

1 **FEDERAL ELECTION COMMISSION**

2  
3 **FIRST GENERAL COUNSEL'S REPORT**

4  
5 **MUR: 7783**

6 DATE COMPLAINT FILED: August 18, 2020

7 DATE OF NOTIFICATION: August 24, 2020

8 LAST RESPONSE RECEIVED: October 1, 2020

9 DATE ACTIVATED: November 10, 2020

10  
11 EXPIRATION OF SOL: January 3, 2025-  
12 June 22, 2025

13 ELECTION CYCLE: 2020

14  
15 **COMPLAINANT:**

Campaign Legal Center

16  
17 **RESPONDENTS:**

Byron Donalds for Congress and Bradley T. Crate  
in his official capacity as treasurer

Byron Donalds

Friends of Byron Donalds

and Noreen Fenner, treasurer

Conservatives for Effective Government

and David Ramba, treasurer

24  
25 **RELEVANT STATUTES AND**  
26 **REGULATIONS:**

52 U.S.C. § 30116(a), (f)

52 U.S.C. § 30118(a)

52 U.S.C. § 30122

52 U.S.C. § 30125(e)

11 C.F.R. § 300.2(c)(2)

11 C.F.R. § 300.61

11 C.F.R. § 300.64

33  
34 **INTERNAL REPORTS CHECKED:**

Disclosure Reports

35  
36 **FEDERAL AGENCIES CHECKED:**

None

37  
38 **I. INTRODUCTION**

39 The complaint alleges that Byron Donalds, a candidate for Florida's 19th Congressional  
40 District, and two Florida State political committees, Friends of Byron Donalds ("FBD"), and  
41 Conservatives for Effective Government ("CFEG"), violated the soft money prohibitions of the  
42 Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the complaint  
43 alleges that Donalds established and controlled FBD, a state committee, and through a complex

1 series of transactions involving another state committee, CFEG, Donalds transferred non-federal  
2 funds to a federal independent expenditure-only political committee, Trusted Conservatives, to  
3 support his candidacy for the U.S. House of Representatives in 2020, in violation of 52 U.S.C.  
4 § 30125(e). The complaint also alleges that CFEG made a contribution in the name of another,  
5 and FBD knowingly permitted its name to be used to make such a contribution, in violation of  
6 52 U.S.C. § 30122.

7 Respondents deny the allegations. They assert that all funds raised by FBD were in  
8 connection with Donalds's activities as a member of the Florida House of Representatives,  
9 before he became a federal candidate, and Donalds had no involvement with FBD after his  
10 resignation as Chair of FBD on January 3, 2020.<sup>1</sup> CFEG asserts that it participates only in state  
11 and local elections for non-federal candidates and did not violate any state or federal law.<sup>2</sup>  
12 Finally, FBD disputes that it and CFEG engaged in a straw donor scheme and contends that there  
13 was no attempt to conceal the true source of the contributions, given that all of the transactions in  
14 question were properly disclosed.<sup>3</sup>

15 As discussed below, the available information supports a reasonable inference that FBD  
16 was an entity that was established, financed, maintained, or controlled by Donalds while he was  
17 a federal candidate and that FBD and Donalds improperly solicited, received, directed,  
18 transferred, or spent non-federal funds to support Donald's candidacy. Accordingly, we  
19 recommend the Commission find reason to believe that FBD and Donalds violated 52 U.S.C.  
20 § 30125(e) by soliciting, receiving, directing, transferring, or spending soft money in connection

---

<sup>1</sup> Resp. of Byron Donalds and Byron Donalds for Congress (Sept. 10, 2020); Resp. of FBD (Sept. 28, 2020).

<sup>2</sup> Resp. of CFEG (Oct. 1, 2020).

<sup>3</sup> Resp. of FBD at 3.

1 with a federal election. In addition, we recommend the Commission authorize the use of  
2 compulsory process.

3 Because we lack information regarding the roles of CFEG and Byron Donalds for  
4 Congress and Bradley T. Crate in his official capacity as treasurer (“Donalds for Congress” or  
5 “federal committee”) in this scenario, we recommend the Commission take no action at this time  
6 as to allegations that these respondents violated 52 U.S.C. § 30125(e). Further, with respect to  
7 the allegation that CFEG and FBD violated the prohibition of making a contribution in the name  
8 of another at 52 U.S.C. § 30122, we recommend that the Commission take no action at this time  
9 as to those respondents pending an investigation into FBD’s contribution to Trusted  
10 Conservatives.

## 11 **II. FACTUAL BACKGROUND**

### 12 **A. Establishment of Friends of Byron Donalds**

13 From 2016 through 2020, Donalds was a State Representative for the 80th District of  
14 Florida. On August 22, 2019, Donalds formed Friends of Byron Donalds, a Florida state  
15 political committee; Donalds was the committee’s chair and Noreen A. Fenner was its treasurer.<sup>4</sup>  
16 On that same day, FBD also registered with the Internal Revenue Service (“IRS”) as a political  
17 organization under Section 527 of the Internal Revenue Code.<sup>5</sup> According to its website, the  
18 state committee’s mission was “to promote and support principled conservative causes and

---

<sup>4</sup> See FBD, Statement of Organization of Political Committee, Florida Dept. of State, Division of Elections (Aug. 22, 2019), <https://dos.elections.myflorida.com/campaign-docs/?account=74495> (attached to Complaint, Ex. A).

<sup>5</sup> See FBD PC, IRS Form 8871 (Political Organization Notice of Section 527 Status) (Aug. 22, 2019) (FBD filed an amended notice on June 4, 2020 noting Noreen Fenner as Chair and Treasurer, and an amended/final notice on July 14, 2020). FBD also filed Form 8872 (Political Organization Report of Contributions and Expenditures) (July 14, 2020), disclosing \$107,456 in expenditures from June 4, 2020, through June 30, 2020.

1 candidates in the State of Florida.”<sup>6</sup> Right below the mission statement was the statement  
2 “Representative Byron Donalds is associated with Friends of Byron Donalds.”<sup>7</sup>

3       Between September 2019 and January 2020, FBD raised \$98,707, with nearly half of  
4 those funds raised in December 2019.<sup>8</sup> A number of the donations appeared to be from sources  
5 prohibited under the Act, such as corporations and federal contractors.<sup>9</sup> On January 3, 2020,  
6 FBD reported making an \$87,000 contribution, which was approximately 88% of the funds it had  
7 raised, to CFEG, another Florida political committee.<sup>10</sup> Before that contribution, FBD had made  
8 \$7,679.66 in disbursements.<sup>11</sup> Also on January 3, Donalds resigned as Chair of FBD, and  
9 Noreen Fenner became Chair and remained its treasurer.<sup>12</sup> FBD filed a statement with the  
10 Florida Division of Elections and an amended notice with the IRS notifying them of the  
11 change.<sup>13</sup> Although Donalds had resigned as Chair of FBD, FBD never changed its name, and as

---

<sup>6</sup> The Complaint provided a screenshot of the FBD website homepage displaying the mission statement (Compl., Ex. B).

