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In the Matter of
Wesley Hunt;
Hunt or Congress;
Cabell Hobbs,
in his official capacity as
Treasurer.

MUR 7710

# **INTRODUCTION**

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Through counsel, Mr. Wesley Hunt, Hunt for Congress, and Cabell Hobbs, in his official capacity as Treasurer, provide the following response to the complaint filed by Elizabeth Guide (the "Complainant") and designated by the Federal Election Commission (the "Commission") as MUR 7710.<sup>1</sup>

In summary, the complaint alleges that Wesley Hunt knowingly violated 52 U.S.C. § 30118(a) (formerly 2 U.S.C. § 441b(a)) by accepting "excessive payments [from Perry Homes] in 2018 in order to further his political campaign." Compl. at ¶ 3. As explained below, the Complainant's allegation is based on an incorrect employment date on Mr. Hunt's LinkedIn profile and circumstantial evidence, whereas the *actual* facts make it apparent that the thrust of the complaint is without merit. Furthermore, when one compares such facts to the three conditions enumerated in 11 C.F.R. § 113.1(g)(6)(iii), it is clear that Mr. Hunt's salary during the period of his candidacy is consistent with the Commission's exemption for payments for *bona fide* employment under this regulation. Accordingly, the Commission should dismiss this complaint and summarily close the file in this matter.

# ALLEGATION 1: HUNT WAS PAID \$51,722.53 FOR 2 MONTHS OF WORK

To support the allegation that Mr. Hunt received "\$51,722.53 for 2 months of work", the Complainant cites the \$51,722.53 in total salary payments made by Perry Homes in 2018 that were disclosed on Mr. Hunt's personal financial disclosure report filed with the U.S. House Committee on Ethics on May 15, 2019, and the employment dates listed on Mr. Hunt's LinkedIn profile. *See* Attachments 1 and 2. Importantly, Mr. Hunt's period of employment with Perry Homes was listed on his LinkedIn profile (and cited by the Complainant) as being "November 2018 – present."

Upon further review, it is clear that Mr. Hunt's LinkedIn profile is incorrect because Mr. Hunt began his employment with Perry Homes as a "Phase II Construction Manager" in

<sup>&</sup>lt;sup>1</sup> The Respondents received notice of the complaint on March 10, 2020 and were subsequently granted an extension to file a response on or before April 22, 2020.



mid-April 2018.<sup>2</sup> In other words, Mr. Hunt's period of employment with Perry Homes in 2018 was 7 1/2 months, not the two months suggested by his LinkedIn profile. Therefore, the \$51,722.53 in total salary payments received by Mr. Hunt in 2018 constitute an average monthly salary of \$6,896.38, which is not excessive compensation for a Phase II Construction Manager at Perry Homes.

It is also worth mentioning that 11 C.F.R. § 111.4(d)(3)-(4) requires a complaint to conform to the following provisions:

(3) It should contain a clear and concise recitation of the facts which describe a violation of a statute or regulation over which the Commission has jurisdiction; and

(4) It should be accompanied by any documentation supporting the facts alleged if such documentation is known of, or available to, the complainant.

Given that the Complainant's only "substantiation" for the allegation that Mr. Hunt received "\$51,722.53 for 2 months of work" has proven to be incorrect, the copy of the LinkedIn profile proffered by the Complainant cannot possibly constitute a "clear and concise recitation of the facts." And it certainly cannot be considered "documentation supporting the facts."

Therefore, even though the Campaign has proven that the allegation that Mr. Hunt received "\$51,722.53 for 2 months of work" is substantively false, this allegation should also be dismissed by the Commission as a matter of procedure.

# ALLEGATION 2: HUNT BECAME A PART-TIME EMPLOYEE TO ALLOW HIM TO FOCUS ON HIS CONGRESSIONAL CAMPAIGN

To support the allegation that "[i]n January 2019, Mr. Hunt became a part-time employee of Perry Homes [sic] to allow him to focus on his congressional campaign," the Complainant cites Schedule F of Mr. Hunt's personal financial disclosure report. In that section of the personal financial disclosure report, which lists Mr. Hunt's agreements with third parties, Mr. Hunt essentially discloses the fact that, as of the time he filed the report, he was no longer a full-time employee of Perry Homes.

