

FEDERAL ELECTION COMMISSION
FIRST GENERAL COUNSEL'S REPORT

MUR: 7759

DATE COMPLAINT FILED: July 9, 2020
DATE OF NOTIFICATIONS: July 17, 2020
LAST RESPONSE RECEIVED: Oct. 23, 2020
DATE ACTIVATED: Mar. 19, 2021

EXPIRATION OF SOL: Nov. 22, 2024-
Nov. 2, 2025
ELECTION CYCLE: 2020

Christopher H. Brown

COMPLAINANT: Christopher H. Brown

RESPONDENTS: William Figlesthaler for Congress and Steven Martin in his official capacity as treasurer
William M. Figlesthaler
Matthew Hurley
Collin Osborne
Rachael Schaaf
Landslyde Media Group, LLC
Southeastern Strategies LLC

**RELEVANT STATUTE
AND REGULATION:** 52 U.S.C. § 30104(b)(6)
11 C.F.R. § 104.3(b)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. INTRODUCTION

33 The Complaint alleges that William Figlesthaler for Congress and Steven Martin in his
34 official capacity as treasurer (the “Committee”), the principal campaign committee of 2020
35 congressional candidate Dr. William M. Figlesthaler, failed to report disbursements to political
36 consultant Matthew Hurley for services provided to the Committee: (1) by making payments to
37 Hurley through shell corporations that obscured Hurley as the ultimate payee, and (2) by making
38 payments to Hurley through Figlesthaler’s private medical practice that the Committee failed to
39 report in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”).

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 2 of 21

1 Respondents deny the allegations. Figlesthaler and the Committee contend that Hurley
2 served “in a volunteer capacity” and, therefore, no reporting of his in-kind personal services was
3 required. Landslyde Media Group, LLC (“Landslyde”), and Southeastern Strategies LLC
4 (“Southeastern”), the alleged shell corporations, assert that they legitimately performed work for
5 the Committee.

6 As discussed below, we recommend the Commission find reason to believe that the
7 Committee violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b) by failing to accurately
8 report its disbursements to Hurley. The information before the Commission suggests that
9 Landslyde and Southeastern are controlled by Hurley; Hurley helped secure the entities’
10 contracts with the Committee; the registered agents of the entities are close associates of Hurley;
11 Hurley has previously registered companies in the names of his associates to hide his political
12 work; and the Committee paid Landslyde and Southeastern for the exact type of work that
13 Hurley performed for the Committee, purportedly “in a volunteer capacity.” At the time, Hurley
14 owed \$750,000 in multiple legal cases, and his salary may have been garnished if he was paid
15 directly by the Committee.

16 Regarding the allegation that Figlesthaler’s medical practice made payments to Hurley
17 that the Committee failed to report, also in violation of 52 U.S.C. § 30104(b)(6) and 11 C.F.R.
18 § 104.3(b), the allegation is not presently supported by the available information. Therefore, we
19 recommend that the Commission take no action at this time with respect to that allegation while
20 the Office of General Counsel investigates whether the Committee failed to report its payments
21 to Hurley. Finally, because the Committee is the only Respondent with reporting obligations
22 under the Act, we recommend the Commission find no reason to believe that the remaining

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 3 of 21

1 Respondents, Figlesthaler, Hurley, Osborne, Schaaf, Landslyde, or Southeastern, violated
 2 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b).

3 **II. FACTUAL BACKGROUND**

4 Dr. William M. Figlesthaler was a 2020 candidate for Florida's 19th Congressional
 5 District, and William Figlesthaler for Congress was his principal campaign committee.¹
 6 Matthew Hurley is a political consultant and businessperson.² In 2018 and 2019, Hurley and his
 7 business entities (separate from those at issue in this matter) were the subject of two lawsuits in
 8 Florida state court relating to contractual disputes, and Hurley was ordered to pay approximately
 9 \$750,000 to the plaintiffs.³ In June 2020, according to news reports, Hurley was arrested in Lee
 10 County, Florida, for failure to pay these judgments.⁴

11 It is undisputed that Hurley performed work for the Committee, but the details of this
 12 arrangement are in question. As to the work he performed, the Complaint alleges that Hurley
 13 was a "main consultant" for the Committee, speaking on Figlesthaler's behalf at campaign
 14 events, attending meetings on behalf of the Committee, and acting as the principal point of

¹ *William Figlesthaler for Congress: About This Committee*, FEC.GOV, <https://www.fec.gov/data/committee/C00725531/?tab=about-committee> (last visited June 9, 2021). Figlesthaler lost the Republican primary on August 18, 2020. *Florida Primary Election Results: 19th Congressional District*, N.Y. TIMES (Aug. 18, 2020), <https://www.nytimes.com/interactive/2020/08/18/us/elections/results-florida-house-district-19-primary-election.html>.

² See, e.g., Compl. at 53-58 (July 9, 2020) (attaching contract listing Matthew J. Hurley as Managing Partner of a political consulting firm). We note that, because the attachments to the Complaint are not separately paginated, all pin cites to the Complaint in this Report refer to the page number within the full 120-page PDF of the Complaint.

³ Compl. at 1; *id.* at 79-83, 86-88 (ordering Hurley and his businesses to pay \$107,461.36 to plaintiff StudioPlus, LLC); *id.* at 101-06, 108-09 (ordering Hurley and his businesses to pay \$447,246.96 in damages and \$200,000 in attorneys' fees to plaintiff Atrium of SW Florida, plus interest). The total sum due, without interest that continues to accrue until the judgments are paid in full, is \$754,708.32.

⁴ *Id.* at 2, 120; see *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 4 of 21

1 contact with campaign vendors.⁵ In support, the Complaint provides a list of twelve people
 2 “who have been contacted by Matt Hurley on behalf of [Figlesthaler] in the capacity as his
 3 consultant,” along with descriptions of their interactions with Hurley.⁶ The Complaint indicates
 4 that these individuals might be willing to provide interviews or affidavits to the Commission, and
 5 supplies their contact information.⁷ In addition, the Complaint provides a Figlesthaler campaign
 6 email that described Hurley as a member of the “Campaign Team” in the context of an invitation
 7 to a “Top Secret” campaign meeting.⁸ And the Complaint submits an email from Figlesthaler to
 8 a vendor describing Hurley as “your daily point of contact.”⁹ The Committee implies that
 9 Hurley performed “extensive” work for the campaign, but does not provide specifics.¹⁰

10 As detailed below, the Complaint alleges that the Committee paid Hurley through two
 11 “shell companies,” Landslyde and Southeastern, to “hide the payments from the FEC and, in
 12 turn, Hurley’s creditors.”¹¹ The Committee responds that Hurley merely “served in a volunteer
 13 capacity.”¹² It does not provide any further details about his activities.

⁵ Compl. at 2, 10. The Complaint also alleges that Hurley placed advertisements with local television stations on behalf of the campaign but does not provide support for this allegation.

⁶ *Id.* at 10.

⁷ *Id.* at 10-11.

⁸ See *id.* at 63, 111-18.

⁹ *Id.* at 111.

¹⁰ Figlesthaler & Committee Resp. at 2 (Oct. 23, 2020) (“It is quite common that individuals volunteer their time with campaigns, sometimes fairly extensively.”).

¹¹ Compl. at 1, 2.

¹² *Id.*

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 5 of 21

1 Landslyde and Southeastern were formed on November 12, 2019,¹³ less than two weeks

2 after Figlesthaler filed his Statement of Candidacy.¹⁴ Between November 2019 and November

3 2020, the Committee made a total of \$2.1 million in disbursements to Landslyde for various

4 advertising services,¹⁵ and \$79,616 in disbursements to Southeastern for "strategic campaign

5 consulting."¹⁶ The Committee is the only federal political committee to report disbursements to

6 either of the two LLCs.¹⁷

7 The Complaint points to a number of factors in support of its claim that Landslyde and

8 Southeastern were shell companies through which the Committee paid Hurley:

9 First, the Complaint argues that the Committee and Hurley had an incentive to route any

10 payments to him through shell companies "in order to assist [Hurley] in evading creditors

11 seeking to collect on judgments."¹⁸ As mentioned above, prior to the election, Hurley owed over

12 \$750,000 to plaintiffs in two lawsuits, and according to news reports, Hurley's arrest document

¹³ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28).

¹⁴ William Matthew Figlesthaler, M.D., Statement of Candidacy (Nov. 1, 2019), <https://docquery.fec.gov/pdf/310/201911019165321310/201911019165321310.pdf>; see also William Figlesthaler for Congress, Statement of Organization (Nov. 1, 2019), <https://docquery.fec.gov/pdf/311/201911019165321311/201911019165321311.pdf>.

¹⁵ *Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=landslyde (last visited June 9, 2021) (showing all disbursements by the Committee to Landslyde).

¹⁶ *Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=southeastern (last visited June 9, 2021) (showing all disbursements by the Committee to Southeastern).

¹⁷ *FEC Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=landslyde&recipient_name=southeastern&two_year_transaction_period=2020 (last visited June 9, 2021) (showing all disbursements to Landslyde and Southeastern during the 2020 election cycle, all of which were by the Committee).

¹⁸ Compl. at 6.

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 6 of 21

1 listed “Figlesthaler’s campaign as a possible employer” from which to garnish Hurley’s wages.¹⁹

2 The Complaint asserts that the Committee and Hurley arranged for payments through the LLCs

3 to “shield his income.”²⁰

4 Second, the Complaint points to information suggesting that Hurley controlled Landslyde

5 and Southeastern, despite the fact that he is not listed on their corporate documents. Both LLCs

6 have registered agents with close connections to Hurley — Landslyde’s registered agent is Collin

7 Osborne, Hurley’s business partner,²¹ and Southeastern’s registered agent is Rachael Schaaf,

8 Hurley’s significant other.²²

9 Third, the Complaint also describes how Landslyde and Southeastern are successors to

10 prior entities controlled by Hurley,²³ and how Hurley attempted to hide his connections to the

11 prior entities by using the identities of his associates: Southeastern Strategies, Inc., was a

12 political consulting company formed in May 2014 with Geraldine Staff as its sole director and

13 incorporator.²⁴ The Complaint alleges that Staff, now deceased, was Hurley’s grandmother and

¹⁹ *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

²⁰ Compl. at 1.

²¹ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); *see* Compl. at 8 (“Today, the LLC’s agent is Collin Osborne, a longtime business partner of Matt Hurley[.]”).

²² SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28); *see* Compl. at 1, 6, 7-8 (“[Southeastern’s] sole agent . . . is a 25-year old . . . [who] also happens to be Matt Hurley’s girlfriend.”).

²³ The Complaint infers that the prior entities are precursors to the Respondent-entities due to their similar names and their connections to Hurley, detailed *infra*.

²⁴ SOUTHEASTERN STRATEGIES, INC., ARTICLES OF INCORPORATION (May 12, 2014), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2014%5C0514%5C00112829.Tif&documentNumber=P14000042239>.

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 7 of 21

1 that she had “no experience at all in political consulting.”²⁵ Staff’s address was also used on a
 2 “political consultant agreement” between “Torchlight Productions, aka, South Eastern
 3 Strategies,” and a 2014 Senate candidate; that agreement named Hurley as the consultancy’s
 4 “Managing Partner.”²⁶ Finally, Landslyde Digital LLC was the subject of a 2018 complaint from
 5 its registered agent, Jason Owens, informing the Florida Division of Corporations that he had
 6 never consented to be the LLC’s agent, alleging that “Mr. Matthew J. Hurley . . . electronically
 7 forged my name.”²⁷

8 Fourth, the Complaint alleges that Schaaf, Southeastern’s registered agent, is a “front
 9 person,” much like Hurley’s grandmother, who did not actually perform the political consulting
 10 work attributed to Southeastern.²⁸ The Complaint describes Schaaf as “a 25-year old . . . [with]

²⁵ Compl. at 7, 25 (discussing Staff and attaching her obituary, which describes Staff as the co-owner and operator of a carpet store prior to her retirement). Southeastern Strategies, Inc., was administratively dissolved on September 25, 2015, for failure to file its annual report. *Detail by Entity Name: Southeastern Strategies, Inc.*, SUNBIZ, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=SOUTHEASTERNSTRATEGIES%20P140000422390&aggregateId=dom-p14000042239-f42a52ee-b82b-448c-b677-7836396e1cc0&searchTerm=Southeastern%20Strategies&listNameOrder=SOUTHEASTERN STRATEGIES%20L190002811390> (last visited June 9, 2021).

²⁶ Compare Compl. at 26 (attaching Quit Claim Deed for Staff’s property listing address as 14501 Grand Cay Circle #2702, Fort Meyers, Florida) with *id.* at 53 (attaching political consulting agreement that lists the address for “Torchlight Productions, aka, South Eastern Strategies” as 14501 Grande Cay Circle #2702, Fort Meyers, Florida); *See id.* at 53 (attaching “political consulting agreement” between a 2014 Senate candidate and “Torchlight Productions, aka, South Eastern Strategies”).

²⁷ Letter from Jason Owens to Fl. Dep’t of State, Div. of Corps. (May 1, 2018) (attached to Compl. at 17). Landslyde Digital LLC was subsequently administratively dissolved on September 28, 2018, for failure to file its annual report. *Detail by Entity Name: Landslyde Digital, LLC*, SUNBIZ, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=LANDSLYDEDIGITAL%20L160000589710&aggregateId=f1a1-116000058971-534833fb-1796-4048-b47b-fe36b907149c&searchTerm=Landslyde&listNameOrder=LANDSLYDEDIGITAL%20L160000589710> (last visited June 9, 2021). Landslyde Digital may also have been a political organization, as its original agent was a political consultant named Chris Berardi, who lists Hurley’s other business ventures, including Torchlight Productions and Southeastern Strategies, on his resume. *See LANDSLYDE DIGITAL, LLC, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY* (Mar. 23, 2016), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2016%5C0325%5C50696975.tif&documentNumber=L16000058971>; Chris Berardi, LINKEDIN, <https://www.linkedin.com/in/chris-berardi-2406a7a> (last visited June 9, 2021).

²⁸ *See* Compl. at 6.