<sup>7</sup> *Id.*

<sup>8</sup> See Florida Dept. of State, Division of Elections, Contributions Query Result for FBD, 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/contrib.exe> (attached to Compl. Ex. C).

<sup>9</sup> *Id.*

<sup>10</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/expend.exe>. CFEG, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Contributions Query Results, 2020 election, available at <https://dos.elections.myflorida.com/cgi-bin/contrib.exe>.

<sup>11</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/expend.exe>. FBD's other disbursements prior to the transfer to CFEG were to Ana Maria Rodriguez Campaign (\$1,000.00), PAC Financial Management (\$2,179.66), and Front Line Strategies, Inc. (\$4,500.00).

<sup>12</sup> See FBD, Campaign Finance Activity, Florida Dept. of State, Division of Elections, available at <https://dos.elections.myflorida.com/committees/ComDetail.asp?account=74495> (last visited Dec. 7, 2020). CFEG, a Section 527 organization, registered as a Florida state political committee on January 17, 2017, and is still active. CFEG Resp. (Oct. 1, 2020).

<sup>13</sup> FBD, Change of Officers, Florida Dept. of State, Division of Elections (Jan. 3, 2020), <https://dos.elections.myflorida.com/campaign-docs/?account=74495> (attached as Exhibit E of the Complaint); Friends of Byron Donalds PC, Amended IRS Form 8871 (Jan. 3, 2020).

1 of August 2020, the FBD website's home page (<http://friendsofbyrondonalds.org/>) still displayed  
2 the statement "Representative Byron Donalds is associated with Friends of Byron Donalds."<sup>14</sup>  
3 FBD contends the statement was mistakenly left on the website and that it had since been  
4 removed.<sup>15</sup>

5 **B. Activities of Friends of Byron Donalds After Donalds Registers as a Federal**  
6 **Candidate**

7  
8 On January 6, 2020, three days after he resigned as Chair of FBD, Donalds filed a  
9 Statement of Candidacy for the Republican nomination in Florida's 19th Congressional District  
10 with the Commission and designated Donalds for Congress as his principal campaign  
11 committee.<sup>16</sup>

12 From January 3, 2020, when Donalds resigned as Chair, until May 28, 2020, FBD  
13 reported receiving one additional contribution of \$1,000.<sup>17</sup> On May 28, 2020, five months after  
14 FBD reported making an \$87,000.00 contribution to CFEG, FBD reported receiving a  
15 \$107,038.66 contribution from CFEG,<sup>18</sup> although the CFEG Expenditure page reflects a different  
16 date for the contribution, June 28, 2020.<sup>19</sup> In its response to the Complaint, FBD referred to this

---

<sup>14</sup> Compl., Ex. B.

<sup>15</sup> Resp. of FBD at 2.

<sup>16</sup> Byron Donalds Statement of Candidacy (Jan. 6, 2020). Donalds was also a candidate for re-election to the Florida House for the 80th District during the same cycle, but did not qualify for the ballot for the state Republican primary. See [https://ballotpedia.org/Byron\\_Donalds](https://ballotpedia.org/Byron_Donalds).

<sup>17</sup> Compl. Ex. C (reflecting a \$1,000 contribution from Floridians for Economic Advancement on Jan. 14, 2020).

<sup>18</sup> See FBD, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Contribution Query Result; Compl. Ex. C.

<sup>19</sup> See CFEG, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Expenditures Query Results, 2020 election, available at <https://dos.elections.myflorida.com/cgi-bin/expand.exe>.

1 transfer as a “refund” of FBD’s earlier contribution.<sup>20</sup> FBD did not explain why the contribution  
2 was refunded.

3 On June 4, 2020, FBD filed a disbandment letter with the Florida Department of State  
4 Division of Elections, stating: “Please be advised that Friends of Byron Donalds has ceased  
5 operations. Please close this account.”<sup>21</sup> The Division of Elections replied, acknowledging  
6 receipt of the disbandment letter and indicating that a final report must be filed no later than  
7 June 19, 2020.<sup>22</sup> The Election Division’s website, however, does not reflect that FBD ever filed  
8 a final report with Florida election officials.<sup>23</sup> In addition, FBD filed an amended and final  
9 notice with the IRS.<sup>24</sup> FBD states that it has no plans to become politically active in the future  
10 and is maintaining its active status with the IRS solely to pay legal fees associated with the  
11 response.<sup>25</sup>

12 Despite FBD’s disbandment letter, on June 22, 2020, FBD made a contribution of  
13 \$107,456 to Trusted Conservatives, an independent expenditure-only political committee that  
14 supported Donalds’s federal candidacy.<sup>26</sup> Although Trusted Conservatives reported receiving the

---

<sup>20</sup> Resp. of FBD at 2.

<sup>21</sup> FBD, Disbandment Letter, Florida Dept. of State, Division of Elections (June 4, 2020), <https://dos.elections.myflorida.com/campaign-docs/?account=74495> (attached as Exhibit F of the Complaint).

<sup>22</sup> Florida Dept. of State Letter to FBD (June 4, 2020), <https://dos.elections.myflorida.com/campaign-docs/?account=74495>.

<sup>23</sup> Florida Dept. of State, Division of Elections, Campaign Documents Search, <https://dos.elections.myflorida.com/campaign-docs/?account=74495>.

<sup>24</sup> FBD PC, Amended IRS Forms 8871 (June 4, 2020) and Amended/Final Form 8871 (July 14, 2020).

<sup>25</sup> Resp. of FBD at 1.

<sup>26</sup> Trusted Conservatives Statement of Organization (Jan. 24, 2020).

1 contribution,<sup>27</sup> Friends of Byron Donalds never disclosed to Florida election officials that it  
 2 made a contribution to Trusted Conservatives.<sup>28</sup>

3 On August 18, 2020, Donalds won the Republican primary for Florida's 19th  
 4 Congressional District, and later won the November 3, 2020, general election.<sup>29</sup> On  
 5 November 17, 2020, Trusted Conservatives filed a termination report with the Commission,  
 6 which was approved.<sup>30</sup>

7 The following chart summarizes the timeline of events at issue in this matter:

Date	Event
August 22, 2019	Donalds forms state committee Friends of Byron Donalds ("FBD") with himself as Chair.
Sept. 2019-Jan. 2, 2020	FBD raises \$98,707.
Jan. 3, 2020	1) Donalds resigns as Chair of FBD. 2) FBD makes an \$87,000 contribution (approx. 88% of the amount raised) to CFEG, another state committee.
Jan. 6, 2020	Donalds files Statement of Candidacy for Florida's 19th Congressional District.
Jan. 24, 2020	Federal IEOPC Trusted Conservatives files Statement of Organization with Commission.
May 28, 2020	CFEG contributes \$107,038.66 to FBD.
June 4, 2020	FBD files disbandment letter with Florida Division of Elections.
June 22, 2020	Trusted Conservatives receives \$107,456 contribution from FBD. <sup>31</sup>
August 2020	(1) All of Trusted Conservatives independent expenditures (\$82,025 in direct mail expenditures) during the 2020 election cycle support Donalds or

<sup>27</sup> Trusted Conservatives 2016 July Quarterly Report at 7, (July 9, 2020).