Without providing any more facts or evidence to support the allegation, the Complainant makes an incredible leap to wrongly assume that Mr. Hunt's congressional campaign received a benefit when Perry Homes transitioned Mr. Hunt to part-time employment status. In reality, and quite ironically given the allegation, it is Mr. Hunt's

<sup>&</sup>lt;sup>2</sup> Mr. Hunt does not know why his LinkedIn profile indicates that "November 2018" was the commencement of his employment with Perry Homes, so he assumes it was nothing more than user error.

understanding that Perry Homes began paying him as a part-time employee precisely to comply with campaign-finance laws.

The Act prohibits corporations from contributing to candidates. *See* 52 U.S.C. § 30118(a) (formerly 2 U.S.C. § 441b(a)). The term "contribution" includes "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office," *id.* § 30101(8)(A), and also "any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value . . . to any candidate . . . in connection with any election to [federal office]." 11 C.F.R. § 114.1(a)(1).

There are a number of exceptions to the definition of contribution, including salary payments related to an individual's employment, when the following three conditions are met:

(A) The compensation results from *bona fide* employment that is genuinely independent of the candidacy;

(B) The compensation is exclusively in consideration of services provided by the employee as part of this employment; and

(C) The compensation does not exceed the amount of compensation which would be paid to any other similarly qualified person for the same work over the same period of time.

11 C.F.R. § 113.1(g)(6)(iii).

In the instant case, the relevant facts are as follows:

• When Perry Homes hired him in April 2018, Mr. Hunt had no intention of running for Texas's 7th Congressional District in 2020.<sup>3</sup>

• To the best of Mr. Hunt's knowledge, his compensation results from *bona fide* employment that is genuinely independent of his candidacy for the U.S. House of Representatives.

• To the best of Mr. Hunt's knowledge, the compensation he has received from Perry Homes is exclusively in consideration for the services he has provided to the company.

<sup>&</sup>lt;sup>3</sup> The seat, at that time, was held by Mr. John Culberson, a long-time Republican incumbent who was unexpectedly defeated by Democrat Lizzie Fletcher in the 2018 general election. Mr. Hunt, a Republican, is now facing Fletcher, the incumbent Democrat, in the 2020 general election.

# HUNT FOR CONGRESS MUR 7710 PAGE 4 OF 4

• To the best of Mr. Hunt's knowledge, the compensation he has received from Perry Homes does not exceed the amount of compensation that the company would have paid to any other similarly qualified person for the same work over the same period of time.

Again, the Complainant has not "supplied evidence that [Mr. Hunt's] compensation was provided for something other than services provided as part of employment." The Complainant lacked the basic, good-faith basis necessary for making this allegation in the first place. 11 C.F.R. § 111.4.

## CONCLUSION

Long ago, the Commission recognized that employment could coexist with campaigning and, in adopting 11 C.F.R. § 113.1(g)(6)(iii), permitted an employee to continue working in a *bona fide* employment capacity. Therefore, because the compensation that Mr. Hunt received from Perry Homes is consistent with the three conditions of that regulation (not to mention the fact that the complaint should be summarily dismissed as a matter of procedure), the Commission should find no reason to believe that the Respondents violated the Act and promptly close the file in this matter.