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 8 of 21

1 no political experience at all. She identifies professionally as a realtor,” a characterization which
 2 the public record, including Ms. Schaaf’s personal webpage and social media accounts, tends to
 3 confirm.²⁹ In addition to her apparent role with Southeastern, advertisement forms attached to
 4 the Complaint show that Schaaf also worked for Landslyde, purchasing television ads for the
 5 Figlesthaler campaign.³⁰ The Complaint alleges that it is unlikely Schaaf was the person who
 6 performed this work, but rather, “given his significant history of political involvement,” Hurley
 7 more likely performed these tasks using Schaaf’s “digital signature” to sign documents under her
 8 name.³¹

9 Finally, the Complaint notes that, upon Hurley’s arrest in June 2020, the Committee
 10 disavowed any connection to Hurley when Figlesthaler publicly stated that neither “I, nor my
 11 campaign or my medical practices have any affiliation, direct or otherwise[,] with Matt
 12 Hurley,”³² despite the information described above that shows Hurley performing significant
 13 work for the campaign.

14 Separate from the allegations involving Landslyde and Southeastern, the Complaint
 15 further alleges that Figlesthaler made payments directly to Hurley through his private medical
 16 practice, which the Committee did not report.³³ In support of this allegation, the Complaint

²⁹ *Id.* Rachael Schaaf, *25 Lessons in 25 Years*, HONESTLY, RACHAEL (Jan. 31, 2019), www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/ [http://webcache.googleusercontent.com/search?q=cache:7krC2_t-r3UJ:www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/+&cd=2&hl=en&ct=clnk&gl=us] (including statement by Schaaf dated January 31, 2019, that “[t]oday is my 25th birthday”).

³⁰ Compl. at 47. The Complaint concedes that Osborne, Landslyde’s registered agent and “longtime business partner” of Hurley “has worked in digital for years.” *Id.* at 8. We have seen no information indicating whether Osborne conducted any work on behalf of Landslyde.

³¹ *Id.* at 2 & n.2.

³² *Id.* at 2.

³³ *Id.* at 6, 7.

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 9 of 21

1 merely states: "It has been rumored that Dr. Fig may also be making direct payments to Hurley
 2 through his medical practice."³⁴

3 In a joint Response, Figlesthaler and the Committee assert that Hurley "served in a
 4 volunteer capacity with the campaign" and that no reporting of his in-kind personal services was
 5 required.³⁵ They state that "the campaign did not retain Mr. Hurley" through Landslyde and
 6 Southeastern, which it engaged "to provide media buying and consulting services."³⁶ The
 7 Response further asserts that the allegation that Figlesthaler made unreported payments to Hurley
 8 through his medical practice is purely speculative.³⁷

9 Schaaf, Southeastern, and Landslyde submitted a joint Response—written by Schaaf—in
 10 which they contend that Schaaf and "a number of individuals" performed legitimate campaign
 11 work pursuant to contracts with the Committee.³⁸ They also assert that Schaaf was "intricately
 12 involved in the campaign's management, budgeting, [and] outside expenditures," attaching
 13 several emails between media entities and Schaaf.³⁹ The Response states that "Mr. Hurley
 14 helped secure the contract with Figlesthaler's campaign for several of the campaigns' [sic]
 15 vendors," but provides no additional details on Hurley's involvement.⁴⁰

³⁴ *Id.* at 2.

³⁵ Figlesthaler & Committee Resp. at 2.

³⁶ *Id.*

³⁷ *Id.* at 3.

³⁸ Schaaf, Landslyde & Southeastern Resp. at 1 (Aug. 15, 2020).

³⁹ *Id.* & attach.

⁴⁰ *Id.* at 1.

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 10 of 21

1 **III. LEGAL ANALYSIS**

2 **A. The Commission Should Find Reason to Believe that the Committee Failed to**
 3 **Report Hurley as the Ultimate Payee of Disbursements to Landslyde and**
 4 **Southeastern**

5 The Act and Commission regulations require political committees to report the name and
 6 address of each person to whom they make disbursements aggregating more than \$200 per
 7 calendar year, or per election cycle for authorized committees, as well as the date, amount, and
 8 purpose of such payments.⁴¹ The reporting requirements are intended to ensure public disclosure
 9 of “where political campaign money comes from and how it is spent,”⁴² as well as “deter[] and
 10 help[] expose violations” of the Act and Commission regulations.⁴³

11 The Act and Commission regulations “are silent with respect to any definition or
 12 description of the person to whom an expenditure is made. Moreover, they do not address the
 13 concepts of ultimate payees, vendors, agents, contractors, or subcontractors in this context.”⁴⁴
 14 However, the Commission concluded in Advisory Opinion 1983-25 (Mondale) that payments to
 15 other persons, “which are made to purchase services or products used in performance of [a

⁴¹ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).

⁴² Factual & Legal Analysis (“F&LA”) at 8, MUR 6724 (Bachmann for President, *et al.*) (quoting *Buckley v. Valeo*, 424 U.S. 1, 66 (1976)).

⁴³ *SpeechNow.org v. FEC*, 599 F.3d 686, 698 (D.C. Cir. 2010) (*en banc*) (“But the public has an interest in knowing who is speaking about a candidate and who is funding that speech . . . [f]urther, requiring disclosure of such information deters and helps expose violations of other campaign finance restrictions”); *Buckley*, 424 U.S. at 67-68 (explaining that disclosure “deter[s] actual corruption and avoid[s] the appearance of corruption” and that “recordkeeping, reporting, and disclosure requirements are an essential means of gathering the data necessary to detect violations” of the Act); *Citizens United v. FEC*, 558 U.S. 310, 369-71 (2010) (recognizing that “transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages”).

⁴⁴ Advisory Opinion 1983-25 (Mondale) at 2 [hereinafter Mondale Opinion]. The Commission has also addressed the issue of reporting ultimate payees of political committee disbursements in situations not applicable to the facts of the instant matter, relating to reimbursements for out-of-pocket expenses, payments to credit card companies, and unreimbursed disbursements by candidates. *See* Reporting Ultimate Payees of Political Committee Disbursements, 78 Fed. Reg. 40,625, 40,626-27 (July 8, 2013).

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 11 of 21

1 vendor's] contract with the Committee," do not have to be separately reported.⁴⁵ The
 2 Commission considered several factors in its analysis as to whether "further itemization of
 3 payments made by [vendors] to others" is required.⁴⁶

4 Relevant here, the Commission has also determined that reporting the immediate
 5 recipient of a disbursement will not satisfy the Act's reporting requirements when the facts
 6 indicate that the recipient is "merely a conduit for the intended recipient of the funds."⁴⁷

7 For instance, in MUR 4872 (Jenkins), a committee "did not want . . . to be associated"
 8 with a vendor it had hired to perform phone banking services and arranged to pay the vendor
 9 through a third party, which it reported on its disclosure reports in place of the true vendor.⁴⁸
 10 The Commission found reason to believe that the committee knowingly and willfully filed false
 11 disclosure reports.⁴⁹ Similarly, in MUR 6724 (Bachmann for President, *et al.*), the committee
 12 "would have paid [the individual] directly were it not for his concerns that Iowa Senate ethics
 13 rules prevented him from being paid by the [c]ommittee for his work."⁵⁰ The Commission found
 14 reason to believe that a committee violated the Act's reporting obligations by routing payments

⁴⁵ Mondale Opinion at 2; *see also* F&LA at 12, MUR 6510 (Kirk for Senate, *et al.*) (holding that "a committee need not separately report its consultant's payments to other persons—such as those payments for services or goods used in the performance of the consultant's contract with the committee").

⁴⁶ Mondale Opinion at 3. These factors include whether: (1) the vendor had a legal existence as a corporation separate from the operations of the committee; (2) the vendor's principals held any staff positions with the committee; (3) the committee conducted arm's length negotiations with the vendor; (4) the vendor was required to devote its "full efforts" to the contract and expected to have contracts with other campaigns and entities; and (5) the committee had an interest in the vendor's other contracts. *Id.*

⁴⁷ F&LA at 9, MUR 6724 (Bachmann for President, *et al.*).

⁴⁸ Conciliation Agreement ¶ IV.6, MUR 4872 (Jenkins for Senate).

⁴⁹ *Id.* ¶¶ V-VI.

⁵⁰ F&LA at 11, MUR 6724 (Bachmann for President, *et al.*).

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 12 of 21

1 to the individual through a vendor that did not contract with him for any services.⁵¹ In *United*
 2 *States v. Benton*, the defendants were found guilty of violating the Act by falsely reporting
 3 disbursements to a purported vendor in order to conceal payments actually made to an individual
 4 to secure his endorsement.⁵²

5 The available information supports an inference that the Committee routed payments to
 6 Hurley through Landslyde and Southeastern, apparently in an effort to shield Hurley's assets
 7 from the outstanding judgments against him. The information provided in the Complaint links
 8 Hurley to both Landslyde and Southeastern, and it plausibly alleges that Hurley performed work
 9 attributed to Schaaf, his significant other, who apparently had no political experience. Moreover,
 10 there is information in the Complaint to suggest that Hurley had a pattern of using the identities
 11 of his associates to hide his political work. While the Committee's reasons for agreeing to such a
 12 scheme are unknown, the circumstances nonetheless indicate that it obscured Hurley as the
 13 ultimate payee.

14 The Committee states that Hurley "served in a volunteer capacity with the campaign," but
 15 provides no additional details.⁵³ This means that any payment to Landslyde or Southeastern for
 16 work actually performed by Hurley would misreport the ultimate payee, because the LLCs would
 17 be conduits for Hurley, the intended recipient of the funds. The Committee vaguely suggests it
 18 "retained" Landslyde and Southeastern through other persons to provide "media buying and

⁵¹ *Id.* at 3-4, 10-11.

⁵² *United States v. Benton*, 890 F.3d 697, 709 (8th Cir. 2018), *cert. denied*, 2019 WL 1231756, 2019 WL 1231758, 2019 WL 1231759 (Mar. 18, 2019).

⁵³ Figlesthaler & Committee Resp. at 2 ("To be clear, the campaign did not retain Mr. Hurley through those companies.").

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 13 of 21

1 consulting services," but supplies no further details.⁵⁴ In the *pro se* response Schaaf prepared for
 2 herself, Landslyde, and Southeastern, she states that the work is handled "by a number of
 3 individuals including myself," but provides no other details.⁵⁵ These general statements from
 4 Respondents do not counter the specific information, analyzed below, regarding Hurley's
 5 connections to the two entities.

6 Because the Committee claims that Hurley served *solely* in a volunteer capacity and that
 7 he was not hired through the LLCs, for the Committee's reporting of its disbursements to be
 8 accurate and comply with the disclosure requirements of the Act, the work performed by
 9 Landslyde and Southeastern must be entirely independent from any services provided by Hurley.
 10 Given the available information, however, it is implausible that Hurley was simply a "volunteer"
 11 while companies he likely controlled earned thousands of dollars for the precise type of work
 12 that he was doing for the campaign. Such a conclusion would mean that Schaaf, a 25-year-old
 13 realtor with no apparent political experience, occupied a major role for the campaign, earned
 14 nearly \$80,000 for "strategic campaign consulting" (a \$10,000 per-month rate by the end of the
 15 campaign), and generated \$2.1 million in ad buys while Hurley, who possessed substantial
 16 political experience, earned nothing. Indeed, according to emails attached to the Complaint, the
 17 Committee was prepared to pay a lesser fee to a political consultant with established experience
 18 (\$50,000 plus fundraising commissions), making the nearly \$80,000 fee to the inexperienced
 19 Schaaf even more implausible.⁵⁶

⁵⁴ *Id.*

⁵⁵ Schaaf, Landslyde & Southeastern Resp. at 1.

⁵⁶ Compl. at 118 (attaching email from Figlesthaler to JoAnn DeBartolo discussing engaging DeBartolo to work for the campaign with a proposed fee of \$50,000 plus 10% fundraising commission). DeBartolo co-founded an organization supporting presidential candidate Donald Trump and has been active in political consulting since at

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 14 of 21

1 Moreover, the available information indicates that Hurley has used other people's
 2 identities, including those of his close associates, to hide his political activity. For instance, in
 3 2018, the registered agent of Landslyde Digital LLC (predecessor to Landslyde) filed a
 4 complaint with state officials in Florida charging that "Matthew J. Hurley . . . electronically
 5 forged my name."⁵⁷ In addition, Hurley was identified as the "Managing Partner" on a draft
 6 "Political Consulting Agreement" with a federal Senate candidate for a company doing business
 7 as "South Eastern Strategies," while his grandmother, who had no political experience, was listed
 8 as the registered agent, and her address was used on corporate documents.⁵⁸ These
 9 circumstances are similar to the instant case, as the registered agent of Southeastern is Schaaf,
 10 Hurley's significant other, who also had no apparent political experience.⁵⁹

11 Schaaf submits several emails that show her arranging ad buys in March 2020 for
 12 Landslyde on behalf of the Committee.⁶⁰ The documents submitted by Schaaf reflect her work
 13 only during a few-week period in early March 2020, and she states that other "individuals"
 14 engaged in work for the entity.⁶¹ Schaaf's Response, however, is consistent with the conclusion
 15 that the Committee paid Landslyde and Southeastern for work actually performed by Hurley, and
 16 that the LLCs were thus conduits for Hurley. While Schaaf may have arranged some ad buys for

least 2016. *See About Us*, PATRIOTS FOR FLA. CLUB, INC., <https://www.collier4trump.com/about-1> (last visited June 9, 2021); *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

⁵⁷ Letter from Jason Owens to Fl. Dep't of State, Div. of Corps. (May 1, 2018) (attached to Compl. at 17).

⁵⁸ *See Part II, supra.*

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *See Part II, supra.*

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 15 of 21

1 Landslyde, it is possible that Hurley, given his political experience and background, was
 2 directing her activities and might have been performing other work on behalf of Landslyde as
 3 well.⁶²

4 Schaaf's Response only addresses work performed by Landslyde. It does not address the
 5 \$79,616 the Committee paid to Southeastern for "strategic campaign consulting."⁶³ It is not
 6 credible, without further explanation, that a person with no apparent political experience would
 7 have earned \$10,000 a month for campaign consulting while Hurley, who was performing those
 8 exact services and apparently occupying one of the campaign's top leadership roles, worked for
 9 free. As mentioned above, there are emails from the Committee and Figlesthaler himself
 10 describing Hurley as a member of the "Campaign Team" and a "daily point of contact," and the
 11 Complaint attaches a list of twelve people who can purportedly speak to Hurley's extensive work
 12 for the campaign. However, there is no information as to any such work that Schaaf performed
 13 for the campaign.