<sup>28</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/expand.exe>. . .

<sup>29</sup> Florida Dept. of State, Division of Elections, Aug. 18, 2020 Primary Election, Republican Primary, <https://results.elections.myflorida.com/Index.asp?ElectionDate=8/18/2020&DATAMODE=>; November 3, 2020, General Election, <https://results.elections.myflorida.com/Index.asp?ElectionDate=11/3/2020&DATAMODE=>. . .

<sup>30</sup> See Trusted Conservatives, 2020 Termination Report (Nov. 17, 2020) and 2020 Termination Approval (Dec. 1, 2020).

<sup>31</sup> See Trusted Conservatives, 2020 July Quarterly Report, FEC Form 3X at 7 (July 9, 2020).

	oppose his challengers in the FL-19 race, balance of expenditures are for administrative expenses. <sup>32</sup> (2) Donalds wins August 18, 2020, Republican Primary.
<b>November 3, 2020</b>	Donalds wins 2020 general election.
<b>November 17, 2020</b>	Trusted Conservatives files Termination Report.

1

## 2 **C. The Complaint and Responses**

3 The Complaint argues that FBD is “established,” and “controlled by or acting on behalf  
 4 of” Donalds because the entity bears Donalds’s name; Donalds signed the committee’s statement  
 5 of organization and was its Chair; and, as late as August 2020, the committee’s website stated  
 6 that Donalds was associated with FBD.<sup>33</sup> The Complaint further argues that the timing and  
 7 amounts of the contributions, and the chain of transfers—from FBD to CFEG, back to FBD, and  
 8 finally to Trusted Conservatives—were intended to obscure the true sources of these funds and to  
 9 funnel illegal contributions into Donalds’s federal race.<sup>34</sup> Finally, the Complaint alleges that  
 10 CFEG, rather than FBD, was the true source of the contribution to Trusted Conservatives and  
 11 thus, FBD and CFEG made a contribution in the name of another in violation of 52 U.S.C.  
 12 § 30122.

13 Respondents deny the allegations. Donalds and Donalds for Congress contend that while  
 14 Donalds was involved in the initial leadership of FBD in 2019, he was not a federal candidate or  
 15 officeholder at that time, and all fundraising by FBD was in connection with Donalds’s activities  
 16 as a member of the Florida House of Representatives.<sup>35</sup> They state that once Donalds resigned

<sup>32</sup> Trusted Conservatives, 24 and 48 Hour Report of Independent Expenditures, FEC Schedule E at 1-7 (Aug. 11, 2020). <https://docquery.fec.gov/pdf/535/202008119261294535/202008119261294535.pdf>.

<sup>33</sup> Compl. ¶¶ 2, 20, 21.

<sup>34</sup> Compl.

<sup>35</sup> Resp. of Byron Donalds and Byron Donalds for Congress at 2.



1 as Chair on January 3, 2020, Donalds had no interactions with FBD, including any role in  
2 decision-making regarding FBD's spending after that date.<sup>36</sup> Respondents further assert that the  
3 Complaint makes no allegations as to the federal committee.<sup>37</sup> FBD argues that the Complaint's  
4 allegations are unsubstantiated, based solely on the timeline of events, and Donalds's pre-  
5 candidacy association with FBD does not taint the independence of the organization's later  
6 expenditures.<sup>38</sup> For its part, CFEG asserts FBD is not affiliated with Donalds, and all of its  
7 transactions have been timely and publicly reported.<sup>39</sup>

### 8 **III. LEGAL ANALYSIS**

#### 9 **A. The Commission Should Find Reason to Believe that Byron Donalds and** 10 **Friends of Byron Donalds Violated the Act by Soliciting, Receiving,** 11 **Directing, Transferring or Spending Non-Federal Funds**

##### 12 1. Legal Standard

14 The Act prohibits federal candidates and officeholders, their agents, and entities directly  
15 or indirectly established, financed, maintained or controlled by or acting on behalf of one or  
16 more candidates or individuals holding federal office, from "solicit[ing], receiv[ing], direct[ing],  
17 transfer[ing], or spend[ing] funds in connection with an election for Federal office, . . . unless the  
18 funds are subject to the limitations, prohibitions, and reporting requirements of [the] Act."<sup>40</sup>

---

<sup>36</sup> *Id.*; Resp. of FBD at 2, 3.

<sup>37</sup> Resp. of Byron Donalds and Byron Donalds for Congress at 1.

<sup>38</sup> *Id.* at 3 (citing to Statements of Reasons in MURs 6789 and 6852 (Special Operations for America, *et al.*) and MUR 6928 (Santorum).

<sup>39</sup> Resp. of CFEG at 1.

<sup>40</sup> *See* 52 U.S.C. § 30125(e)(1)(A); *see also* 11 C.F.R. § 300.61.

1           The Act limits contributions to non-authorized, non-party committees to \$5,000 in any  
2 calendar year.<sup>41</sup> Although an IEOPC may accept contributions from corporations and  
3 individuals without regard to that \$5,000 limitation,<sup>42</sup> federal officeholders and candidates, or an  
4 entity directly or indirectly established, financed, maintained or controlled by or acting on behalf  
5 of a federal candidate or officeholder may only solicit, receive, direct, transfer, or spend funds up  
6 to \$5,000 from permissible sources on behalf of or to such a committee.<sup>43</sup>

7           To determine whether a candidate or his or her agent “directly or indirectly establishes,  
8 finances, maintains, or controls” an entity, the Commission considers ten non-exhaustive factors  
9 “in the context of the overall relationship between the sponsor and the entity.”<sup>44</sup> One of the  
10 factors includes whether the candidate or his or her agent “has the authority or ability to direct or  
11 participate in the governance of the entity.”<sup>45</sup>

12           2.       Friends of Byron Donalds Appears to Have Been An Entity that was  
13                   Established, Financed, Maintained or Controlled by a Federal Candidate  
14

15           As the plain language of the statute indicates, the prohibition at section 30125(e) applies  
16 after an individual becomes a candidate or officeholder. The current record indicates that  
17 Donalds was not a federal candidate at the time he first became Chair of FBD in August 2019.

---

<sup>41</sup> 52 U.S.C. § 30116(a)(1)(C).

<sup>42</sup> See *SpeechNow.org v. FEC*, 599 F.3d 686, 696 (D.C. Cir. 2010) (*en banc*) (holding that contribution limits are unconstitutional as applied to individuals' contributions to political committees that only make independent expenditures); Advisory Op. 2010-11 (Common Sense Ten) (“AO 2010-11”) (concluding that corporations, labor organizations, political committees, and individuals may each make unlimited contributions to IEOPCs).

<sup>43</sup> See Advisory Op. 2011-12 (Majority PAC) at 3 (“AO 2011-12”) (determining that solicitation restrictions under 52 U.S.C. § 30125(e)(1)(A) remain applicable to contributions solicited by federal candidates, officeholders, and other covered persons); Conciliation Agreement ¶¶ 7, 8 (“CA”), MUR 7048 (Cruz for President) (same); Factual & Legal Analysis at 11 (“F&LA”), MURs 6563 and 6733 (Rep. Aaron Schock).

