

BEFORE THE FEDERAL ELECTION COMMISSION OF THE UNITED STATES OF
AMERICA

In the Matter of:
Michael R. Bloomberg
Mike Bloomberg 2020, Inc.
Hayden Horowitz, Treasurer
Democratic National Committee

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FEDERAL ELECTION COMMISSION
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OFFICE OF GENERAL COUNSEL

MUR. No. **7723**

COMPLAINT

1. Americans for Public Trust brings this complaint before the Federal Election Commission (“FEC” or “Commission”) seeking immediate investigation and enforcement action against Michael R. Bloomberg, Mike Bloomberg 2020, Inc. and Hayden Horowitz as Treasurer (“Campaign Committee”), and the Democratic National Committee (“DNC”) for 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. Mr. Bloomberg made, and the DNC accepted, a contribution in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).
4. The Campaign Committee knowingly permitted its name to be used to effect a contribution made in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).
5. Mr. Bloomberg made, and the DNC accepted, an excessive contribution in violation of 52 U.S.C. § 30116(a)(1)(B) and 11 C.F.R. § 110.1(c), resulting in the DNC receiving millions of dollars in excessive funds in violation of 52 U.S.C. § 30116(f) and 11 C.F.R. § 110.9.

STATEMENT OF THE LAW

6. Under 52 U.S.C. § 30122 and 11 CFR § 110.4(b), no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.
7. Pursuant to 52 U.S.C. § 30116(a)(1)(B) and 11 CFR § 110.1(c), no person shall make a contribution to a national political party committee in 2020 in excess of \$35,500. An individual may contribute a maximum of \$355,000 to a political party committee per year (\$35,500 to the general account; \$106,500 each to the legal, building, and convention accounts).¹
8. Under 52 U.S.C. § 30116(f) and 11 C.F.R. § 110.9, no candidate or political committee shall knowingly accept any contribution in violation of federal contribution limits.

¹ Federal Election Commission, Contribution Limits.

9. According to 11 C.F.R. § 103.3(b)(4), any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds.

STATEMENT OF FACTS

10. Michael R. Bloomberg made the maximum individual contribution to each of the DNC's legal, building, and convention accounts on November 19, 2019.²
11. Mr. Bloomberg filed to run for election to the Presidency of the United States of America as a Democrat and formed the Campaign Committee on November 21, 2019.³
12. Mr. Bloomberg hired campaign staff to support his election effort with the promise that the staff would be paid through the November 2020 general election.⁴
13. Mr. Bloomberg declined to participate in the 2020 Iowa Democratic caucuses, the New Hampshire Democratic primary, and the Nevada Democratic caucuses.⁵
14. After winning only a single contest (American Samoa) and a total of 58 delegates on Super Tuesday, Mr. Bloomberg suspended his campaign and dropped out of the presidential race on March 4, 2020.⁶
15. The Campaign Committee did not accept any other individual contributions other than from Mr. Bloomberg. As a result, Mr. Bloomberg wholly funded the Campaign Committee with his personal funds.⁷
16. Upon Mr. Bloomberg's withdrawal, a Campaign Committee spokeswoman confirmed plans to continue to employ field staff in six states.⁸
17. Despite the promise of employment through the November 2020 general election, the Campaign Committee laid off several campaign staff members on March 9, 2020.⁹
18. Following these layoffs, the Campaign Committee informed about 1,500 former campaign staff members across the country, including some who had been laid off earlier in the month, that the Campaign Committee was suspending activity in all states on March 20,

² Federal Election Commission, *Receipts of Democratic Services Corp. from Michael Bloomberg*.

³ Mike Bloomberg 2020, Inc., *Statement of Organization* (Nov. 21, 2019).

⁴ Rebecca R. Ruiz, *I'm So Sorry I Worked for This Guy: Ex-Staffers React to Bloomberg Reversal on Field Organizers*, *New York Times*, Mar. 20, 2020.

⁵ Mark Niquette, *Bloomberg Takes Untested Path to 2020, Skipping Key Contests*, *Bloomberg*, Nov. 25, 2019; Associated Press, *Bloomberg fails to file for Nevada Democratic caucuses*, *Politico*, Jan. 2, 2020.

⁶ Beatrice Jin, *Who's Winning the Delegate Race?*, *Politico*, Mar. 23, 2020; Alexander Burns, *Bloomberg Endorses Biden as Sanders Laments Turnout of Younger Voters*, *New York Times*, Mar. 4, 2020.

⁷ Mike Bloomberg 2020, Inc., *Report of Receipts and Disbursements, March Monthly Report*, 3 (Mar. 20, 2020).

⁸ Rebecca R. Ruiz, *Bloomberg's Job Security Promises Are Falling Through, Campaign Workers Say*, *New York Times*, Mar. 10, 2020.