14 Further, Schaaf stated in her Response that "Hurley helped secure the contract with Dr.
 15 Figlesthaler's campaign for several of the campaigns' [sic] vendors."⁶⁴ This statement suggests
 16 that Hurley not only apparently controlled Landslyde and Southeastern, but that he was the one
 17 responsible for directing funds from the Committee to those entities. Although the exact
 18 meaning of the statement is unclear, it suggests that Hurley was one of the "number of
 19 individuals" alongside Schaaf who handled work for Landslyde and Southeastern. And it

⁶² Schaaf, Landslyde & Southeastern Resp. at 1 ("The notion that I have not been intricately involved in the campaign's management, budgeting, or outside expenditures is entirely ludicrous The correspondence clearly displays that I am the main point of contact and facilitator of the campaign's advertising expenditures. Allegations that the binding signatures are not my own are entirely false and baseless.").

⁶³ See *supra* note 56 and accompanying text.

⁶⁴ *Id.*

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 16 of 21

1 confirms that Hurley had connections of a financial nature with the two entities. While Schaaf
2 disputes the allegation that she was not involved in campaign work, she does not deny that
3 Hurley actually performed work attributed to Landslyde and Southeastern.⁶⁵

4 Finally, the timing of Landslyde and Southeastern's formation is another piece of
5 information suggesting that they may have been conduits for Hurley to receive payment. They
6 were both formed on the same day, less than two weeks before Figlesthaler registered as a
7 candidate with the Committee.⁶⁶ As stated above, no other political committee has reported any
8 payments to the two entities besides the Committee.

9 In sum, the information before the Commission includes a number of factors suggesting
10 that the Committee paid Hurley through Landslyde and Southeastern: the reported recipients,
11 Landslyde and Southeastern, are potentially controlled by Hurley; the registered agents of the
12 entities are close associates of Hurley's; Hurley has a pattern of registering companies in the
13 names of his associates to hide his political work; and the Committee paid Landslyde and
14 Southeastern for the exact type of work that Hurley purportedly performed for the Committee "in
15 a volunteer capacity." Under these circumstances, there is a reasonable basis to conclude that
16 Landslyde and Southeastern were conduits and that Hurley was the intended recipient of the
17 funds it paid to those entities.

18 Therefore, we recommend that the Commission find reason to believe that the Committee
19 failed to report disbursements to Hurley in violation of 52 U.S.C. § 30104(b)(6) and 11 C.F.R.
20 § 104.3(b).

⁶⁵ Schaaf, Landslyde & Southeastern Resp. at 1 ("The contracted work is handled by a number of individuals including myself.").

⁶⁶ Part II, *supra*.

MUR 7759 (William Figlethaler for Congress, *et al.*)

First General Counsel's Report

Page 17 of 21

1 The Act prescribes additional monetary penalties for violations that are knowing and
 2 willful.⁶⁷ A violation of the Act is knowing and willful if the “acts were committed with full
 3 knowledge of all the relevant facts and a recognition that the action is prohibited by law.”⁶⁸ This
 4 does not require proving knowledge of the specific statute or regulation the respondent allegedly
 5 violated.⁶⁹ Instead, it is sufficient to demonstrate that a respondent “acted voluntarily and was
 6 aware that his conduct was unlawful.”⁷⁰ This may be shown by circumstantial evidence from
 7 which the respondents’ unlawful intent reasonably may be inferred.⁷¹ For example, a person’s
 8 awareness that an action is prohibited may be inferred from an “elaborate scheme for disguising”
 9 the unlawful activity.⁷² The Commission has found violations involving reimbursement schemes
 10 to be knowing and willful when respondents falsified documents, took active steps to conceal
 11 illegal activities, kept multiple sets of financial records, or were deemed to be in possession of
 12 information warning that their conduct was illegal.⁷³

⁶⁷ 52 U.S.C. § 30109(a)(5)(B), (d).

⁶⁸ 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

⁶⁹ *United States v. Danielczyk*, 917 F. Supp. 2d 573, 579 (E.D. Va. 2013) (quoting *Bryan v. United States*, 524 U.S. 184, 195 & n.23 (1998) (holding that, to establish a violation is willful, the government need show only that defendant acted with knowledge that the conduct was unlawful, not knowledge of the specific statutory provision violated)).

⁷⁰ *Id.* (citing jury instructions in *United States v. Edwards*, No. 11-61 (M.D.N.C. 2012), *United States v. Acevedo Vila*, No. 108-36 (D.P.R. 2009), *United States v. Feiger*, No. 07-20414 (E.D. Mich. 2008), and *United States v. Alford*, No. 05-69 (N.D. Fla. 2005)).

⁷¹ Cf. *United States v. Hopkins*, 916 F.2d 207, 213 (5th Cir. 1990) (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir. 1989)). *Hopkins* involved a conduit contribution scheme, and the issue before the Fifth Circuit concerned the sufficiency of the evidence supporting the defendants’ convictions for conspiracy and false statements under 18 U.S.C. §§ 371 and 1001.

⁷² *Hopkins*, 916 F.2d. at 214-15. As the *Hopkins* court noted, “It has long been recognized that ‘efforts at concealment [may] be reasonably explainable only in terms of motivation to evade’ lawful obligations.” *Id.* at 214 (quoting *Ingram v. United States*, 360 U.S. 672, 679 (1959)).

⁷³ See MUR 6234 (Cenac) (use of cashier’s checks to hide identify of contributor); MUR 7027 (MV Transportation, Inc., *et al.*) (reimbursements coded as bonuses that were hidden from the company’s board); MUR 6465 (The Fiesta Bowl, Inc.) (key witnesses were purposefully excluded from an internal investigation into

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 18 of 21

1 The Committee's violations may have been knowing and willful if it took active steps to
 2 obscure the ultimate payee of its disbursements and to file false disclosure reports with the
 3 Commission. We presently have limited information about the Committee's reasons for
 4 engaging in the apparent scheme but expect to learn more during the investigation. As such, we
 5 do not recommend that the Commission proceed on a knowing and willful basis pending the
 6 outcome of the investigation ; nonetheless, we will provide notice to the Committee in the
 7 Factual and Legal Analysis that its violations may be found to be knowing and willful.⁷⁴

8 **B. The Commission Should Take No Action at this Time Regarding the**
 9 **Allegation that the Committee Failed to Report Disbursements to Hurley**
 10 **from Figlesthaler's Medical Practice**

11 The Complaint alleges that Figlesthaler is "paying Hurley [for campaign services]
 12 through his medical practice" and that the Committee has failed to report these disbursements.⁷⁵
 13 However, the Complaint provides no evidence for this allegation, nor cites any supporting
 14 documentation, claiming only that "[i]t has been rumored that Dr. Fig may also be making direct
 15 payments to Hurley through his medical practice."⁷⁶

16 Because the Complaint lacks information to support this allegation, we recommend that
 17 the Commission take no action at this time regarding the allegation that the Committee failed to

reimbursement practices); MUR 5818 (Feiger, Feiger, Kenney, Johnson and Giroux, P.C.) (reimbursements for political contributions described as bonuses for civic-minded employees).

⁷⁴ See, e.g., F&LA at 12, MURs 7005, 7056 (Adam H. Victor, *et al.*) ("As there is information in the current record that could be viewed as suggesting that Victor and/or his businesses engaged in knowing and willful activity by making contributions in the name of another, an investigation is needed to resolve this issue."); F&LA at 8-9, MUR 6865 (Jose Sususmo Azano Matsura) ("Furthermore, there may prove to be a fair basis to support a finding that Azano's violations were knowing and willful Nonetheless, the Commission has refrained at this time from making a formal finding that the violations may have been knowing and willful.").

⁷⁵ Compl. at 6, 7.

⁷⁶ *Id.* at 2.

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 19 of 21

1 report disbursements to Hurley in violation of 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b)
2 pending the results of our investigation in this matter.

3 **C. The Commission Should Find No Reason to Believe the Non-Committee**
4 **Respondents Violated the Act**

5 As discussed, above, the Act and Commission regulations require the treasurers of
6 political committees to report the name and address of each person to whom they make
7 disbursements aggregating more than \$200 per calendar year, or per election cycle for authorized
8 committees, as well as the date, amount, and purpose of such payments.⁷⁷

9 As the Committee is the only respondent with reporting obligations under the Act, and
10 because the Complaint alleges no conduct that would constitute a violation by Figlesthaler,
11 Hurley, Osborne, Schaaf, Landslyde, or Southeastern, we recommend the Commission find no
12 reason to believe that these respondents violated the Act or Commission regulations.

13 **IV. INVESTIGATION**

14 We plan to seek information to establish (1) Hurley's connection to and control over
15 Landslyde and Southeastern, including if and how much Landslyde or Southeastern paid Hurley,
16 and whether any funds received by Landslyde or Southeastern were received and held by those
17 entities for Hurley's use; (2) the extent to which work ostensibly performed by Landslyde and
18 Southeastern was actually performed by Hurley; and (3) whether the Committee concealed
19 payments to Hurley through disbursements to Landslyde and Southeastern. We will request
20 relevant communications between the Committee and Hurley, as well as the Committee's
21 contracts and relevant communications with Landslyde and Southeastern, as well as any further
22 evidence of who conducted the work for which Landslyde and Southeastern were engaged.

⁷⁷ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).

MUR 7759 (William Figlesthaler for Congress, *et al.*)

First General Counsel's Report

Page 20 of 21

1 While we will first pursue informal discovery methods, we also request that the Commission
2 authorize the use of compulsory process, including the issuance of appropriate interrogatories,
3 document subpoenas, and deposition subpoenas, as necessary.

4 **V. RECOMMENDATIONS**

5 1. Find reason to believe that William Figlesthaler for Congress and Steven Martin
6 in his official capacity as treasurer failed to report disbursements to Matthew
7 Hurley made through payments to Landslyde Media Group, LLC, and
8 Southeastern Strategies LLC in violation of 52 U.S.C. § 30104(b)(6) and
9 11 C.F.R. § 104.3(b);

10 2. Take no action at this time regarding the allegation that William Figlesthaler for
11 Congress and Steven Martin in his official capacity as treasurer failed to report
12 disbursements to Matthew Hurley made through Figlesthaler's medical practice in
13 violation of 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b);

14 3. Find no reason to believe that William M. Figlesthaler, Matthew Hurley, Collin
15 Osborne, Rachael Schaaf, Landslyde Media Group, LLC, and Southeastern
16 Strategies LLC, violated the Act or Commission regulations;

17 4. Approve the attached Factual and Legal Analyses;

18 5. Authorize the use of compulsory process;

19 6. Close the file as to William M. Figlesthaler, Matthew Hurley, Collin Osborne,
20 Rachael Schaaf, Landslyde Media Group, LLC, and Southeastern Strategies LLC;
21 and

1 7. Approve the appropriate letters.

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12 Lisa J. Stevenson
13 Acting General Counsel

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17 Charles Kitcher
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27 Acting Deputy General Counsel for
28 Enforcement

29 June 17, 2021

30 Date

31 
32 Stephen A. Gura

33 Associate General Counsel for
Enforcement

34 
35 Claudio J. Pavia

36
37 Acting Assistant General Counsel

38
39
40 Justine A. di Giovanni
41 Attorney

42 Attachments:

43 Factual and Legal Analysis—William M. Figlesthaler and William Figlesthaler for
44 Congress
45 Factual and Legal Analysis—Matthew Hurley
46 Factual and Legal Analysis—Collin Osborne
47 Factual and Legal Analysis—Rachael Schaaf, Landslyde Media Group, LLC, and
48 Southeastern Strategies LLC

THIS PROPOSED DRAFT WAS VOTED ON BUT
NOT APPROVED BY THE COMMISSION.

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

Respondents: William M. Figlesthaler
William Figlesthaler for Congress and Steven Martin
in his official capacity as treasurer **MUR:** 7759

I. INTRODUCTION

9 This matter was generated by a Complaint filed with the Federal Election Commission
10 alleging that William Figlesthaler for Congress and Steven Martin in his official capacity as
11 treasurer (the “Committee”), the principal campaign committee of 2020 congressional candidate
12 Dr. William M. Figlesthaler, failed to report disbursements to political consultant Matthew
13 Hurley for services provided to the Committee: (1) by making payments to Hurley through shell
14 corporations that obscured Hurley as the ultimate payee, and (2) by making payments to Hurley
15 through Figlesthaler’s private medical practice that the Committee failed to report in violation of
16 the Federal Election Campaign Act of 1971, as amended (the “Act”).

17 Respondents deny the allegations. Figlesthaler and the Committee contend that Hurley
18 served “in a volunteer capacity” and, therefore, no reporting of his in-kind personal services was
19 required.

20 As discussed below, the Commission finds reason to believe that the Committee violated
21 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b) by failing to accurately report its
22 disbursements to Hurley. The information before the Commission suggests that Landslyde and
23 Southeastern are controlled by Hurley; Hurley helped secure the entities' contracts with the
24 Committee; the registered agents of the entities are close associates of Hurley; Hurley has
25 previously registered companies in the names of his associates to hide his political work; and the
26 Committee paid Landslyde and Southeastern for the exact type of work that Hurley performed

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1 for the Committee, purportedly “in a volunteer capacity.” At the time, Hurley owed \$750,000 in
 2 multiple legal cases, and his salary may have been garnished if he was paid directly by the
 3 Committee.

4 In addition, because Figlesthaler does not have reporting obligations under the Act, the
 5 Commission finds no reason to believe that Figlesthaler violated 52 U.S.C. § 30104(b)(6) and
 6 11 C.F.R. § 104.3(b).

7 **II. FACTUAL BACKGROUND**

8 Dr. William M. Figlesthaler was a 2020 candidate for Florida’s 19th Congressional
 9 District, and William Figlesthaler for Congress was his principal campaign committee.¹
 10 Matthew Hurley is a political consultant and businessperson.² In 2018 and 2019, Hurley and his
 11 business entities (separate from those at issue in this matter) were the subject of two lawsuits in
 12 Florida state court relating to contractual disputes, and Hurley was ordered to pay approximately
 13 \$750,000 to the plaintiffs.³ In June 2020, according to news reports, Hurley was arrested in Lee
 14 County, Florida, for failure to pay these judgments.⁴

¹ *William Figlesthaler for Congress: About This Committee*, FEC.GOV, <https://www.fec.gov/data/committee/C00725531/?tab=about-committee> (last visited June 9, 2021). Figlesthaler lost the Republican primary on August 18, 2020. *Florida Primary Election Results: 19th Congressional District*, N.Y. TIMES (Aug. 18, 2020), <https://www.nytimes.com/interactive/2020/08/18/us/elections/results-florida-house-district-19-primary-election.html>.