<sup>44</sup> 11 C.F.R. § 300.2(c)(2).

<sup>45</sup> *Id.* § 300.2(c)(2)(ii).

1           However, although Donalds resigned as Chair on January 3, 2020, and registered as a  
2 federal candidate on January 6, 2020, the available information suggests that in the context of the  
3 overall relationship between Donalds and FBD, Donalds retained “the authority or ability to  
4 direct or participate in the governance of” FBD during his federal candidacy.<sup>46</sup> After Donalds  
5 resigned as Chair, FBD never changed its name, and its website continued to display Donalds’s  
6 name and the statement: “Friends of Byron Donalds is associated with Byron Donalds.”  
7 Moreover, the amounts raised and spent by FBD are some indicia that Donalds maintained and  
8 controlled it, given that almost all of the funds raised were later used to support Donalds’s  
9 federal candidacy. Thus, while Donalds resigned as Chair of FBD in January 2020, other  
10 information before the Commission suggests that Donalds continued to play some type of  
11 prominent role with the state committee.

12           FBD’s response does not adequately rebut the allegation that Donalds maintained and  
13 controlled FBD as a federal candidate. FBD never explains why it continued to bear Donalds’s  
14 name if it no longer had any affiliation with the candidate. And while FBD contends that the  
15 statement regarding Donalds’s association with FBD was mistakenly left on the website, it does  
16 not provide any supporting information or sworn statements explaining why FBD failed to  
17 correct the mistake for at least eight months, and not until the Complaint was filed in August  
18 2020. Further, although respondents filed letters with the Florida Division of Elections  
19 indicating that Donalds resigned as Chair on January 3, 2020, those letters do not fully resolve  
20 the question of whether Donalds otherwise continued to exercise control over FBD without the  
21 formal title of Chair. Further, there is tension between the FBD’s June 4, 2020, disbandment  
22 letter filed with the Florida Board of Elections, in which it stated it was ceasing operations, and

---

<sup>46</sup> *Id.*

1 its \$107,456 contribution to Trusted Conservatives on June 22, 2020, a contribution it did not  
2 disclose, despite the Florida Board of Elections' direction to file a closing report, which it also  
3 did not do.

4 3. The Commission Should Find Reason to Believe that Friends of Byron  
5 Donalds and Byron Donalds Improperly Solicited, Received, Directed,  
6 Transferred, or Spent Non-Federal Funds  
7

8 Because the available information suggests that FBD was an entity that was maintained  
9 and controlled by Donalds while he was a federal candidate beginning in January 2020, FBD was  
10 prohibited from "soliciting, receiving, directing, transferring, or spending" non-federal funds.  
11 And the current record indicates that FBD spent non-federal funds by making a contribution to  
12 Trusted Conservatives on June 22, 2020, to support Donalds's election for U.S. Congress.<sup>47</sup>  
13 Further, given that FBD spent almost all of the funds that it received to make a contribution to  
14 Trusted Conservatives, the facts indicate that FBD spent little money on its stated purpose of  
15 supporting causes and candidates in the state of Florida but instead appears to have become a  
16 vehicle to finance Donald's federal candidacy with non-federal funds.

17 In addition, the available information supports a reasonable inference that Donalds, as a  
18 federal candidate, directed non-federal funds in connection with a federal election. As described  
19 above, the vast majority of the funds FBD received were used to ultimately support Donalds's  
20 federal candidacy, through Trusted Conservatives' independent expenditures in support of  
21 Donalds or in opposition to his challengers. That FBD would transfer so much of the funds it  
22 received to Trusted Conservatives to support Donalds without any direction or involvement by  
23 him appears unlikely, especially where there is indicia that Donalds maintained or controlled  
24 FBD while he was a federal candidate, as described above.

---

<sup>47</sup> See Compl., Ex. C (Contributions to Friends of Byron Donalds); Transparency USA, Conservatives for Effective Government, Donors.

1           Although the available information does not conclusively establish that FBD and Donalds  
2 violated section 30125(e), the Commission has advised that a reason to believe finding “by itself  
3 does not establish the law has been violated.”<sup>48</sup> Rather, a reason to believe finding is warranted,  
4 “where the evidence in the matter is at least sufficient to warrant conducting an investigation,  
5 and where the seriousness of the alleged violation warrants either further investigation or  
6 immediate conciliation.”<sup>49</sup> In this matter, there is credible information suggesting that Donalds  
7 maintained and retained control of FBD long after he registered as a federal candidate, FBD’s  
8 statement to the Florida Board of Elections that it was ceasing operations was not consistent with  
9 its subsequent \$107,456 contribution to Trusted Conservatives, and Trusted Conservatives used  
10 \$82,025 of that money to finance independent expenditures (“IEs”) that supported only  
11 Donalds’s federal election, and made no other IEs. Under these circumstances, an investigation  
12 is warranted to determine exactly what role Donalds played in FBD’s governance, management,  
13 and spending during the 2020 election cycle. Accordingly, we recommend that the Commission  
14 find that there is reason to believe that FBD and Donalds violated 52 U.S.C. § 30125(e) by  
15 soliciting, receiving, directing, transferring, or spending non-federal funds to advance Donalds’  
16 candidacy.<sup>50</sup>

17           With respect to the other respondents, there is insufficient available information to make  
18 a definitive recommendation at this time. While CFEG received a substantial transfer of funds  
19 from FBD, an entity controlled by Donalds, it is unclear at this time whether CEFG was

---

<sup>48</sup> See Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12,545 (Mar. 16, 2007).

<sup>49</sup> *Id.*

<sup>50</sup> See MUR s 7370 & 7496 (New Republican PAC, *et al.*) (recommending RTB as to IEOPC for soft money violations and an investigation to determine extent of candidate’s role in the activities).

1 controlled by Donalds or that he directed the transfer from CFEG to FBD. It is also unclear  
2 whether Donalds's principal campaign committee had any involvement in these activities.  
3 Information discovered during the proposed investigation into Donalds's involvement with FBD,  
4 CFEG, Byron Donalds for Congress, and Trusted Conservatives<sup>52</sup> may inform our analysis as to  
5 whether Donalds and the other Respondents solicited, received, directed, transferred, or spent  
6 non-federal funds. Therefore, we recommend that the Commission take no action at this time as  
7 to allegations that CFEG or Byron Donalds for Congress violated 52 U.S.C. § 30125(e).<sup>53</sup>

8 **B. The Commission Should Take No Action at this Time Regarding the**  
9 **Allegation that Friends of Byron Donalds and Conservative for Effective**  
10 **Government Violated the Act by Making Contributions in the Name of**  
11 **Another to Trusted Conservatives**  
12

13 The Act prohibits both making a contribution in the name of another or knowingly  
14 permitting one's name to be used to effect such a contribution and knowingly accepting a  
15 contribution made in the name of another.<sup>54</sup> This provision proscribes both "false name"  
16 contributions and "straw donor" or "conduit" contributions.<sup>55</sup>

17 It does not appear, at this time, that the transactions between FBD and CFEG violated the  
18 ban on straw donor violations since it appears that FBD's contribution to Trusted Conservatives  
19 consisted mostly of funds that FBD had previously transferred to CFEG, which CFEG

---

<sup>52</sup> The available information does not indicate that Trusted Conservatives was controlled by or that it coordinated with Donalds or his agents with respect to this matter. However, we will make appropriate recommendations as to possible enforcement action if the investigation yields information indicating otherwise.

