the airways in the end of an election cycle. Our goal is to isolate the 'firewall' slice of the electorate, learn more about them and begin to message them directly this year.

Iowa Values will focus on ground game. It has been proven time and time again that the most effective political communication is the when it is most personal. Our intent is to build a ground game apparatus that not only takes messages to doors of the 'firewall' universe but also begins to develop a relationship with these targeted voters. We are already taking steps to develop a paid door to door effort which incorporates people from

Iowa, from the neighborhoods and areas we are targeting. This person to person communication will be invaluable.

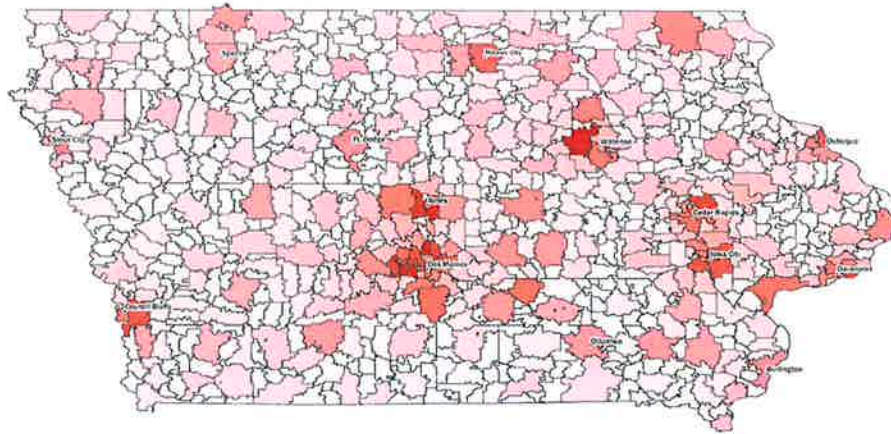
In addition, Iowa Values is developing a complimentary long-term digital messaging plan. The same 'firewall' universe of voter will receive a sophisticated digital messaging plan.

## **Operation Firewall**

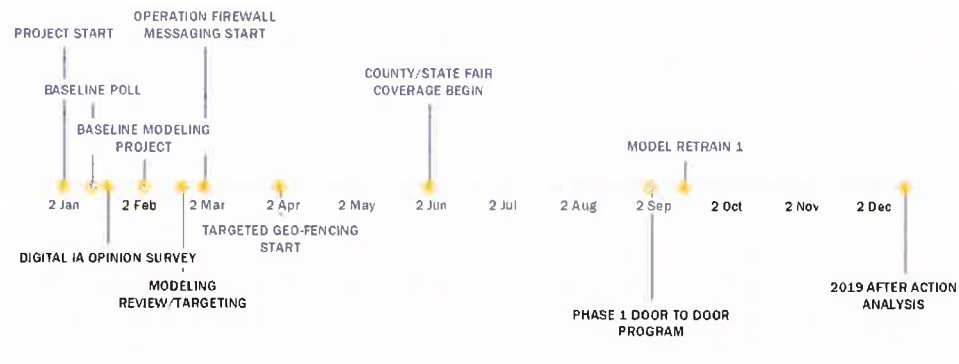
Post 2018 Election punditry has focused specifically on GOP losses in the suburbs among college educated women. As recently as November 14, 2018 Senator Lindsay Graham said in a Politico article 'We have to solve the Suburban Women Problem'. This is true but overly simple. These are voters that lean Republican on the issues but lean away from the GOP at times on the tone of the GOP. We call these voters 'disengagers'. They are an irreplaceable part of a winning coalition and represent the 'firewall' between winning and losing in 2020 for Senator Ernst.

Utilizing national data available to us we have identified 126,407 'Disengagers' in Iowa at the time this memo was written. Senator Ernst won Iowa in 2014 by 94,205 votes in what was a good year for Republicans. These 126,407 voters are primarily from Senator Ernst's winning coalition in 2014 and the most vulnerable to being peeled off in 2020. The basis of our mission is to shore up those voters through sustained direct communications. We believe it is critical to start this messaging now in order to provide these voters with the information they will need to be able to fend off the disinformation attacks that will come in 2020. This slow-drip, long range approach is a more efficient way to speak to these voters.

## Iowa GOP Disengagers Heat Map by Zip Code



## Iowa Values 2019 Political Plan Outline



## **Looking Forward to 2020**

In 2020 Iowa Values will continue to monitor the electorate as it changes throughout the election cycle. This will allow us to make sure we are putting resources in front of the most critical voters even as the electorate changes and to measure the effectiveness of our own programs.

Iowa Values will pick up the task of GOTV in 2020 in addition to the continued focus on 'Disengagers'. Ultimately, we will build a complete campaign that would include smart television and radio buys. We believe that there is critical work with segments of the electorate that must begin now in 2019 so that Senator Ernst has the best possible jumping off point in 2020.