² *See, e.g.*, Compl. at 53-58 (July 9, 2020) (attaching contract listing Matthew J. Hurley as Managing Partner of a political consulting firm). We note that, because the attachments to the Complaint are not separately paginated, all pin cites to the Complaint in this Report refer to the page number within the full 120-page PDF of the Complaint.

³ Compl. at 1; *id.* at 79-83, 86-88 (ordering Hurley and his businesses to pay \$107,461.36 to plaintiff StudioPlus, LLC); *id.* at 101-06, 108-09 (ordering Hurley and his businesses to pay \$447,246.96 in damages and \$200,000 in attorneys’ fees to plaintiff Atrium of SW Florida, plus interest). The total sum due, without interest that continues to accrue until the judgments are paid in full, is \$754,708.32.

⁴ *Id.* at 2, 120; *see Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 News (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

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1 It is undisputed that Hurley performed work for the Committee, but the details of this
 2 arrangement are in question. As to the work he performed, the Complaint alleges that Hurley
 3 was a “main consultant” for the Committee, speaking on Figlesthaler’s behalf at campaign
 4 events, attending meetings on behalf of the Committee, and acting as the principal point of
 5 contact with campaign vendors.⁵ In support, the Complaint provides a list of twelve people
 6 “who have been contacted by Matt Hurley on behalf of [Figlesthaler] in the capacity as his
 7 consultant,” along with descriptions of their interactions with Hurley.⁶ The Complaint indicates
 8 that these individuals might be willing to provide interviews or affidavits to the Commission, and
 9 supplies their contact information.⁷ In addition, the Complaint provides a Figlesthaler campaign
 10 email that described Hurley as a member of the “Campaign Team” in the context of an invitation
 11 to a “Top Secret” campaign meeting.⁸ And the Complaint submits an email from Figlesthaler to
 12 a vendor describing Hurley as “your daily point of contact.”⁹ The Committee implies that
 13 Hurley performed “extensive” work for the campaign, but does not provide specifics.¹⁰

14 As detailed below, the Complaint alleges that the Committee paid Hurley through two
 15 “shell companies,” Landslyde and Southeastern, to “hide the payments from the FEC and, in

⁵ Compl. at 2, 10. The Complaint also alleges that Hurley placed advertisements with local television stations on behalf of the campaign but does not provide support for this allegation.

⁶ *Id.* at 10.

⁷ *Id.* at 10-11.

⁸ See *id.* at 63, 111-18.

⁹ *Id.* at 111.

¹⁰ Figlesthaler & Committee Resp. at 2 (Oct. 23, 2020) (“It is quite common that individuals volunteer their time with campaigns, sometimes fairly extensively.”).

1 turn, Hurley’s creditors.”¹¹ The Committee responds that Hurley merely “served in a volunteer
 2 capacity.”¹² It does not provide any further details about his activities.

3 Landslyde and Southeastern were formed on November 12, 2019,¹³ less than two weeks
 4 after Figlesthaler filed his Statement of Candidacy.¹⁴ Between November 2019 and November
 5 2020, the Committee made a total of \$2.1 million in disbursements to Landslyde for various
 6 advertising services,¹⁵ and \$79,616 in disbursements to Southeastern for “strategic campaign
 7 consulting.”¹⁶ The Committee is the only federal political committee to report disbursements to
 8 either of the two LLCs.¹⁷

9 The Complaint points to a number of factors in support of its claim that Landslyde and
 10 Southeastern were shell companies through which the Committee paid Hurley:

11 First, the Complaint argues that the Committee and Hurley had an incentive to route any
 12 payments to him through shell companies “in order to assist [Hurley] in evading creditors

¹¹ Compl. at 1, 2.

¹² *Id.*

¹³ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28).

¹⁴ William Matthew Figlesthaler, M.D., Statement of Candidacy (Nov. 1, 2019), <https://docquery.fec.gov/pdf/310/201911019165321310/201911019165321310.pdf>; *see also* William Figlesthaler for Congress, Statement of Organization (Nov. 1, 2019), <https://docquery.fec.gov/pdf/311/201911019165321311/201911019165321311.pdf>.

¹⁵ *Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=landslyde (last visited June 9, 2021) (showing all disbursements by the Committee to Landslyde).

¹⁶ *Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=southeastern (last visited June 9, 2021) (showing all disbursements by the Committee to Southeastern).

¹⁷ *FEC Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=landslyde&recipient_name=southeastern&two_year_transaction_period=2020 (last visited June 9, 2021) (showing all disbursements to Landslyde and Southeastern during the 2020 election cycle, all of which were by the Committee).

1 seeking to collect on judgments.”¹⁸ As mentioned above, prior to the election, Hurley owed over
 2 \$750,000 to plaintiffs in two lawsuits, and according to news reports, Hurley’s arrest document
 3 listed “Figlesthaler’s campaign as a possible employer” from which to garnish Hurley’s wages.¹⁹
 4 The Complaint asserts that the Committee and Hurley arranged for payments through the LLCs
 5 to “shield his income.”²⁰

6 Second, the Complaint points to information suggesting that Hurley controlled Landslyde
 7 and Southeastern, despite the fact that he is not listed on their corporate documents. Both LLCs
 8 have registered agents with close connections to Hurley — Landslyde’s registered agent is Collin
 9 Osborne, Hurley’s business partner,²¹ and Southeastern’s registered agent is Rachael Schaaf,
 10 Hurley’s significant other.²²

11 Third, the Complaint also describes how Landslyde and Southeastern are successors to
 12 prior entities controlled by Hurley,²³ and how Hurley attempted to hide his connections to the
 13 prior entities by using the identities of his associates: Southeastern Strategies, Inc., was a
 14 political consulting company formed in May 2014 with Geraldine Staff as its sole director and

¹⁸ Compl. at 6.

¹⁹ *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

²⁰ Compl. at 1.

²¹ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); *see* Compl. at 8 (“Today, the LLC’s agent is Collin Osborne, a longtime business partner of Matt Hurley[.]”).

²² SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28); *see* Compl. at 1, 6, 7-8 (“[Southeastern’s] sole agent . . . is a 25-year old . . . [who] also happens to be Matt Hurley’s girlfriend.”).

²³ The Complaint infers that the prior entities are precursors to the Respondent-entities due to their similar names and their connections to Hurley, detailed *infra*.

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1 incorporator.²⁴ The Complaint alleges that Staff, now deceased, was Hurley's grandmother and
 2 that she had "no experience at all in political consulting."²⁵ Staff's address was also used on a
 3 "political consultant agreement" between "Torchlight Productions, aka, South Eastern
 4 Strategies," and a 2014 Senate candidate; that agreement named Hurley as the consultancy's
 5 "Managing Partner."²⁶ Finally, Landslyde Digital LLC was the subject of a 2018 complaint from
 6 its registered agent, Jason Owens, informing the Florida Division of Corporations that he had
 7 never consented to be the LLC's agent, alleging that "Mr. Matthew J. Hurley . . . electronically
 8 forged my name."²⁷

²⁴ SOUTHEASTERN STRATEGIES, INC., ARTICLES OF INCORPORATION (May 12, 2014), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2014%5C0514%5C00112829.Tif&documentNumber=P14000042239>.

²⁵ Compl. at 7, 25 (discussing Staff and attaching her obituary, which describes Staff as the co-owner and operator of a carpet store prior to her retirement). Southeastern Strategies, Inc., was administratively dissolved on September 25, 2015, for failure to file its annual report. *Detail by Entity Name: Southeastern Strategies, Inc., SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=SOUTHEASTERNSTRATEGIES%20P140000422390&aggregateId=domp-p14000042239-f42a52ee-b82b-448c-b677-7836396e1cc0&searchTerm=Southeastern%20Strategies&listNameOrder=SOUTHEASTERN STRATEGIES%20L190002811390> (last visited June 9, 2021).

²⁶ Compare Compl. at 26 (attaching Quit Claim Deed for Staff's property listing address as 14501 Grand Cay Circle #2702, Fort Meyers, Florida) with *id.* at 53 (attaching political consulting agreement that lists the address for "Torchlight Productions, aka, South Eastern Strategies" as 14501 Grande Cay Circle #2702, Fort Meyers, Florida); *See id.* at 53 (attaching "political consulting agreement" between a 2014 Senate candidate and "Torchlight Productions, aka, South Eastern Strategies").

²⁷ Letter from Jason Owens to Fl. Dep't of State, Div. of Corps. (May 1, 2018) (attached to Compl. at 17). Landslyde Digital LLC was subsequently administratively dissolved on September 28, 2018, for failure to file its annual report. *Detail by Entity Name: Landslyde Digital, LLC, SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=LANDSLYDEDIGITAL%20L160000589710&aggregateId=flal-116000058971-534833fb-1796-4048-b47b-fe36b907149c&searchTerm=Landslyde&listNameOrder=LANDSLYDEDIGITAL%20L160000589710> (last visited June 9, 2021). Landslyde Digital may also have been a political organization, as its original agent was a political consultant named Chris Berardi, who lists Hurley's other business ventures, including Torchlight Productions and Southeastern Strategies, on his resume. *See LANDSLYDE DIGITAL, LLC, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY* (Mar. 23, 2016), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2016%5C0325%5C50696975.tif&documentNumber=L16000058971>; Chris Berardi, LINKEDIN, <https://www.linkedin.com/in/chris-berardi-2406a7a> (last visited June 9, 2021).

1 Fourth, the Complaint alleges that Schaaf, Southeastern’s registered agent, is a “front
 2 person,” much like Hurley’s grandmother, who did not actually perform the political consulting
 3 work attributed to Southeastern.²⁸ The Complaint describes Schaaf as “a 25-year old . . . [with]
 4 no political experience at all. She identifies professionally as a realtor,” a characterization which
 5 the public record, including Ms. Schaaf’s personal webpage and social media accounts, tends to
 6 confirm.²⁹ In addition to her apparent role with Southeastern, advertisement forms attached to
 7 the Complaint show that Schaaf also worked for Landslyde, purchasing television ads for the
 8 Figlesthaler campaign.³⁰ The Complaint alleges that it is unlikely Schaaf was the person who
 9 performed this work, but rather, “given his significant history of political involvement,” Hurley
 10 more likely performed these tasks using Schaaf’s “digital signature” to sign documents under her
 11 name.³¹

12 Finally, the Complaint notes that, upon Hurley’s arrest in June 2020, the Committee
 13 disavowed any connection to Hurley when Figlesthaler publicly stated that neither “I, nor my
 14 campaign or my medical practices have any affiliation, direct or otherwise[,] with Matt
 15 Hurley,”³² despite the information described above that shows Hurley performing significant
 16 work for the campaign.

²⁸ See Compl. at 6.

²⁹ Id. Rachael Schaaf, *25 Lessons in 25 Years*, HONESTLY, RACHAEL (Jan. 31, 2019), www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/ [http://webcache.googleusercontent.com/search?q=cache:7krC2_t-r3UJ:www%20honestlyrachael.com/2019/01/31/25-lessons-in-25-years/+&cd=2&hl=en&ct=clnk&gl=us] (including statement by Schaaf dated January 31, 2019, that “[t]oday is my 25th birthday”).

³⁰ Compl. at 47. The Complaint concedes that Osborne, Landslyde’s registered agent and “longtime business partner” of Hurley “has worked in digital for years.” *Id.* at 8. We have seen no information indicating whether Osborne conducted any work on behalf of Landslyde.

³¹ *Id.* at 2 & n.2.

³² *Id.* at 2.

1 Separate from the allegations involving Landslyde and Southeastern, the Complaint
 2 further alleges that Figlesthaler made payments directly to Hurley through his private medical
 3 practice, which the Committee did not report.³³ In support of this allegation, the Complaint
 4 merely states: “It has been rumored that Dr. Fig may also be making direct payments to Hurley
 5 through his medical practice.”³⁴

6 In a joint Response, Figlesthaler and the Committee assert that Hurley “served in a
 7 volunteer capacity with the campaign” and that no reporting of his in-kind personal services was
 8 required.³⁵ They state that “the campaign did not retain Mr. Hurley” through Landslyde and
 9 Southeastern, which it engaged “to provide media buying and consulting services.”³⁶ The
 10 Response further asserts that the allegation that Figlesthaler made unreported payments to Hurley
 11 through his medical practice is purely speculative.³⁷

12 **III. LEGAL ANALYSIS**

13 **A. The Commission Finds Reason to Believe that the Committee Failed to
 14 Report Hurley as the Ultimate Payee of Disbursements to Landslyde and
 15 Southeastern**

16 The Act and Commission regulations require political committees to report the name and
 17 address of each person to whom they make disbursements aggregating more than \$200 per
 18 calendar year, or per election cycle for authorized committees, as well as the date, amount, and
 19 purpose of such payments.³⁸ The reporting requirements are intended to ensure public disclosure

³³ *Id.* at 6, 7.

³⁴ *Id.* at 2.

³⁵ Figlesthaler & Committee Resp. at 2.

³⁶ *Id.*

³⁷ *Id.* at 3.

³⁸ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).

1 of “where political campaign money comes from and how it is spent,”³⁹ as well as “deter[] and
 2 help[] expose violations” of the Act and Commission regulations.⁴⁰

3 The Act and Commission regulations “are silent with respect to any definition or
 4 description of the person to whom an expenditure is made. Moreover, they do not address the
 5 concepts of ultimate payees, vendors, agents, contractors, or subcontractors in this context.”⁴¹
 6 However, the Commission concluded in Advisory Opinion 1983-25 (Mondale) that payments to
 7 other persons, “which are made to purchase services or products used in performance of [a
 8 vendor’s] contract with the Committee,” do not have to be separately reported.⁴² The
 9 Commission considered several factors in its analysis as to whether “further itemization of
 10 payments made by [vendors] to others” is required.⁴³

³⁹ Factual & Legal Analysis (“F&LA”) at 8, MUR 6724 (Bachmann for President, *et al.*) (quoting *Buckley v. Valeo*, 424 U.S. 1, 66 (1976)).