<sup>53</sup> See MURs 7370 & 7496 (New Republican PAC, *et al.*) (recommending an investigation into a federal candidate's specific role with respect to the raising and spending by an entity that solicited, received, directed, transferred, or spent non-federal funds in support of the candidate.).

<sup>54</sup> 52 U.S.C. § 30122.

<sup>55</sup> 11 C.F.R. § 110.4(b); *United States v. O'Donnell*, 608 F.3d 546, 549, 553 (9th Cir. 2010).

1 subsequently refunded to FBD (with an additional \$20,038.66). Further, Trusted Conservatives  
2 reported FBD as the source of the contribution. However, we recommend that the Commission  
3 take no action at this time as to these allegations, pending the results of the investigation into  
4 Donalds's involvement with FBD, and CFEG in the transfers of these funds.

### 5 **III. INVESTIGATION**

6 We propose an investigation into Donalds's involvement with FBD, CFEG, and Trusted  
7 Conservatives with respect to these transfers from the time Donalds created FBD in August 2019  
8 through August 2020. We intend to use informal means to obtain this information but  
9 recommend that the Commission authorize the use of compulsory process if informal means  
10 prove ineffective.

### 11 **IV. RECOMMENDATIONS**

- 12 1. Find reason to believe that Friends of Byron Donalds and Noreen A. Fenner as  
13 treasurer violated 52 U.S.C. § 30125(e) by soliciting, receiving, directing,  
14 transferring, or spending non-federal funds;  
15
- 16 2. Find reason to believe that Byron Donalds violated 52 U.S.C. § 30125(e) by  
17 soliciting, receiving, directing, transferring, or spending non-federal funds;  
18
- 19 3. Take no action at this time as to the allegation that Conservatives for Effective  
20 Government and David Ramba as treasurer violated 52 U.S.C. § 30125(e) by  
21 soliciting, receiving, directing, transferring, or spending non-federal funds;  
22
- 23 4. Take no action at this time as to the allegation that Byron Donalds for Congress  
24 and Bradley T. Crate in his official capacity as treasurer violated 52 U.S.C.  
25 § 30125(e) by soliciting, receiving, directing, transferring, or spending non-  
26 federal funds;  
27
- 28 5. Take no action at this time as to the allegation that Friends of Byron Donalds and  
29 Noreen A. Fenner as treasurer violated 52 U.S.C. § 30122 by making  
30 contributions in the name of another;  
31
- 32 6. Take no action at this time as to the allegation that Conservatives for Effective  
33 Government and David Ramba as treasurer violated 52 U.S.C. § 30122 by making  
34 contributions in the name of another;  
35

MUR 7783 (Byron Donalds for Congress, *et al.*)  
First General Counsel’s Report  
Page 16 of 16

- 1 7. Approve the attached Factual and Legal Analyses;
- 2
- 3 8. Authorize the use of compulsory process; and
- 4
- 5 9. Approve the appropriate letters.
- 6

7 Lisa J. Stevenson  
8 Acting General Counsel

9

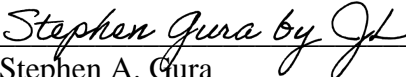
10 Charles Kitcher  
11 Acting Associate General Counsel for Enforcement


12

13

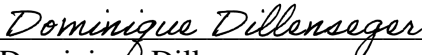
14

15 4-8-21  
16 Date \_\_\_\_\_

17   
18 Stephen A. Gura  
19 Deputy Associate General Counsel for Enforcement

20   
21 Jin Lee  
22 Acting Assistant General Counsel

23

24   
25 Dominique Dillenseger  
26 Attorney  
27

28

29

30 Attachments:

- 31 1. Factual and Legal Analysis for Friends of Byron Donalds and Noreen A. Fenner as
- 32 treasurer
- 33 2. Factual and Legal Analysis for Byron Donalds
- 34



**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Friends of Byron Donalds  
and Noreen Fenner, treasurer

MUR 7783

**I. INTRODUCTION**

This matter was generated by a Complaint filed with the Federal Election Commission by the Campaign Legal Center, alleging that Friends of Byron Donalds and Noreen Fenner, treasurer (“FBD”) violated the soft money prohibitions of the Federal Election Campaign Act of 1971, as amended (“the Act”). Specifically, the complaint alleges that Byron Donalds, a candidate for Florida’s 19th Congressional District, established and controlled FBD, a state committee, and through a complex series of transactions involving another state committee, Conservatives for Effective Government (“CFEG”), transferred non-federal funds to a federal independent expenditure-only political committee, Trusted Conservatives, to support Donalds’s candidacy for the U.S. House of Representatives in 2020, in violation of 52 U.S.C. § 30125(e).

FBD denies the allegations, asserting that all funds it raised were in connection with Donalds’s activities as a member of the Florida House of Representatives, before he became a federal candidate, and Donalds had no involvement with FBD after his resignation as Chair of FBD on January 3, 2020.<sup>1</sup>

As discussed below, the available information supports a reasonable inference that FBD was an entity that was established, financed, maintained, or controlled by Donalds while he was a federal candidate and that FBD improperly solicited, received, directed, transferred, or spent non-federal funds to support Donald’s candidacy. Accordingly, the Commission finds reason to believe that Friends of Byron Donalds and Noreen Fenner, treasurer violated 52 U.S.C.

---

<sup>1</sup> Resp. of FBD (Sept. 28, 2020).

1 § 30125(e) by soliciting, receiving, directing, transferring, or spending soft money in connection  
2 with a federal election.

## 3 **II. FACTUAL BACKGROUND**

### 4 **A. Establishment of Friends of Byron Donalds**

5 From 2016 through 2020, Donalds was a State Representative for the 80th District of  
6 Florida. On August 22, 2019, Donalds formed Friends of Byron Donalds, a Florida state  
7 political committee; Donalds was the committee's chair and Noreen A. Fenner was its treasurer.<sup>2</sup>  
8 On that same day, FBD also registered with the Internal Revenue Service ("IRS") as a political  
9 organization under Section 527 of the Internal Revenue Code.<sup>3</sup> According to its website, the  
10 state committee's mission was "to promote and support principled conservative causes and  
11 candidates in the State of Florida."<sup>4</sup> Right below the mission statement was the statement  
12 "Representative Byron Donalds is associated with Friends of Byron Donalds."<sup>5</sup>

13 Between September 2019 and January 2020, FBD raised \$98,707, with nearly half of  
14 those funds raised in December 2019.<sup>6</sup> A number of the donations appeared to be from sources

---

<sup>2</sup> See FBD, Statement of Organization of Political Committee, Florida Dept. of State, Division of Elections (Aug. 22, 2019), <https://dos.elections.myflorida.com/campaign-docs/?account=74495> (attached to Complaint, Ex. A).