Sincerely,

PLK.S

Chris K. Gober Counsel to Wesley Hunt, Hunt for Congress, and Cabell Hobbs, in his official capacity as Treasurer



**ATTACHMENT 1** 





Clerk of the House of Representatives • Legislative Resource Center • 135 Cannon Building • Washington, DC 20515

### FILER INFORMATION

Name:	Wesley Hunt
Status:	Congressional Candidate
State/District:	TX07

## FILING INFORMATION

Filing Type:	Candidate Report
Filing Year:	2019
Filing Date:	05/15/2019

# SCHEDULE A: ASSETS AND "UNEARNED" INCOME

Asset	Owner	Value of Asset	Income Type(s)	Income Current Year to Filing	Income Preceding Year
American Funds [M	F]	\$1,001 - \$15,000	None	·	· · ·
Apple Inc. (AAPL) [S	51.}	\$1,001 - \$15,000	None		
Facebook, Inc Clas	ss A (FB) [ST]	\$15,001 - \$50,000	None		

\* For the complete list of asset type abbreviations, please visit <u>https://fd.house.gov/reference/asset-type-codes.aspx</u>.

# SCHEDULE C: EARNED INCOME

Source	Туре	<b>Amount</b> Current Year to Filing	Amount Preceding Year
Perry Homes	Salary	\$28,666.66	\$51,722.53
Calcon Mutual Mortgage	Salary	\$.00	\$70,926.42

# SCHEDULE D: LIABILITIES

Owne	r Creditor	Date Incurred	Туре	Amount of Liability
JT	USAA	November 2018	Mortgage	\$250,001 - \$500,000
JL	USAA	Jan 2019	Revolving Credit	\$10,000 - \$15,000
SP	Fedloan Servicing	June 2016	Student Loans	\$50,001 - \$100,000

## SCHEDULE E: POSITIONS

Position	Name of Organization
Trustee	St. John's School Houston, TX
Trustee	Harris County Board of Mental Health

## SCHEDULE F: AGREEMENTS

Date	Parties To	Terms of Agreement
April 2019	Perry Homes	Continues employment as a part time employee in the HR department

# SCHEDULE J: COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE

None disclosed.

#### EXCLUSIONS OF SPOUSE, DEPENDENT, OR TRUST INFORMATION

**Trusts**: Details regarding "Qualified Blind Trusts" approved by the Committee on Ethics and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child?

Exemption: Have you excluded from this report any other assets, "uncarned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?

#### **CERTIFICATION AND SIGNATURE**

I CERTIFY that the statements I have made on the attached Financial Disclosure Report are true, complete, and correct to the best of my knowledge and belief.

Digitally Signed: Wesley Hunt, 05/15/2019

**ATTACHMENT 2** 

### Wesley Hunt Linked (as of 4/22/2019)

4/23/2019

the Search

Wesley Hunt | LinkedIn

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#### About me

Mortgage Loan Originator and former Army Captain dedicated to serve my clients through my commitment to excellence. My goal is to provide the absolute best service to my clients and referral partners to earn their trust and confidence to better serve their mortgage financing needs. This may sound like a cliché, but my commitment is to serve you with timely, accurate and dependable information as Lassist your clients through the one of the most important decisions in their lives. Home ownership is a key part of the American dream and L find gratification in my tole to make that dream become reality.

#### Experience

As a Mortgage Loan Originator I am dedicated to providing the highest level of service to my clients. Our team has multiple branches throughout Texas and has experience with many of the top real-estate firms including, but not limited to, Keller Williams, RE/MAX, Martha Turner Sotheby's and John Daugherty. Our creditality comes from our vast experience with referrals and our ability to get the job done the right way every time. What sets our feam apart from other lenders is the efficient integration of our departments and our ability to adapt quickly to regulatory changes.

#### US Anny Aviation Branch Officer/AH+64D Apache Longbow Pilot

Prior to entering the mortgage business, I served in the Army as an aviation branch officer for 8 years. As a rated aviator in the AH+64D Apache, my time in the service incluided one deployment to Iraq where I served as an attack battakon Platoon Leader, and 2 deployments to Saudi Arabia where I served as a Diplomatic Liaison Officer to the Royal Saudi Land Forces. In 2012 I received an honorable discharge and attended Cornell University for graduate school.

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#### Experience

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https://www.linkedin.com/in/wesley-hunt-33800095/