⁴⁰ *SpeechNow.org v. FEC*, 599 F.3d 686, 698 (D.C. Cir. 2010) (*en banc*) (“But the public has an interest in knowing who is speaking about a candidate and who is funding that speech . . . [f]urther, requiring disclosure of such information deters and helps expose violations of other campaign finance restrictions”); *Buckley*, 424 U.S. at 67-68 (explaining that disclosure “deter[s] actual corruption and avoid[s] the appearance of corruption” and that “recordkeeping, reporting, and disclosure requirements are an essential means of gathering the data necessary to detect violations” of the Act); *Citizens United v. FEC*, 558 U.S. 310, 369-71 (2010) (recognizing that “transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages”).

⁴¹ Advisory Opinion 1983-25 (Mondale) at 2 [hereinafter Mondale Opinion]. The Commission has also addressed the issue of reporting ultimate payees of political committee disbursements in situations not applicable to the facts of the instant matter, relating to reimbursements for out-of-pocket expenses, payments to credit card companies, and unreimbursed disbursements by candidates. *See Reporting Ultimate Payees of Political Committee Disbursements*, 78 Fed. Reg. 40,625, 40,626-27 (July 8, 2013).

⁴² Mondale Opinion at 2; *see also* F&LA at 12, MUR 6510 (Kirk for Senate, *et al.*) (holding that “a committee need not separately report its consultant’s payments to other persons—such as those payments for services or goods used in the performance of the consultant’s contract with the committee”).

⁴³ Mondale Opinion at 3. These factors include whether: (1) the vendor had a legal existence as a corporation separate from the operations of the committee; (2) the vendor’s principals held any staff positions with the committee; (3) the committee conducted arm’s length negotiations with the vendor; (4) the vendor was required to devote its “full efforts” to the contract and expected to have contracts with other campaigns and entities; and (5) the committee had an interest in the vendor’s other contracts. *Id.*

1 Relevant here, the Commission has also determined that reporting the immediate
 2 recipient of a disbursement will not satisfy the Act's reporting requirements when the facts
 3 indicate that the recipient is "merely a conduit for the intended recipient of the funds."⁴⁴

4 For instance, in MUR 4872 (Jenkins), a committee "did not want . . . to be associated"
 5 with a vendor it had hired to perform phone banking services and arranged to pay the vendor
 6 through a third party, which it reported on its disclosure reports in place of the true vendor.⁴⁵

7 The Commission found reason to believe that the committee knowingly and willfully filed false
 8 disclosure reports.⁴⁶ Similarly, in MUR 6724 (Bachmann for President, *et al.*), the committee
 9 "would have paid [the individual] directly were it not for his concerns that Iowa Senate ethics
 10 rules prevented him from being paid by the [c]ommittee for his work."⁴⁷ The Commission found
 11 reason to believe that a committee violated the Act's reporting obligations by routing payments
 12 to the individual through a vendor that did not contract with him for any services.⁴⁸ In *United*
 13 *States v. Benton*, the defendants were found guilty of violating the Act by falsely reporting
 14 disbursements to a purported vendor in order to conceal payments actually made to an individual
 15 to secure his endorsement.⁴⁹

16 The available information supports an inference that the Committee routed payments to
 17 Hurley through Landslyde and Southeastern, apparently in an effort to shield Hurley's assets

⁴⁴ F&LA at 9, MUR 6724 (Bachmann for President, *et al.*).

⁴⁵ Conciliation Agreement ¶ IV.6, MUR 4872 (Jenkins for Senate).

⁴⁶ *Id.* ¶ V-VI.

⁴⁷ F&LA at 11, MUR 6724 (Bachmann for President, *et al.*).

⁴⁸ *Id.* at 3-4, 10-11.

⁴⁹ *United States v. Benton*, 890 F.3d 697, 709 (8th Cir. 2018), *cert. denied*, 2019 WL 1231756, 2019 WL 1231758, 2019 WL 1231759 (Mar. 18, 2019).

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1 from the outstanding judgments against him. The information provided in the Complaint links
 2 Hurley to both Landslyde and Southeastern, and it plausibly alleges that Hurley performed work
 3 attributed to Schaaf, his significant other, who apparently had no political experience. Moreover,
 4 there is information in the Complaint to suggest that Hurley had a pattern of using the identities
 5 of his associates to hide his political work. While the Committee's reasons for agreeing to such a
 6 scheme are unknown, the circumstances nonetheless indicate that it obscured Hurley as the
 7 ultimate payee.

8 The Committee states that Hurley "served in a volunteer capacity with the campaign," but
 9 provides no additional details.⁵⁰ This means that any payment to Landslyde or Southeastern for
 10 work actually performed by Hurley would misreport the ultimate payee, because the LLCs would
 11 be conduits for Hurley, the intended recipient of the funds. The Committee vaguely suggests it
 12 "retained" Landslyde and Southeastern through other persons to provide "media buying and
 13 consulting services," but supplies no further details.⁵¹ This general statement does not counter
 14 the specific information, analyzed below, regarding Hurley's connections to the two entities.

15 Because the Committee claims that Hurley served *solely* in a volunteer capacity and that
 16 he was not hired through the LLCs, for the Committee's reporting of its disbursements to be
 17 accurate and comply with the disclosure requirements of the Act, the work performed by
 18 Landslyde and Southeastern must be entirely independent from any services provided by Hurley.
 19 Given the available information, however, it is implausible that Hurley was simply a "volunteer"
 20 while companies he likely controlled earned thousands of dollars for the precise type of work

⁵⁰ Figlesthaler & Committee Resp. at 2 ("To be clear, the campaign did not retain Mr. Hurley through those companies.").

⁵¹ *Id.*

1 that he was doing for the campaign. Such a conclusion would mean that Schaaf, a 25-year-old
 2 realtor with no apparent political experience, occupied a major role for the campaign, earned
 3 nearly \$80,000 for “strategic campaign consulting” (a \$10,000 per-month rate by the end of the
 4 campaign), and generated \$2.1 million in ad buys while Hurley, who possessed substantial
 5 political experience, earned nothing. Indeed, according to emails attached to the Complaint, the
 6 Committee was prepared to pay a lesser fee to a political consultant with established experience
 7 (\$50,000 plus fundraising commissions), making the nearly \$80,000 fee to the inexperienced
 8 Schaaf even more implausible.⁵²

9 Moreover, the available information indicates that Hurley has used other people’s
 10 identities, including those of his close associates, to hide his political activity. For instance, in
 11 2018, the registered agent of Landslyde Digital LLC (predecessor to Landslyde) filed a
 12 complaint with state officials in Florida charging that “Matthew J. Hurley . . . electronically
 13 forged my name.”⁵³ In addition, Hurley was identified as the “Managing Partner” on a draft
 14 “Political Consulting Agreement” with a federal Senate candidate for a company doing business
 15 as “South Eastern Strategies,” while his grandmother, who had no political experience, was listed
 16 as the registered agent, and her address was used on corporate documents.⁵⁴ These

⁵² Compl. at 118 (attaching email from Figlesthaler to JoAnn DeBartolo discussing engaging DeBartolo to work for the campaign with a proposed fee of \$50,000 plus 10% fundraising commission). DeBartolo co-founded an organization supporting presidential candidate Donald Trump and has been active in political consulting since at least 2016. *See About Us*, PATRIOTS FOR FLA. CLUB, INC., <https://www.collier4trump.com/about-1> (last visited June 9, 2021); *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

⁵³ Letter from Jason Owens to Fl. Dep’t of State, Div. of Corps. (May 1, 2018) (attached to Compl. at 17).

⁵⁴ *See* Part II, *supra*.

1 circumstances are similar to the instant case, as the registered agent of Southeastern is Schaaf,
 2 Hurley's significant other, who also had no apparent political experience.⁵⁵

3 While the Commission possesses information showing that Schaaf may have arranged
 4 some of the ad buys that Landslyde executed on behalf of the Committee, it is possible that
 5 Hurley, given his political experience and background, was directing her activities and might
 6 have been performing other work on behalf of Landslyde as well.

7 Regarding the \$79,616 the Committee paid to Southeastern for "strategic campaign
 8 consulting,"⁵⁶ it is not credible, without further explanation, that a person with no apparent
 9 political experience would have earned \$10,000 a month for campaign consulting while Hurley,
 10 who was performing those exact services and apparently occupying one of the campaign's top
 11 leadership roles, worked for free. As mentioned above, there are emails from the Committee and
 12 Figlesthaler himself describing Hurley as a member of the "Campaign Team" and a "daily point
 13 of contact," and the Complaint attaches a list of twelve people who can purportedly speak to
 14 Hurley's extensive work for the campaign. However, there is no information as to any such
 15 work that Schaaf performed for the campaign.

16 The Commission is aware of information indicating that Hurley helped secure the
 17 contract with Dr. Figlesthaler's campaign for several of the campaign's vendors. This
 18 information suggests that Hurley not only apparently controlled Landslyde and Southeastern, but
 19 that he was the one responsible for directing funds from the Committee to those entities. And it
 20 confirms that Hurley had connections of a financial nature with the two entities.

⁵⁵ *Id.*

⁵⁶ See *supra* note 52 and accompanying text.

1 Finally, the timing of Landslyde and Southeastern's formation is another piece of
 2 information suggesting that they may have been conduits for Hurley to receive payment. They
 3 were both formed on the same day, less than two weeks before Figlesthaler registered as a
 4 candidate with the Committee.⁵⁷ As stated above, no other political committee has reported any
 5 payments to the two entities besides the Committee.

6 In sum, the information before the Commission includes a number of factors suggesting
 7 that the Committee paid Hurley through Landslyde and Southeastern: the reported recipients,
 8 Landslyde and Southeastern, are potentially controlled by Hurley; the registered agents of the
 9 entities are close associates of Hurley's; Hurley has a pattern of registering companies in the
 10 names of his associates to hide his political work; and the Committee paid Landslyde and
 11 Southeastern for the exact type of work that Hurley purportedly performed for the Committee "in
 12 a volunteer capacity." Under these circumstances, there is a reasonable basis to conclude that
 13 Landslyde and Southeastern were conduits and that Hurley was the intended recipient of the
 14 funds it paid to those entities.

15 Therefore, the Commission finds reason to believe that the Committee failed to report
 16 disbursements to Hurley in violation of 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b).

17 The Act prescribes additional monetary penalties for violations that are knowing and
 18 willful.⁵⁸ A violation of the Act is knowing and willful if the "acts were committed with full
 19 knowledge of all the relevant facts and a recognition that the action is prohibited by law."⁵⁹ This

⁵⁷ Part II, *supra*.

⁵⁸ 52 U.S.C. § 30109(a)(5)(B), (d).

⁵⁹ 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

1 does not require proving knowledge of the specific statute or regulation the respondent allegedly
 2 violated.⁶⁰ Instead, it is sufficient to demonstrate that a respondent “acted voluntarily and was
 3 aware that his conduct was unlawful.”⁶¹ This may be shown by circumstantial evidence from
 4 which the respondents’ unlawful intent reasonably may be inferred.⁶² For example, a person’s
 5 awareness that an action is prohibited may be inferred from an “elaborate scheme for disguising”
 6 the unlawful activity.⁶³ The Commission has found violations involving reimbursement schemes
 7 to be knowing and willful when respondents falsified documents, took active steps to conceal
 8 illegal activities, kept multiple sets of financial records, or were deemed to be in possession of
 9 information warning that their conduct was illegal.⁶⁴

10 The Committee’s violations may have been knowing and willful if it took active steps to
 11 obscure the ultimate payee of its disbursements and to file false disclosure reports with the

⁶⁰ *United States v. Danielczyk*, 917 F. Supp. 2d 573, 579 (E.D. Va. 2013) (quoting *Bryan v. United States*, 524 U.S. 184, 195 & n.23 (1998) (holding that, to establish a violation is willful, the government need show only that defendant acted with knowledge that the conduct was unlawful, not knowledge of the specific statutory provision violated)).

⁶¹ *Id.* (citing jury instructions in *United States v. Edwards*, No. 11-61 (M.D.N.C. 2012), *United States v. Acevedo Vila*, No. 108-36 (D.P.R. 2009), *United States v. Feiger*, No. 07-20414 (E.D. Mich. 2008), and *United States v. Alford*, No. 05-69 (N.D. Fla. 2005)).

⁶² Cf. *United States v. Hopkins*, 916 F.2d 207, 213 (5th Cir. 1990) (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir. 1989)). *Hopkins* involved a conduit contribution scheme, and the issue before the Fifth Circuit concerned the sufficiency of the evidence supporting the defendants’ convictions for conspiracy and false statements under 18 U.S.C. §§ 371 and 1001.

⁶³ *Hopkins*, 916 F.2d. at 214-15. As the *Hopkins* court noted, “It has long been recognized that ‘efforts at concealment [may] be reasonably explainable only in terms of motivation to evade’ lawful obligations.” *Id.* at 214 (quoting *Ingram v. United States*, 360 U.S. 672, 679 (1959)).

⁶⁴ See MUR 6234 (Cenac) (use of cashier’s checks to hide identify of contributor); MUR 7027 (MV Transportation, Inc., *et al.*) (reimbursements coded as bonuses that were hidden from the company’s board); MUR 6465 (The Fiesta Bowl, Inc.) (key witnesses were purposefully excluded from an internal investigation into reimbursement practices); MUR 5818 (Feiger, Feiger, Kenney, Johnson and Giroux, P.C.) (reimbursements for political contributions described as bonuses for civic-minded employees).

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1 Commission. Nonetheless, the Commission has refrained at this time from making a formal
2 finding that the violations may have been knowing and willful.

3 **B. The Commission Finds No Reason to Believe Figlesthaler Violated the Act**

4 As discussed, above, the Act and Commission regulations require the treasurers of
5 political committees to report the name and address of each person to whom they make
6 disbursements aggregating more than \$200 per calendar year, or per election cycle for authorized
7 committees, as well as the date, amount, and purpose of such payments.⁶⁵

8 As the Committee is the only respondent with reporting obligations under the Act, and
9 because the Complaint alleges no conduct that would constitute a violation by Figlesthaler, the
10 Commission finds no reason to believe that Figlesthaler violated the Act or Commission
11 regulations.

⁶⁵ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

Respondents: Matthew Hurley

MUR: 7759

I. INTRODUCTION

7 This matter was generated by a Complaint filed with the Federal Election Commission
8 alleging that William Figlesthaler for Congress (the “Committee”), the principal campaign
9 committee of 2020 congressional candidate Dr. William M. Figlesthaler, failed to report
10 disbursements to political consultant Matthew Hurley for services provided to the Committee:
11 (1) by making payments to Hurley through shell corporations that obscured Hurley as the
12 ultimate payee, and (2) by making payments to Hurley through Figlesthaler’s private medical
13 practice that the Committee failed to report in violation of the Federal Election Campaign Act of
14 1971, as amended (the “Act”). Matthew Hurley did not submit a Response.