<sup>3</sup> See FBD PC, IRS Form 8871 (Political Organization Notice of Section 527 Status) (Aug. 22, 2019) (FBD filed an amended notice on June 4, 2020 noting Noreen Fenner as Chair and Treasurer, and an amended/final notice on July 14, 2020). FBD also filed Form 8872 (Political Organization Report of Contributions and Expenditures) (July 14, 2020), disclosing \$107,456 in expenditures from June 4, 2020, through June 30, 2020.

<sup>4</sup> The Complaint provided a screenshot of the FBD website homepage displaying the mission statement (Compl., Ex. B).

<sup>5</sup> *Id.*

<sup>6</sup> See Florida Dept. of State, Division of Elections, Contributions Query Result for FBD, 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/contrib.exe> (attached to Compl. Ex. C).

1 prohibited under the Act, such as corporations and federal contractors.<sup>7</sup> On January 3, 2020,  
2 FBD reported making an \$87,000 contribution, which was approximately 88% of the funds it had  
3 raised, to CFEG, another Florida political committee.<sup>8</sup> Before that contribution, FBD had made  
4 \$7,679.66 in disbursements.<sup>9</sup> Also on January 3, Donalds resigned as Chair of FBD, and Noreen  
5 Fenner became Chair and remained its treasurer.<sup>10</sup> FBD filed a statement with the Florida  
6 Division of Elections and an amended notice with the IRS notifying them of the change.<sup>11</sup>  
7 Although Donalds had resigned as Chair of FBD, FBD never changed its name, and as of August  
8 2020, the FBD website's home page (<http://friendsofbyrondonalds.org/>) still displayed the  
9 statement "Representative Byron Donalds is associated with Friends of Byron Donalds."<sup>12</sup> FBD  
10 contends the statement was mistakenly left on the website and that it had since been removed.<sup>13</sup>  
11

---

<sup>7</sup> *Id.*

<sup>8</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/ expend.exe>. CFEG, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Contributions Query Results, 2020 election, available at <https://dos.elections myflorida.com/cgi-bin/ contrib.exe>.

<sup>9</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/ expend.exe>. FBD's other disbursements prior to the transfer to CFEG were to Ana Maria Rodriguez Campaign (\$1,000.00), PAC Financial Management (\$2,179.66), and Front Line Strategies, Inc. (\$4,500.00).

<sup>10</sup> See FBD, Campaign Finance Activity, Florida Dept. of State, Division of Elections, available at <https://dos.elections myflorida.com/committees/ComDetail.asp?account=74495> (last visited Dec. 7, 2020). CFEG, a Section 527 organization, registered as a Florida state political committee on January 17, 2017, and is still active. CFEG Resp. (Oct. 1, 2020).

<sup>11</sup> FBD, Change of Officers, Florida Dept. of State, Division of Elections (Jan. 3, 2020), <https://dos.elections myflorida.com/campaign-docs/?account=74495> (attached as Exhibit E of the Complaint); Friends of Byron Donalds PC, Amended IRS Form 8871 (Jan. 3, 2020).

<sup>12</sup> Compl., Ex. B.

<sup>13</sup> Resp. of FBD at 2.

1           **B.       Activities of Friends of Byron Donalds After Donalds Registers as a Federal**  
2           **Candidate**

3  
4           On January 6, 2020, three days after he resigned as Chair of FBD, Donalds filed a  
5 Statement of Candidacy for the Republican nomination in Florida’s 19th Congressional District  
6 with the Commission and designated Donalds for Congress as his principal campaign  
7 committee.<sup>14</sup>

8           From January 3, 2020, when Donalds resigned as Chair, until May 28, 2020, FBD  
9 reported receiving one additional contribution of \$1,000.<sup>15</sup> On May 28, 2020, five months after  
10 FBD reported making an \$87,000.00 contribution to CFEG, FBD reported receiving a  
11 \$107,038.66 contribution from CFEG,<sup>16</sup> although the CFEG Expenditure page reflects a different  
12 date for the contribution, June 28, 2020.<sup>17</sup> In its response to the Complaint, FBD referred to this  
13 transfer as a “refund” of FBD’s earlier contribution.<sup>18</sup> FBD did not explain why the contribution  
14 was refunded.

15           On June 4, 2020, FBD filed a disbandment letter with the Florida Department of State  
16 Division of Elections, stating: “Please be advised that Friends of Byron Donalds has ceased

---

<sup>14</sup> Byron Donalds Statement of Candidacy (Jan. 6, 2020). Donalds was also a candidate for re-election to the Florida House for the 80th District during the same cycle, but did not qualify for the ballot for the state Republican primary. See [https://ballotpedia.org/Byron\\_Donalds](https://ballotpedia.org/Byron_Donalds).

<sup>15</sup> Compl. Ex. C (reflecting a \$1,000 contribution from Floridians for Economic Advancement on Jan. 14, 2020).

<sup>16</sup> See FBD, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Contribution Query Result; Compl. Ex. C.

<sup>17</sup> See CFEG, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Expenditures Query Results, 2020 election, available at <https://dos.elections.myflorida.com/cgi-bin/expand.exe>.

<sup>18</sup> Resp. of FBD at 2.

1 operations. Please close this account.”<sup>19</sup> The Division of Elections replied, acknowledging  
2 receipt of the disbandment letter and indicating that a final report must be filed no later than  
3 June 19, 2020.<sup>20</sup> The Election Division’s website, however, does not reflect that FBD ever filed  
4 a final report with Florida election officials.<sup>21</sup> In addition, FBD filed an amended and final  
5 notice with the IRS.<sup>22</sup> FBD states that it has no plans to become politically active in the future  
6 and is maintaining its active status with the IRS solely to pay legal fees associated with the  
7 response.<sup>23</sup>

8 Despite FBD’s disbandment letter, on June 22, 2020, FBD made a contribution of  
9 \$107,456 to Trusted Conservatives, an independent expenditure-only political committee that  
10 supported Donalds’s federal candidacy.<sup>24</sup> Although Trusted Conservatives reported receiving the  
11 contribution,<sup>25</sup> Friends of Byron Donalds never disclosed to Florida election officials that it  
12 made a contribution to Trusted Conservatives.<sup>26</sup>

---

<sup>19</sup> FBD, Disbandment Letter, Florida Dept. of State, Division of Elections (June 4, 2020),  
<https://dos.elections.myflorida.com/campaign-docs/?account=74495> (attached as Exhibit F of the Complaint).

<sup>20</sup> Florida Dept. of State Letter to FBD (June 4, 2020), <https://dos.elections.myflorida.com/campaign-docs/?account=74495>.

<sup>21</sup> Florida Dept. of State, Division of Elections, Campaign Documents Search,  
<https://dos.elections.myflorida.com/campaign-docs/?account=74495>.