⁹ *Id.*

2020. Further, the Campaign Committee encouraged staff members to apply for work with the DNC, despite promising employment through the November general election.¹⁰

19. The March 20, 2020 FEC report for the Campaign Committee indicates Mr. Bloomberg contributed \$935,360,675.56 to his campaign during the 2020 election cycle.¹¹
20. Also on March 20, 2020, the Campaign Committee issued an unsigned memo announcing a transfer of \$18 million to the DNC. The memo also announced the transfer of former field offices to state party committees across the country.¹²
21. On March 23, 2020, former Campaign Committee field organizer Donna Wood filed a proposed class-action lawsuit against the Campaign Committee, alleging that she and thousands of other laid-off employees were misled into taking jobs they were assured would last until November. The lawsuit was filed in the United States District Court for the Southern District of New York and alleged the Campaign Committee breached its contract with the Campaign Committee's employees by recruiting them to work on the campaign under false pretenses and by failing to pay overtime wages.¹³ Another class action suit filed on same day by field staffers Alexis Sklair, Nathaniel Brown, and Sterling Rettke alleges fraud, and that as many as 2,000 employees were promised to be paid though the general election before being laid off.¹⁴

CAUSES OF ACTION

AGAINST RESPONDENT MICHAEL R. BLOOMBERG

Making a Contribution in the Name of Another in Violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)

22. As his campaign was entirely self-funded, any funds from the Campaign Committee should be attributable to Michael R. Bloomberg directly. Mr. Bloomberg directed an \$18 million contribution to the DNC from the Campaign Committee solely funded by himself. By making a contribution to the DNC through the Campaign Committee, Mr. Bloomberg made a contribution in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).

Making an Excessive Contribution to a Political Party Committee Pursuant to 52 U.S.C. § 30116 (a)(1)(B) and 11 C.F.R. § 110.1(c)

23. Mr. Bloomberg circumvented federal contribution limits to a political party committee by making hundreds of millions in contributions to his own candidate committee and then transferring some of those same contributions to the DNC. As an individual, Mr. Bloomberg already contributed \$319,500 to the DNC's accounts. By making a contribution in the name of another to conceal an excessive individual contribution, Mr. Bloomberg made

¹⁰ *Supra* note 4.

¹¹ Mike Bloomberg 2020, Inc., *supra* note 7, at 3.

¹² Mike Bloomberg 2020, *Alike Bloomberg 2020 Makes Transfer of \$18 Million to Democratic National Committee* (Mar. 20, 2020).

¹³ Rebecca R. Ruiz, *Ex-Field Organizer Sues Bloomberg Campaign, Alleging Breach of Contract*, *New York Times*, Mar. 23, 2020.

¹⁴ Christopher Cadelago, *Bloomberg sued by aides for stiffing them on yearlong pay promise*, *Politico*, Mar. 23, 2020.

an \$18 million contribution to the DNC. This exceeds the \$35,500 federal individual contribution limit to national political party committees. Thus, Mr. Bloomberg egregiously flouted the party contribution limits by making an excessive contribution to the DNC in violation of 52 U.S.C. § 30116(a)(1)(B) and 11 C.F.R. § 110.1(c).

AGAINST RESPONDENT MIKE BLOOMBERG 2020, INC.

Knowingly Permitting Its Name to Be Used to Effect a Contribution Made in the Name of Another in Violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)

24. Mr. Bloomberg's Campaign Committee served as the straw donor for Bloomberg's excessive contribution to the DNC. Thus, the Campaign Committee knowingly permitted its name to be used to effect a contribution made in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).

AGAINST RESPONDENT DEMOCRATIC NATIONAL COMMITTEE

Knowingly Accepting a Contribution Made in the Name of Another in Violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)

25. Publicly reported statements from DNC Chair Tom Perez indicate the committee is aware of the source of the contribution and accepted it nonetheless.¹⁵ Because it was public that Mr. Bloomberg was self-funding his campaign, the DNC knowingly accepted a contribution made in the name of another by accepting the \$18 million contribution from the Campaign Committee in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).

Knowingly Accepting an Excessive Contribution to a Political Party Committee Pursuant to 52 U.S.C. § 30116(f) and 11 C.F.R. § 110.9

26. Publicly reported statements from DNC Chair Tom Perez indicate the committee is aware of the source of the excessive contribution and accepted it nonetheless.¹⁶ Therefore, the DNC knowingly accepted an individual contribution in excess of the federal \$355,000 limit by accepting an \$18 million contribution from Mr. Bloomberg made in the name of the Campaign Committee in violation of 52 U.S.C. § 30116(f) and 11 C.F.R. § 110.9.

REQUEST FOR RELIEF

27. Wherefore, the Commission should find reason to believe Michael R. Bloomberg made, and the DNC accepted, a contribution made in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b); the Campaign Committee knowingly permitted its name to be used to effect a contribution made in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b); and Bloomberg made, and the DNC accepted, an excessive contribution to a political party committee in violation of 52 U.S.C. § 30116(f) and 11 C.F.R. § 110.9. The Commission, therefore, must conduct an immediate investigation under 52

¹⁵ Amanda Becker, *Bloomberg to transfer \$18 million to Democratic National Committee*, Reuters, Mar. 20, 2020.

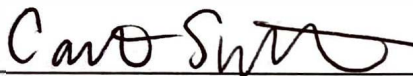
¹⁶ *Id.*

U.S.C. § 30109(a)(2) and determine and impose appropriate sanctions for any and all violations.

28. Moreover, pursuant to 11 C.F.R. § 103.3(b)(4), the funds at issue should not be used for any disbursements by the DNC until the contribution is determined to be legal. The DNC must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds. Finally, the Commission should enjoin respondents from any future violations, and impose any necessary and appropriate remedies to ensure respondents' future compliance with FECA.

March 25, 2020

Respectfully submitted,



Caitlin Sutherland, Executive Director
Americans for Public Trust
107 South West Street, Suite 442
Alexandria, VA 22314

VERIFICATION

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

For Complainant "Americans for Public Trust"


Caitlin Sutherland

City of Alexandria
Commonwealth of Virginia

The foregoing instrument was subscribed and sworn to before me this 25th day of March 2020 by Caitlin Sutherland.


Notary Public

Notary registration number: 7682344

My commission expires: 06/30/2020