15 Because Hurley does not have reporting obligations under the Act, the Commission finds
16 no reason to believe that he violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b).

17 II. FACTUAL BACKGROUND

18 Dr. William M. Figlesthaler was a 2020 candidate for Florida's 19th Congressional
19 District, and William Figlesthaler for Congress was his principal campaign committee.¹
20 Matthew Hurley is a political consultant and businessperson.² In 2018 and 2019, Hurley and his

¹ William Figlesthaler for Congress: About This Committee, FEC.GOV, <https://www.fec.gov/data/committee/C00725531?tab=about-committee> (last visited June 9, 2021). Figlesthaler lost the Republican primary on August 18, 2020. *Florida Primary Election Results: 19th Congressional District*, N.Y. TIMES (Aug. 18, 2020), <https://www.nytimes.com/interactive/2020/08/18/us/elections/results-florida-house-district-19-primary-election.html>.

² See, e.g., Compl. at 53-58 (July 9, 2020) (attaching contract listing Matthew J. Hurley as Managing Partner of a political consulting firm). We note that, because the attachments to the Complaint are not separately paginated, all pin cites to the Complaint in this Report refer to the page number within the full 120-page PDF of the Complaint.

1 business entities (separate from those at issue in this matter) were the subject of two lawsuits in
 2 Florida state court relating to contractual disputes, and Hurley was ordered to pay approximately
 3 \$750,000 to the plaintiffs.³ In June 2020, according to news reports, Hurley was arrested in Lee
 4 County, Florida, for failure to pay these judgments.⁴

5 It is undisputed that Hurley performed work for the Committee, but the details of this
 6 arrangement are in question. As to the work he performed, the Complaint alleges that Hurley
 7 was a “main consultant” for the Committee, speaking on Figlesthaler’s behalf at campaign
 8 events, attending meetings on behalf of the Committee, and acting as the principal point of
 9 contact with campaign vendors.⁵ In support, the Complaint provides a list of twelve people
 10 “who have been contacted by Matt Hurley on behalf of [Figlesthaler] in the capacity as his
 11 consultant,” along with descriptions of their interactions with Hurley.⁶ The Complaint indicates
 12 that these individuals might be willing to provide interviews or affidavits to the Commission, and
 13 supplies their contact information.⁷ In addition, the Complaint provides a Figlesthaler campaign
 14 email that described Hurley as a member of the “Campaign Team” in the context of an invitation

³ Compl. at 1; *id.* at 79-83, 86-88 (ordering Hurley and his businesses to pay \$107,461.36 to plaintiff StudioPlus, LLC); *id.* at 101-06, 108-09 (ordering Hurley and his businesses to pay \$447,246.96 in damages and \$200,000 in attorneys’ fees to plaintiff Atrium of SW Florida, plus interest). The total sum due, without interest that continues to accrue until the judgments are paid in full, is \$754,708.32.

⁴ *Id.* at 2, 120; see *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

⁵ Compl. at 2, 10. The Complaint also alleges that Hurley placed advertisements with local television stations on behalf of the campaign but does not provide support for this allegation.

⁶ *Id.* at 10.

⁷ *Id.* at 10-11.

1 to a “Top Secret” campaign meeting.⁸ And the Complaint submits an email from Figlesthaler to
 2 a vendor describing Hurley as “your daily point of contact.”⁹

3 As detailed below, the Complaint alleges that the Committee paid Hurley through two
 4 “shell companies,” Landslyde and Southeastern, to “hide the payments from the FEC and, in
 5 turn, Hurley’s creditors.”¹⁰

6 Landslyde and Southeastern were formed on November 12, 2019,¹¹ less than two weeks
 7 after Figlesthaler filed his Statement of Candidacy.¹² Between November 2019 and November
 8 2020, the Committee made a total of \$2.1 million in disbursements to Landslyde for various
 9 advertising services,¹³ and \$79,616 in disbursements to Southeastern for “strategic campaign
 10 consulting.”¹⁴ The Committee is the only federal political committee to report disbursements to
 11 either of the two LLCs.¹⁵

⁸ See *id.* at 63, 111-18.

⁹ *Id.* at 111.

¹⁰ Compl. at 1, 2.

¹¹ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28).

¹² William Matthew Figlesthaler, M.D., Statement of Candidacy (Nov. 1, 2019), <https://docquery.fec.gov/pdf/310/201911019165321310/201911019165321310.pdf>; see also William Figlesthaler for Congress, Statement of Organization (Nov. 1, 2019), <https://docquery.fec.gov/pdf/311/201911019165321311/201911019165321311.pdf>.

¹³ Disbursements: Filtered Results, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=landslyde (last visited June 9, 2021) (showing all disbursements by the Committee to Landslyde).

¹⁴ Disbursements: Filtered Results, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=southeastern (last visited June 9, 2021) (showing all disbursements by the Committee to Southeastern).

¹⁵ FEC Disbursements: Filtered Results, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=landslyde&recipient_name=southeastern&two_year_transaction_period=2020 (last visited June 9, 2021) (showing all disbursements to Landslyde and Southeastern during the 2020 election cycle, all of which were by the Committee).

1 The Complaint points to a number of factors in support of its claim that Landslyde and
 2 Southeastern were shell companies through which the Committee paid Hurley:

3 First, the Complaint argues that the Committee and Hurley had an incentive to route any
 4 payments to him through shell companies “in order to assist [Hurley] in evading creditors
 5 seeking to collect on judgments.”¹⁶ As mentioned above, prior to the election, Hurley owed over
 6 \$750,000 to plaintiffs in two lawsuits, and according to news reports, Hurley’s arrest document
 7 listed “Figlesthaler’s campaign as a possible employer” from which to garnish Hurley’s wages.¹⁷
 8 The Complaint asserts that the Committee and Hurley arranged for payments through the LLCs
 9 to “shield his income.”¹⁸

10 Second, the Complaint points to information suggesting that Hurley controlled Landslyde
 11 and Southeastern, despite the fact that he is not listed on their corporate documents. Both LLCs
 12 have registered agents with close connections to Hurley — Landslyde’s registered agent is Collin
 13 Osborne, Hurley’s business partner,¹⁹ and Southeastern’s registered agent is Rachael Schaaf,
 14 Hurley’s significant other.²⁰

¹⁶ Compl. at 6.

¹⁷ *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

¹⁸ Compl. at 1.

¹⁹ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); *see* Compl. at 8 (“Today, the LLC’s agent is Collin Osborne, a longtime business partner of Matt Hurley[.]”).

²⁰ SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28); *see* Compl. at 1, 6, 7-8 (“[Southeastern’s] sole agent . . . is a 25-year old . . . [who] also happens to be Matt Hurley’s girlfriend.”).

1 Third, the Complaint also describes how Landslyde and Southeastern are successors to
 2 prior entities controlled by Hurley,²¹ and how Hurley attempted to hide his connections to the
 3 prior entities by using the identities of his associates: Southeastern Strategies, Inc., was a
 4 political consulting company formed in May 2014 with Geraldine Staff as its sole director and
 5 incorporator.²² The Complaint alleges that Staff, now deceased, was Hurley's grandmother and
 6 that she had "no experience at all in political consulting."²³ Staff's address was also used on a
 7 "political consultant agreement" between "Torchlight Productions, aka, South Eastern
 8 Strategies," and a 2014 Senate candidate; that agreement named Hurley as the consultancy's
 9 "Managing Partner."²⁴ Finally, Landslyde Digital LLC was the subject of a 2018 complaint from
 10 its registered agent, Jason Owens, informing the Florida Division of Corporations that he had
 11 never consented to be the LLC's agent, alleging that "Mr. Matthew J. Hurley . . . electronically
 12 forged my name."²⁵

²¹ The Complaint infers that the prior entities are precursors to the Respondent-entities due to their similar names and their connections to Hurley, detailed *infra*.

²² SOUTHEASTERN STRATEGIES, INC., ARTICLES OF INCORPORATION (May 12, 2014), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2014%5C0514%5C00112829.Tif&documentNumber=P14000042239>.

²³ Compl. at 7, 25 (discussing Staff and attaching her obituary, which describes Staff as the co-owner and operator of a carpet store prior to her retirement). Southeastern Strategies, Inc., was administratively dissolved on September 25, 2015, for failure to file its annual report. *Detail by Entity Name: Southeastern Strategies, Inc., SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=SOUTHEASTERNSTRATEGIES%20P140000422390&aggregateId=domp-p14000042239-f42a52ee-b82b-448c-b677-7836396e1cc0&searchTerm=Southeastern%20Strategies&listNameOrder=SOUTHEASTERN STRATEGIES%20L190002811390> (last visited June 9, 2021).

²⁴ Compare Compl. at 26 (attaching Quit Claim Deed for Staff's property listing address as 14501 Grand Cay Circle #2702, Fort Meyers, Florida) with *id.* at 53 (attaching political consulting agreement that lists the address for "Torchlight Productions, aka, South Eastern Strategies" as 14501 Grande Cay Circle #2702, Fort Meyers, Florida); *See id.* at 53 (attaching "political consulting agreement" between a 2014 Senate candidate and "Torchlight Productions, aka, South Eastern Strategies").

²⁵ Letter from Jason Owens to Fl. Dep't of State, Div. of Corps. (May 1, 2018) (attached to Compl. at 17). Landslyde Digital LLC was subsequently administratively dissolved on September 28, 2018, for failure to file its annual report. *Detail by Entity Name: Landslyde Digital, LLC, SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=LAND>

1 Fourth, the Complaint alleges that Schaaf, Southeastern’s registered agent, is a “front
 2 person,” much like Hurley’s grandmother, who did not actually perform the political consulting
 3 work attributed to Southeastern.²⁶ The Complaint describes Schaaf as “a 25-year old . . . [with]
 4 no political experience at all. She identifies professionally as a realtor,” a characterization which
 5 the public record, including Ms. Schaaf’s personal webpage and social media accounts, tends to
 6 confirm.²⁷ In addition to her apparent role with Southeastern, advertisement forms attached to
 7 the Complaint show that Schaaf also worked for Landslyde, purchasing television ads for the
 8 Figlesthaler campaign.²⁸ The Complaint alleges that it is unlikely Schaaf was the person who
 9 performed this work, but rather, “given his significant history of political involvement,” Hurley
 10 more likely performed these tasks using Schaaf’s “digital signature” to sign documents under her
 11 name.²⁹

12 Finally, the Complaint notes that, upon Hurley’s arrest in June 2020, the Committee
 13 disavowed any connection to Hurley when Figlesthaler publicly stated that neither “I, nor my

[SLYDEDIGITAL%20L16000058971&aggregateId=flal-116000058971-534833fb-1796-4048-b47b-fe36b907149c&searchTerm=Landslyde&listNameOrder=LANDSLYDEDIGITAL%20L16000058971](https://www.sunbiz.org/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2016%5C0325%5C50696975.tif&documentNumber=L16000058971) (last visited June 9, 2021). Landslyde Digital may also have been a political organization, as its original agent was a political consultant named Chris Berardi, who lists Hurley’s other business ventures, including Torchlight Productions and Southeastern Strategies, on his resume. *See LANDSLYDE DIGITAL, LLC, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY* (Mar. 23, 2016), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2016%5C0325%5C50696975.tif&documentNumber=L16000058971>; Chris Berardi, LINKEDIN, <https://www.linkedin.com/in/chris-berardi-2406a7a> (last visited June 9, 2021).

²⁶ *See* Compl. at 6.

²⁷ *Id.* Rachael Schaaf, *25 Lessons in 25 Years*, HONESTLY, RACHAEL (Jan. 31, 2019), [www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/](http://webcache.googleusercontent.com/search?q=cache:7krC2_t-r3UJ:www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/+&cd=2&hl=en&ct=clnk&gl=us) [http://webcache.googleusercontent.com/search?q=cache:7krC2_t-r3UJ:www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/+&cd=2&hl=en&ct=clnk&gl=us] (including statement by Schaaf dated January 31, 2019, that “[t]oday is my 25th birthday”).

²⁸ Compl. at 47. The Complaint concedes that Osborne, Landslyde’s registered agent and “longtime business partner” of Hurley “has worked in digital for years.” *Id.* at 8. We have seen no information indicating whether Osborne conducted any work on behalf of Landslyde.

²⁹ *Id.* at 2 & n.2.

1 campaign or my medical practices have any affiliation, direct or otherwise[,] with Matt
 2 Hurley,”³⁰ despite the information described above that shows Hurley performing significant
 3 work for the campaign.

4 Separate from the allegations involving Landslyde and Southeastern, the Complaint
 5 further alleges that Figlesthaler made payments directly to Hurley through his private medical
 6 practice, which the Committee did not report.³¹ In support of this allegation, the Complaint
 7 merely states: “It has been rumored that Dr. Fig may also be making direct payments to Hurley
 8 through his medical practice.”³²

9 **III. LEGAL ANALYSIS**

10 The Act and Commission regulations require the treasurers of political committees to
 11 report the name and address of each person to whom they make disbursements aggregating more
 12 than \$200 per calendar year, or per election cycle for authorized committees, as well as the date,
 13 amount, and purpose of such payments.³³

14 As Hurley does not have reporting obligations under the Act, and because the Complaint
 15 alleges no conduct that would constitute a violation by Hurley, the Commission finds no reason
 16 to believe that Hurley violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b).

³⁰ *Id.* at 2.

³¹ *Id.* at 6, 7.

³² *Id.* at 2.

³³ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).

THIS PROPOSED DRAFT WAS VOTED ON BUT
NOT APPROVED BY THE COMMISSION.

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

Respondents: Collin Osborne **MUR:** 7759

I. INTRODUCTION

7 This matter was generated by a Complaint filed with the Federal Election Commission
8 alleging that William Figlesthaler for Congress (the “Committee”), the principal campaign
9 committee of 2020 congressional candidate Dr. William M. Figlesthaler, failed to report
10 disbursements to political consultant Matthew Hurley for services provided to the Committee:
11 (1) by making payments to Hurley through shell corporations that obscured Hurley as the
12 ultimate payee, and (2) by making payments to Hurley through Figlesthaler’s private medical
13 practice that the Committee failed to report in violation of the Federal Election Campaign Act of
14 1971, as amended (the “Act”). Collin Osborne did not submit a Response.