<sup>22</sup> FBD PC, Amended IRS Forms 8871 (June 4, 2020) and Amended/Final Form 8871 (July 14, 2020).

<sup>23</sup> Resp. of FBD at 1.

<sup>24</sup> Trusted Conservatives Statement of Organization (Jan. 24, 2020).

<sup>25</sup> Trusted Conservatives 2016 July Quarterly Report at 7, (July 9, 2020).

<sup>26</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election,  
available at <https://dos.elections.myflorida.com/cgi-bin/expand.exe>. ..

1 On August 18, 2020, Donalds won the Republican primary for Florida's 19th  
2 Congressional District, and later won the November 3, 2020, general election.<sup>27</sup> On  
3 November 17, 2020, Trusted Conservatives filed a termination report with the Commission,  
4 which was approved.<sup>28</sup>

5 The following chart summarizes the timeline of events at issue in this matter:

Date	Event
August 22, 2019	Donalds forms state committee Friends of Byron Donalds ("FBD") with himself as Chair.
Sept. 2019-Jan. 2, 2020	FBD raises \$98,707.
Jan. 3, 2020	1) Donalds resigns as Chair of FBD. 2) FBD makes an \$87,000 contribution (approx. 88% of the amount raised) to CFEG, another state committee.
Jan. 6, 2020	Donalds files Statement of Candidacy for Florida's 19th Congressional District.
Jan. 24, 2020	Federal IEOPC Trusted Conservatives files Statement of Organization with Commission.
May 28, 2020	CFEG contributes \$107,038.66 to FBD.
June 4, 2020	FBD files disbandment letter with Florida Division of Elections.
June 22, 2020	Trusted Conservatives receives \$107,456 contribution from FBD. <sup>29</sup>
August 2020	(1) All of Trusted Conservatives independent expenditures (\$82,025 in direct mail expenditures) during the 2020 election cycle support Donalds or oppose his challengers in the FL-19 race, balance of expenditures are for administrative expenses. <sup>30</sup> (2) Donalds wins August 18, 2020, Republican Primary.
November 3, 2020	Donalds wins 2020 general election.
November 17, 2020	Trusted Conservatives files Termination Report.

<sup>27</sup> Florida Dept. of State, Division of Elections, Aug. 18, 2020 Primary Election, Republican Primary, <https://results.elections.myflorida.com/Index.asp?ElectionDate=8/18/2020&DATAMODE=>; November 3, 2020, General Election, <https://results.elections.myflorida.com/Index.asp?ElectionDate=11/3/2020&DATAMODE=>.

<sup>28</sup> See Trusted Conservatives, 2020 Termination Report (Nov. 17, 2020) and 2020 Termination Approval (Dec. 1, 2020).

<sup>29</sup> See Trusted Conservatives, 2020 July Quarterly Report, FEC Form 3X at 7 (July 9, 2020).

<sup>30</sup> Trusted Conservatives, 24 and 48 Hour Report of Independent Expenditures, FEC Schedule E at 1-7 (Aug. 11, 2020). <https://docquery.fec.gov/pdf/535/202008119261294535/202008119261294535.pdf>.

**C. The Complaint and Responses**

The Complaint argues that FBD is “established,” and “controlled by or acting on behalf of” Donalds because the entity bears Donalds’s name; Donalds signed the committee’s statement of organization and was its Chair; and, as late as August 2020, the committee’s website stated that Donalds was associated with FBD.<sup>31</sup> The Complaint further argues that the timing and amounts of the contributions, and the chain of transfers—from FBD to CFEG, back to FBD, and finally to Trusted Conservatives—were intended to obscure the true sources of these funds and to funnel illegal contributions into Donalds’s federal race.<sup>32</sup>

FBD denies the allegations. FBD states that once Donalds resigned as Chair on January 3, 2020, Donalds had no interactions with FBD, including any role in decision-making regarding FBD’s spending after that date.<sup>33</sup> FBD argues that the Complaint’s allegations are unsubstantiated, based solely on the timeline of events, and Donalds’s pre-candidacy association with FBD does not taint the independence of the organization’s later expenditures.<sup>34</sup>

**III. LEGAL ANALYSIS****A. The Commission Should Find Reason to Believe that Friends of Byron Donalds Violated the Act by Soliciting, Receiving, Directing, Transferring or Spending Non-Federal Funds****1. Legal Standard**

The Act prohibits federal candidates and officeholders, their agents, and entities directly or indirectly established, financed, maintained or controlled by or acting on behalf of one or

---

<sup>31</sup> Compl. ¶¶ 2, 20, 21.

<sup>32</sup> Compl.

<sup>33</sup> Resp. of FBD at 2, 3.

<sup>34</sup> *Id.* at 3 (citing to Statements of Reasons in MURs 6789 and 6852 (Special Operations for America, *et al.*) and MUR 6928 (Santorum).

1 more candidates or individuals holding federal office, from “solicit[ing], receiv[ing], direct[ing],  
2 transfer[ing], or spend[ing] funds in connection with an election for Federal office, . . . unless the  
3 funds are subject to the limitations, prohibitions, and reporting requirements of [the] Act.”<sup>35</sup>

4 The Act limits contributions to non-authorized, non-party committees to \$5,000 in any  
5 calendar year.<sup>36</sup> Although an IEOPC may accept contributions from corporations and  
6 individuals without regard to that \$5,000 limitation,<sup>37</sup> federal officeholders and candidates, or an  
7 entity directly or indirectly established, financed, maintained or controlled by or acting on behalf  
8 of a federal candidate or officeholder may only solicit, receive, direct, transfer, or spend funds up  
9 to \$5,000 from permissible sources on behalf of or to such a committee.<sup>38</sup>

10 To determine whether a candidate or his or her agent “directly or indirectly establishes,  
11 finances, maintains, or controls” an entity, the Commission considers ten non-exhaustive factors  
12 “in the context of the overall relationship between the sponsor and the entity.”<sup>39</sup> One of the  
13 factors includes whether the candidate or his or her agent “has the authority or ability to direct or  
14 participate in the governance of the entity.”<sup>40</sup>

15

---

<sup>35</sup> See 52 U.S.C. § 30125(e)(1)(A); *see also* 11 C.F.R. § 300.61.

<sup>36</sup> 52 U.S.C. § 30116(a)(1)(C).

<sup>37</sup> See *SpeechNow.org v. FEC*, 599 F.3d 686, 696 (D.C. Cir. 2010) (*en banc*) (holding that contribution limits are unconstitutional as applied to individuals’ contributions to political committees that only make independent expenditures); Advisory Op. 2010-11 (Common Sense Ten) (“AO 2010-11”) (concluding that corporations, labor organizations, political committees, and individuals may each make unlimited contributions to IEOPCs).

<sup>38</sup> See Advisory Op. 2011-12 (Majority PAC) at 3 (“AO 2011-12”) (determining that solicitation restrictions under 52 U.S.C. § 30125(e)(1)(A) remain applicable to contributions solicited by federal candidates, officeholders, and other covered persons); Conciliation Agreement ¶¶ 7, 8 (“CA”), MUR 7048 (Cruz for President) (same); Factual & Legal Analysis at 11 (“F&LA”), MURs 6563 and 6733 (Rep. Aaron Schock).