15 Because Collin Osborne does not have reporting obligations under the Act, the
16 Commission finds no reason to believe that he violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R.
17 § 104.3(b).

18 II. FACTUAL BACKGROUND

19 Dr. William M. Figlesthaler was a 2020 candidate for Florida's 19th Congressional
20 District, and William Figlesthaler for Congress was his principal campaign committee.¹

¹ William Figlesthaler for Congress: About This Committee, FEC.GOV, <https://www.fec.gov/data/committee/C00725531/?tab=about-committee> (last visited June 9, 2021). Figlesthaler lost the Republican primary on August 18, 2020. *Florida Primary Election Results: 19th Congressional District*, N.Y. TIMES (Aug. 18, 2020), <https://www.nytimes.com/interactive/2020/08/18/us/elections/results-florida-house-district-19-primary-election.html>.

1 Matthew Hurley is a political consultant and businessperson.² Collin Osborne is one of Hurley's
 2 business partners.³ In 2018 and 2019, Hurley and his business entities (separate from those at
 3 issue in this matter) were the subject of two lawsuits in Florida state court relating to contractual
 4 disputes, and Hurley was ordered to pay approximately \$750,000 to the plaintiffs.⁴ In June
 5 2020, according to news reports, Hurley was arrested in Lee County, Florida, for failure to pay
 6 these judgments.⁵

7 It is undisputed that Hurley performed work for the Committee, but the details of this
 8 arrangement are in question. As to the work he performed, the Complaint alleges that Hurley
 9 was a "main consultant" for the Committee, speaking on Figlesthaler's behalf at campaign
 10 events, attending meetings on behalf of the Committee, and acting as the principal point of
 11 contact with campaign vendors.⁶ In support, the Complaint provides a list of twelve people
 12 "who have been contacted by Matt Hurley on behalf of [Figlesthaler] in the capacity as his
 13 consultant," along with descriptions of their interactions with Hurley.⁷ The Complaint indicates

² See, e.g., Compl. at 53-58 (July 9, 2020) (attaching contract listing Matthew J. Hurley as Managing Partner of a political consulting firm). We note that, because the attachments to the Complaint are not separately paginated, all pin cites to the Complaint in this Report refer to the page number within the full 120-page PDF of the Complaint.

³ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); see Compl. at 8 ("Today, the LLC's agent is Collin Osborne, a longtime business partner of Matt Hurley[.]").

⁴ Compl. at 1; *id.* at 79-83, 86-88 (ordering Hurley and his businesses to pay \$107,461.36 to plaintiff StudioPlus, LLC); *id.* at 101-06, 108-09 (ordering Hurley and his businesses to pay \$447,246.96 in damages and \$200,000 in attorneys' fees to plaintiff Atrium of SW Florida, plus interest). The total sum due, without interest that continues to accrue until the judgments are paid in full, is \$754,708.32.

⁵ *Id.* at 2, 120; see *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

⁶ Compl. at 2, 10. The Complaint also alleges that Hurley placed advertisements with local television stations on behalf of the campaign but does not provide support for this allegation.

⁷ *Id.* at 10.

1 that these individuals might be willing to provide interviews or affidavits to the Commission, and
 2 supplies their contact information.⁸ In addition, the Complaint provides a Figlesthaler campaign
 3 email that described Hurley as a member of the “Campaign Team” in the context of an invitation
 4 to a “Top Secret” campaign meeting.⁹ And the Complaint submits an email from Figlesthaler to
 5 a vendor describing Hurley as “your daily point of contact.”¹⁰

6 As detailed below, the Complaint alleges that the Committee paid Hurley through two
 7 “shell companies,” Landslyde and Southeastern, to “hide the payments from the FEC and, in
 8 turn, Hurley’s creditors.”¹¹

9 Landslyde and Southeastern were formed on November 12, 2019,¹² less than two weeks
 10 after Figlesthaler filed his Statement of Candidacy.¹³ Between November 2019 and November
 11 2020, the Committee made a total of \$2.1 million in disbursements to Landslyde for various
 12 advertising services,¹⁴ and \$79,616 in disbursements to Southeastern for “strategic campaign

8 *Id.* at 10-11.

9 See *id.* at 63, 111-18.

10 *Id.* at 111.

11 Compl. at 1, 2.

12 LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28).

13 William Matthew Figlesthaler, M.D., Statement of Candidacy (Nov. 1, 2019), <https://docquery.fec.gov/pdf/310/201911019165321310/201911019165321310.pdf>; see also William Figlesthaler for Congress, Statement of Organization (Nov. 1, 2019), <https://docquery.fec.gov/pdf/311/201911019165321311/201911019165321311.pdf>.

14 Disbursements: Filtered Results, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=landslyde (last visited June 9, 2021) (showing all disbursements by the Committee to Landslyde).

1 consulting.”¹⁵ The Committee is the only federal political committee to report disbursements to
 2 either of the two LLCs.¹⁶

3 The Complaint points to a number of factors in support of its claim that Landslyde and
 4 Southeastern were shell companies through which the Committee paid Hurley:

5 First, the Complaint argues that the Committee and Hurley had an incentive to route any
 6 payments to him through shell companies “in order to assist [Hurley] in evading creditors
 7 seeking to collect on judgments.”¹⁷ As mentioned above, prior to the election, Hurley owed over
 8 \$750,000 to plaintiffs in two lawsuits, and according to news reports, Hurley’s arrest document
 9 listed “Figlesthaler’s campaign as a possible employer” from which to garnish Hurley’s wages.¹⁸
 10 The Complaint asserts that the Committee and Hurley arranged for payments through the LLCs
 11 to “shield his income.”¹⁹

12 Second, the Complaint points to information suggesting that Hurley controlled Landslyde
 13 and Southeastern, despite the fact that he is not listed on their corporate documents. Both LLCs
 14 have registered agents with close connections to Hurley — Landslyde’s registered agent is Collin

¹⁵ *Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=southeastern (last visited June 9, 2021) (showing all disbursements by the Committee to Southeastern).

¹⁶ *FEC Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=landslyde&recipient_name=southeastern&two_year_transaction_period=2020 (last visited June 9, 2021) (showing all disbursements to Landslyde and Southeastern during the 2020 election cycle, all of which were by the Committee).

¹⁷ Compl. at 6.

¹⁸ *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

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1 Osborne, Hurley's business partner,²⁰ and Southeastern's registered agent is Rachael Schaaf,
 2 Hurley's significant other.²¹

3 Third, the Complaint also describes how Landslyde and Southeastern are successors to
 4 prior entities controlled by Hurley,²² and how Hurley attempted to hide his connections to the
 5 prior entities by using the identities of his associates: Southeastern Strategies, Inc., was a
 6 political consulting company formed in May 2014 with Geraldine Staff as its sole director and
 7 incorporator.²³ The Complaint alleges that Staff, now deceased, was Hurley's grandmother and
 8 that she had "no experience at all in political consulting."²⁴ Staff's address was also used on a
 9 "political consultant agreement" between "Torchlight Productions, aka, South Eastern
 10 Strategies," and a 2014 Senate candidate; that agreement named Hurley as the consultancy's
 11 "Managing Partner."²⁵ Finally, Landslyde Digital LLC was the subject of a 2018 complaint from

²⁰ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); *see* Compl. at 8 ("Today, the LLC's agent is Collin Osborne, a longtime business partner of Matt Hurley[.]").

²¹ SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28); *see* Compl. at 1, 6, 7-8 ("[Southeastern's] sole agent . . . is a 25-year old . . . [who] also happens to be Matt Hurley's girlfriend.").

²² The Complaint infers that the prior entities are precursors to the Respondent-entities due to their similar names and their connections to Hurley, detailed *infra*.

²³ SOUTHEASTERN STRATEGIES, INC., ARTICLES OF INCORPORATION (May 12, 2014), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2014%5C0514%5C00112829.Tif&documentNumber=P14000042239>.

²⁴ Compl. at 7, 25 (discussing Staff and attaching her obituary, which describes Staff as the co-owner and operator of a carpet store prior to her retirement). Southeastern Strategies, Inc., was administratively dissolved on September 25, 2015, for failure to file its annual report. *Detail by Entity Name: Southeastern Strategies, Inc., SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=SOUTHEASTERNSTRATEGIES%20P140000422390&aggregateId=domp-p14000042239-f42a52ee-b82b-448c-b677-7836396e1cc0&searchTerm=Southeastern%20Strategies&listNameOrder=SOUTHEASTERN STRATEGIES%20L190002811390> (last visited June 9, 2021).

²⁵ Compare Compl. at 26 (attaching Quit Claim Deed for Staff's property listing address as 14501 Grand Cay Circle #2702, Fort Meyers, Florida) with *id.* at 53 (attaching political consulting agreement that lists the address for "Torchlight Productions, aka, South Eastern Strategies" as 14501 Grande Cay Circle #2702, Fort Meyers, Florida);

1 its registered agent, Jason Owens, informing the Florida Division of Corporations that he had
 2 never consented to be the LLC's agent, alleging that "Mr. Matthew J. Hurley . . . electronically
 3 forged my name."²⁶

4 Fourth, the Complaint alleges that Schaaf, Southeastern's registered agent, is a "front
 5 person," much like Hurley's grandmother, who did not actually perform the political consulting
 6 work attributed to Southeastern.²⁷ The Complaint describes Schaaf as "a 25-year old . . . [with]
 7 no political experience at all. She identifies professionally as a realtor," a characterization which
 8 the public record, including Ms. Schaaf's personal webpage and social media accounts, tends to
 9 confirm.²⁸ In addition to her apparent role with Southeastern, advertisement forms attached to
 10 the Complaint show that Schaaf also worked for Landslyde, purchasing television ads for the
 11 Figuelethaler campaign.²⁹ The Complaint alleges that it is unlikely Schaaf was the person who

See *id.* at 53 (attaching "political consulting agreement" between a 2014 Senate candidate and "Torchlight Productions, aka, South Eastern Strategies").

²⁶ Letter from Jason Owens to Fl. Dep't of State, Div. of Corps. (May 1, 2018) (attached to Compl. at 17). Landslyde Digital LLC was subsequently administratively dissolved on September 28, 2018, for failure to file its annual report. *Detail by Entity Name: Landslyde Digital, LLC, SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=LANDSLYDEDIGITAL%20L160000589710&aggregateId=f1a1-116000058971-534833fb-1796-4048-b47b-fe36b907149c&searchTerm=Landslyde&listNameOrder=LANDSLYDEDIGITAL%20L160000589710> (last visited June 9, 2021). Landslyde Digital may also have been a political organization, as its original agent was a political consultant named Chris Berardi, who lists Hurley's other business ventures, including Torchlight Productions and Southeastern Strategies, on his resume. *See LANDSLYDE DIGITAL, LLC, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY* (Mar. 23, 2016), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2016%5C0325%5C50696975.tif&documentNumber=L16000058971>; Chris Berardi, LINKEDIN, <https://www.linkedin.com/in/chris-berardi-2406a7a> (last visited June 9, 2021).

²⁷ See Compl. at 6.

²⁸ *Id.* Rachael Schaaf, *25 Lessons in 25 Years*, HONESTLY, RACHAEL (Jan. 31, 2019), www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/ [http://webcache.googleusercontent.com/search?q=cache:7krC2_t-r3UJ:www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/+&cd=2&hl=en&ct=clnk&gl=us] (including statement by Schaaf dated January 31, 2019, that "[t]oday is my 25th birthday").

²⁹ Compl. at 47. The Complaint concedes that Osborne, Landslyde's registered agent and "longtime business partner" of Hurley "has worked in digital for years." *Id.* at 8. We have seen no information indicating whether Osborne conducted any work on behalf of Landslyde.

1 performed this work, but rather, “given his significant history of political involvement,” Hurley
 2 more likely performed these tasks using Schaaf’s “digital signature” to sign documents under her
 3 name.³⁰

4 Finally, the Complaint notes that, upon Hurley’s arrest in June 2020, the Committee
 5 disavowed any connection to Hurley when Figlesthaler publicly stated that neither “I, nor my
 6 campaign or my medical practices have any affiliation, direct or otherwise[,] with Matt
 7 Hurley,”³¹ despite the information described above that shows Hurley performing significant
 8 work for the campaign.

9 Separate from the allegations involving Landslyde and Southeastern, the Complaint
 10 further alleges that Figlesthaler made payments directly to Hurley through his private medical
 11 practice, which the Committee did not report.³² In support of this allegation, the Complaint
 12 merely states: “It has been rumored that Dr. Fig may also be making direct payments to Hurley
 13 through his medical practice.”³³

14 **III. LEGAL ANALYSIS**

15 The Act and Commission regulations require the treasurers of political committees to
 16 report the name and address of each person to whom they make disbursements aggregating more

³⁰ *Id.* at 2 & n.2.

³¹ *Id.* at 2.

³² *Id.* at 6, 7.

³³ *Id.* at 2.

1 than \$200 per calendar year, or per election cycle for authorized committees, as well as the date,
2 amount, and purpose of such payments.³⁴

3 As Osborne does not have reporting obligations under the Act, and because the
4 Complaint alleges no conduct that would constitute a violation by Osborne, the Commission
5 finds no reason to believe that he violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b).

³⁴ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).

THIS PROPOSED DRAFT WAS VOTED ON BUT
NOT APPROVED BY THE COMMISSION.

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

5 **Respondents:** Rachael Schaaf
6 Landslyde Media Group, LLC
7 Southeastern Strategies LLC

MUR: 7759

8 I. INTRODUCTION

9 This matter was generated by a Complaint filed with the Federal Election Commission
10 alleging that William Figlesthaler for Congress and (the “Committee”), the principal campaign
11 committee of 2020 congressional candidate Dr. William M. Figlesthaler, failed to report
12 disbursements to political consultant Matthew Hurley for services provided to the Committee:
13 (1) by making payments to Hurley through shell corporations that obscured Hurley as the
14 ultimate payee, and (2) by making payments to Hurley through Figlesthaler’s private medical
15 practice that the Committee failed to report in violation of the Federal Election Campaign Act of
16 1971, as amended (the “Act”). Respondents deny the allegations. Landslyde Media Group, LLC
17 (“Landslyde”), and Southeastern Strategies LLC (“Southeastern”), the alleged shell corporations,
18 assert that they legitimately performed work for the Committee.

19 Because Schaaf, Landslyde, and Southeastern do not have reporting obligations under the
20 Act, the Commission finds no reason to believe that Schaaf, Landslyde, or Southeastern violated
21 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b).

22 II. FACTUAL BACKGROUND

23 Dr. William M. Figlesthaler was a 2020 candidate for Florida’s 19th Congressional
24 District, and William Figlesthaler for Congress was his principal campaign committee.¹

¹ *William Figlesthaler for Congress: About This Committee*, FEC.GOV, <https://www.fec.gov/data/committee/C00725531/?tab=about-committee> (last visited June 9, 2021). Figlesthaler lost the Republican primary on

1 Matthew Hurley is a political consultant and businessperson.² In 2018 and 2019, Hurley and his
 2 business entities (separate from those at issue in this matter) were the subject of two lawsuits in
 3 Florida state court relating to contractual disputes, and Hurley was ordered to pay approximately
 4 \$750,000 to the plaintiffs.³ In June 2020, according to news reports, Hurley was arrested in Lee
 5 County, Florida, for failure to pay these judgments.⁴

6 It is undisputed that Hurley performed work for the Committee, but the details of this
 7 arrangement are in question. As to the work he performed, the Complaint alleges that Hurley
 8 was a “main consultant” for the Committee, speaking on Figlesthaler’s behalf at campaign
 9 events, attending meetings on behalf of the Committee, and acting as the principal point of
 10 contact with campaign vendors.⁵ In support, the Complaint provides a list of twelve people
 11 “who have been contacted by Matt Hurley on behalf of [Figlesthaler] in the capacity as his
 12 consultant,” along with descriptions of their interactions with Hurley.⁶ The Complaint indicates
 13 that these individuals might be willing to provide interviews or affidavits to the Commission, and

August 18, 2020. *Florida Primary Election Results: 19th Congressional District*, N.Y. TIMES (Aug. 18, 2020),
<https://www.nytimes.com/interactive/2020/08/18/us/elections/results-florida-house-district-19-primary-election.html>.

² See, e.g., Compl. at 53-58 (July 9, 2020) (attaching contract listing Matthew J. Hurley as Managing Partner of a political consulting firm). We note that, because the attachments to the Complaint are not separately paginated, all pin cites to the Complaint in this Report refer to the page number within the full 120-page PDF of the Complaint.

³ Compl. at 1; *id.* at 79-83, 86-88 (ordering Hurley and his businesses to pay \$107,461.36 to plaintiff StudioPlus, LLC); *id.* at 101-06, 108-09 (ordering Hurley and his businesses to pay \$447,246.96 in damages and \$200,000 in attorneys’ fees to plaintiff Atrium of SW Florida, plus interest). The total sum due, without interest that continues to accrue until the judgments are paid in full, is \$754,708.32.

⁴ *Id.* at 2, 120; see *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

⁵ Compl. at 2, 10. The Complaint also alleges that Hurley placed advertisements with local television stations on behalf of the campaign but does not provide support for this allegation.

⁶ *Id.* at 10.

1 supplies their contact information.⁷ In addition, the Complaint provides a Figlesthaler campaign
 2 email that described Hurley as a member of the “Campaign Team” in the context of an invitation
 3 to a “Top Secret” campaign meeting.⁸ And the Complaint submits an email from Figlesthaler to
 4 a vendor describing Hurley as “your daily point of contact.”⁹

5 As detailed below, the Complaint alleges that the Committee paid Hurley through two
 6 “shell companies,” Landslyde and Southeastern, to “hide the payments from the FEC and, in
 7 turn, Hurley’s creditors.”¹⁰

8 Landslyde and Southeastern were formed on November 12, 2019,¹¹ less than two weeks
 9 after Figlesthaler filed his Statement of Candidacy.¹² Between November 2019 and November
 10 2020, the Committee made a total of \$2.1 million in disbursements to Landslyde for various
 11 advertising services,¹³ and \$79,616 in disbursements to Southeastern for “strategic campaign

⁷ *Id.* at 10-11.

⁸ See *id.* at 63, 111-18.

⁹ *Id.* at 111.

¹⁰ Compl. at 1, 2.

¹¹ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28).

¹² William Matthew Figlesthaler, M.D., Statement of Candidacy (Nov. 1, 2019), <https://docquery.fec.gov/pdf/310/201911019165321310/201911019165321310.pdf>; see also William Figlesthaler for Congress, Statement of Organization (Nov. 1, 2019), <https://docquery.fec.gov/pdf/311/201911019165321311/201911019165321311.pdf>.

¹³ Disbursements: Filtered Results, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=landslyde (last visited June 9, 2021) (showing all disbursements by the Committee to Landslyde).

1 consulting.”¹⁴ The Committee is the only federal political committee to report disbursements to
 2 either of the two LLCs.¹⁵

3 The Complaint points to a number of factors in support of its claim that Landslyde and
 4 Southeastern were shell companies through which the Committee paid Hurley:

5 First, the Complaint argues that the Committee and Hurley had an incentive to route any
 6 payments to him through shell companies “in order to assist [Hurley] in evading creditors
 7 seeking to collect on judgments.”¹⁶ As mentioned above, prior to the election, Hurley owed over
 8 \$750,000 to plaintiffs in two lawsuits, and according to news reports, Hurley’s arrest document
 9 listed “Figlesthaler’s campaign as a possible employer” from which to garnish Hurley’s wages.¹⁷
 10 The Complaint asserts that the Committee and Hurley arranged for payments through the LLCs
 11 to “shield his income.”¹⁸

12 Second, the Complaint points to information suggesting that Hurley controlled Landslyde
 13 and Southeastern, despite the fact that he is not listed on their corporate documents. Both LLCs
 14 have registered agents with close connections to Hurley — Landslyde’s registered agent is Collin

¹⁴ *Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00725531&recipient_name=southeastern (last visited June 9, 2021) (showing all disbursements by the Committee to Southeastern).

¹⁵ *FEC Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=landslyde&recipient_name=southeastern&two_year_transaction_period=2020 (last visited June 9, 2021) (showing all disbursements to Landslyde and Southeastern during the 2020 election cycle, all of which were by the Committee).

¹⁶ Compl. at 6.

¹⁷ *Local Congressional Candidate Denies Affiliation with Arrested Man, Despite Contrary Evidence*, NBC2 NEWS (June 22, 2020), <https://nbc-2.com/nbc-2-wbbh/2020/06/22/local-congressional-candidate-denies-affiliation-with-arrested-man-despite-contrary-evidence/> (referenced in Compl. at 1, 2).

¹⁸ Compl. at 1.

1 Osborne, Hurley's business partner,¹⁹ and Southeastern's registered agent is Rachael Schaaf,
 2 Hurley's significant other.²⁰

3 Third, the Complaint also describes how Landslyde and Southeastern are successors to
 4 prior entities controlled by Hurley,²¹ and how Hurley attempted to hide his connections to the
 5 prior entities by using the identities of his associates: Southeastern Strategies, Inc., was a
 6 political consulting company formed in May 2014 with Geraldine Staff as its sole director and
 7 incorporator.²² The Complaint alleges that Staff, now deceased, was Hurley's grandmother and
 8 that she had "no experience at all in political consulting."²³ Staff's address was also used on a
 9 "political consultant agreement" between "Torchlight Productions, aka, South Eastern
 10 Strategies," and a 2014 Senate candidate; that agreement named Hurley as the consultancy's
 11 "Managing Partner."²⁴ Finally, Landslyde Digital LLC was the subject of a 2018 complaint from

¹⁹ LANDSLYDE, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 18); *see* Compl. at 8 ("Today, the LLC's agent is Collin Osborne, a longtime business partner of Matt Hurley[.]").

²⁰ SOUTHEASTERN, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY (Nov. 12, 2019) (attached to Compl. at 28); *see* Compl. at 1, 6, 7-8 ("[Southeastern's] sole agent . . . is a 25-year old . . . [who] also happens to be Matt Hurley's girlfriend.").

²¹ The Complaint infers that the prior entities are precursors to the Respondent-entities due to their similar names and their connections to Hurley, detailed *infra*.

²² SOUTHEASTERN STRATEGIES, INC., ARTICLES OF INCORPORATION (May 12, 2014), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2014%5C0514%5C00112829.Tif&documentNumber=P14000042239>.

²³ Compl. at 7, 25 (discussing Staff and attaching her obituary, which describes Staff as the co-owner and operator of a carpet store prior to her retirement). Southeastern Strategies, Inc., was administratively dissolved on September 25, 2015, for failure to file its annual report. *Detail by Entity Name: Southeastern Strategies, Inc., SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=SOUTHEASTERNSTRATEGIES%20P140000422390&aggregateId=domp-p14000042239-f42a52ee-b82b-448c-b677-7836396e1cc0&searchTerm=Southeastern%20Strategies&listNameOrder=SOUTHEASTERN STRATEGIES%20L190002811390> (last visited June 9, 2021).

²⁴ Compare Compl. at 26 (attaching Quit Claim Deed for Staff's property listing address as 14501 Grand Cay Circle #2702, Fort Meyers, Florida) with *id.* at 53 (attaching political consulting agreement that lists the address for "Torchlight Productions, aka, South Eastern Strategies" as 14501 Grande Cay Circle #2702, Fort Meyers, Florida);

1 its registered agent, Jason Owens, informing the Florida Division of Corporations that he had
 2 never consented to be the LLC's agent, alleging that "Mr. Matthew J. Hurley . . . electronically
 3 forged my name."²⁵

4 Fourth, the Complaint alleges that Schaaf, Southeastern's registered agent, is a "front
 5 person," much like Hurley's grandmother, who did not actually perform the political consulting
 6 work attributed to Southeastern.²⁶ The Complaint describes Schaaf as "a 25-year old . . . [with]
 7 no political experience at all. She identifies professionally as a realtor," a characterization which
 8 the public record, including Ms. Schaaf's personal webpage and social media accounts, tends to
 9 confirm.²⁷ In addition to her apparent role with Southeastern, advertisement forms attached to
 10 the Complaint show that Schaaf also worked for Landslyde, purchasing television ads for the
 11 Figuelethaler campaign.²⁸ The Complaint alleges that it is unlikely Schaaf was the person who

See *id.* at 53 (attaching "political consulting agreement" between a 2014 Senate candidate and "Torchlight Productions, aka, South Eastern Strategies").

²⁵ Letter from Jason Owens to Fl. Dep't of State, Div. of Corps. (May 1, 2018) (attached to Compl. at 17). Landslyde Digital LLC was subsequently administratively dissolved on September 28, 2018, for failure to file its annual report. *Detail by Entity Name: Landslyde Digital, LLC, SUNBIZ*, <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=LANDSLYDEDIGITAL%20L160000589710&aggregateId=f1a1-116000058971-534833fb-1796-4048-b47b-fe36b907149c&searchTerm=Landslyde&listNameOrder=LANDSLYDEDIGITAL%20L160000589710> (last visited June 9, 2021). Landslyde Digital may also have been a political organization, as its original agent was a political consultant named Chris Berardi, who lists Hurley's other business ventures, including Torchlight Productions and Southeastern Strategies, on his resume. *See LANDSLYDE DIGITAL, LLC, ELECTRONIC ARTICLES OF ORGANIZATION FOR FLORIDA LIMITED LIABILITY COMPANY* (Mar. 23, 2016), <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2016%5C0325%5C50696975.tif&documentNumber=L16000058971>; Chris Berardi, LINKEDIN, <https://www.linkedin.com/in/chris-berardi-2406a7a> (last visited June 9, 2021).

²⁶ See Compl. at 6.

²⁷ *Id.* Rachael Schaaf, *25 Lessons in 25 Years*, HONESTLY, RACHAEL (Jan. 31, 2019), http://webcache.googleusercontent.com/search?q=cache:7krC2_t-r3UJ:www.honestlyrachael.com/2019/01/31/25-lessons-in-25-years/ [&cd=2&hl=en&ct=clnk&gl=us] (including statement by Schaaf dated January 31, 2019, that "[t]oday is my 25th birthday").

²⁸ Compl. at 47. The Complaint concedes that Osborne, Landslyde's registered agent and "longtime business partner" of Hurley "has worked in digital for years." *Id.* at 8. We have seen no information indicating whether Osborne conducted any work on behalf of Landslyde.

1 performed this work, but rather, “given his significant history of political involvement,” Hurley
 2 more likely performed these tasks using Schaaf’s “digital signature” to sign documents under her
 3 name.²⁹

4 Finally, the Complaint notes that, upon Hurley’s arrest in June 2020, the Committee
 5 disavowed any connection to Hurley when Figlesthaler publicly stated that neither “I, nor my
 6 campaign or my medical practices have any affiliation, direct or otherwise[,] with Matt
 7 Hurley,”³⁰ despite the information described above that shows Hurley performing significant
 8 work for the campaign.

9 Separate from the allegations involving Landslyde and Southeastern, the Complaint
 10 further alleges that Figlesthaler made payments directly to Hurley through his private medical
 11 practice, which the Committee did not report.³¹ In support of this allegation, the Complaint
 12 merely states: “It has been rumored that Dr. Fig may also be making direct payments to Hurley
 13 through his medical practice.”³²

14 Schaaf, Southeastern, and Landslyde submitted a joint Response—written by Schaaf—in
 15 which they contend that Schaaf and “a number of individuals” performed legitimate campaign
 16 work pursuant to contracts with the Committee.³³ They also assert that Schaaf was “intricately
 17 involved in the campaign’s management, budgeting, [and] outside expenditures,” attaching
 18 several emails between media entities and Schaaf.³⁴ The Response states that “Mr. Hurley

²⁹ *Id.* at 2 & n.2.

³⁰ *Id.* at 2.

³¹ *Id.* at 6, 7.

³² *Id.* at 2.

³³ Schaaf, Landslyde & Southeastern Resp. at 1 (Aug. 15, 2020).

³⁴ *Id.* & attach.

1 helped secure the contract with Figlesthaler's campaign for several of the campaigns' [sic]
2 vendors," but provides no additional details on Hurley's involvement.³⁵

3 **III. LEGAL ANALYSIS**

4 The Act and Commission regulations require the treasurers of political committees to
5 report the name and address of each person to whom they make disbursements aggregating more
6 than \$200 per calendar year, or per election cycle for authorized committees, as well as the date,
7 amount, and purpose of such payments.³⁶

8 Because the Complaint alleges no conduct that would constitute a violation of the Act by
9 Schaaf, Landslyde, or Southeastern, the Commission finds no reason to believe that these
10 respondents violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b).

³⁵ *Id.* at 1.

³⁶ 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b).