<sup>39</sup> 11 C.F.R. § 300.2(c)(2).

<sup>40</sup> *Id.* § 300.2(c)(2)(ii).



1                   2.     FBD Appears to Have Been An Entity that was Established, Financed,  
2                                    Maintained or Controlled by a Federal Candidate

3  
4                   As the plain language of the statute indicates, the prohibition at section 30125(e) applies  
5 after an individual becomes a candidate or officeholder. The current record indicates that  
6 Donalds was not a federal candidate at the time he first became Chair of FBD in August 2019.

7                   However, although Donalds resigned as Chair on January 3, 2020, and registered as a  
8 federal candidate on January 6, 2020, the available information suggests that in the context of the  
9 overall relationship between Donalds and FBD, Donalds retained “the authority or ability to  
10 direct or participate in the governance of” FBD during his federal candidacy.<sup>41</sup> After Donalds  
11 resigned as Chair, FBD never changed its name, and its website continued to display Donalds’s  
12 name and the statement: “Friends of Byron Donalds is associated with Byron Donalds.”  
13 Moreover, the amounts raised and spent by FBD are some indicia that Donalds maintained and  
14 controlled it, given that almost all of the funds received were later used to support Donalds’s  
15 federal candidacy. Thus, while Donalds resigned as Chair of FBD in January 2020, other  
16 information before the Commission suggests that Donalds continued to play some type of  
17 prominent role with the state committee.

18                   FBD’s response does not adequately rebut the allegation that Donalds maintained and  
19 controlled FBD as a federal candidate. FBD never explains why it continued to bear Donalds’s  
20 name if it no longer had any affiliation with the candidate. And while FBD contends that the  
21 statement regarding Donalds’s association with FBD was mistakenly left on the website, it does  
22 not provide any supporting information or sworn statements explaining why FBD failed to  
23 correct the mistake for at least eight months, and not until the Complaint was filed in August

---

<sup>41</sup> *Id.*

1 2020. Further, although respondents filed letters with the Florida Division of Elections  
2 indicating that Donalds resigned as Chair on January 3, 2020, those letters do not fully resolve  
3 the question of whether Donalds otherwise continued to exercise control over FBD without the  
4 formal title of Chair. Further, there is tension between the FBD's June 4, 2020, disbandment  
5 letter filed with the Florida Board of Elections, in which it stated it was ceasing operations, and  
6 its \$107,456 contribution to Trusted Conservatives on June 22, 2020, a contribution it did not  
7 disclose, despite the Florida Board of Elections' direction to file a closing report, which it also  
8 did not do.

9 3. The Commission Should Find Reason to Believe that FBD Improperly  
10 Solicited, Received, Directed, Transferred, or Spent Non-Federal Funds  
11

12 Because the available information suggests that FBD was an entity that was maintained  
13 and controlled by Donalds while he was a federal candidate beginning in January 2020, FBD was  
14 prohibited from "soliciting, receiving, directing, transferring, or spending" non-federal funds.  
15 And the current record indicates that FBD spent non-federal funds by making a contribution to  
16 Trusted Conservatives on June 22, 2020, to support Donalds's election for U.S. Congress.<sup>42</sup>  
17 Further, given that FBD spent almost all of the funds that it received to make a contribution to  
18 Trusted Conservatives, the facts indicate that FBD spent little money on its stated purpose of  
19 supporting causes and candidates in the state of Florida but instead appears to have become a  
20 vehicle to finance Donald's federal candidacy with non-federal funds.

21

---

<sup>42</sup> See Compl., Ex. C (Contributions to Friends of Byron Donalds); Transparency USA, Conservatives for Effective Government, Donors.

1           Although the available information does not conclusively establish that FBD violated  
2 section 30125(e), the Commission has advised that a reason to believe finding “by itself does not  
3 establish the law has been violated.”<sup>43</sup> Rather, a reason to believe finding is warranted, “where  
4 the evidence in the matter is at least sufficient to warrant conducting an investigation, and where  
5 the seriousness of the alleged violation warrants either further investigation or immediate  
6 conciliation.”<sup>44</sup> In this matter, there is credible information suggesting that Donalds maintained  
7 and retained control of FBD long after he registered as a federal candidate, FBD’s statement to  
8 the Florida Board of Elections that it was ceasing operations was not consistent with its  
9 subsequent \$107,456 contribution to Trusted Conservatives, and Trusted Conservatives used  
10 \$82,025 of that money to finance independent expenditures (“IEs”) that supported only  
11 Donalds’s federal election, and made no other IEs. Under these circumstances, the Commission  
12 finds that there is reason to believe that FBD violated 52 U.S.C. § 30125(e) by soliciting,  
13 receiving, directing, transferring, or spending non-federal funds to advance Donalds’ candidacy.

---

<sup>43</sup> See Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12,545 (Mar. 16, 2007).

<sup>44</sup> *Id.*

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Byron Donalds

MUR 7783

**I. INTRODUCTION**

This matter was generated by a Complaint filed with the Federal Election Commission by the Campaign Legal Center, alleging that Byron Donalds, a candidate for Florida's 19th Congressional District, violated the soft money prohibitions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Specifically, the complaint alleges that Donalds established and controlled Friends of Byron Donalds ("FBD"), a state committee, and through a complex series of transactions involving another state committee, Conservatives for Effective Government ("CFEG"), transferred non-federal funds to a federal independent expenditure-only political committee, Trusted Conservatives, to support his candidacy for the U.S. House of Representatives in 2020, in violation of 52 U.S.C. § 30125(e).

Donalds denies the allegations, asserting that all funds raised by FBD were in connection with his activities as a member of the Florida House of Representatives, before he became a federal candidate, and he had no involvement with FBD after his resignation as Chair of FBD on January 3, 2020.<sup>1</sup>

As discussed below, the available information supports a reasonable inference that FBD was an entity that was established, financed, maintained, or controlled by Donalds while he was a federal candidate and that Donalds improperly solicited, received, directed, transferred, or spent non-federal funds to support his candidacy. Accordingly, the Commission finds reason to believe that Donalds violated 52 U.S.C. § 30125(e) by soliciting, receiving, directing, transferring, or spending soft money in connection with a federal election.

---

<sup>1</sup> Resp. of Byron Donalds (Sept. 10, 2020).

**II. FACTUAL BACKGROUND****A. Establishment of Friends of Byron Donalds**

From 2016 through 2020, Donalds was a State Representative for the 80th District of Florida. On August 22, 2019, Donalds formed Friends of Byron Donalds, a Florida state political committee; Donalds was the committee's chair and Noreen A. Fenner was its treasurer.<sup>2</sup> On that same day, FBD also registered with the Internal Revenue Service ("IRS") as a political organization under Section 527 of the Internal Revenue Code.<sup>3</sup> According to its website, the state committee's mission was "to promote and support principled conservative causes and candidates in the State of Florida."<sup>4</sup> Right below the mission statement was the statement "Representative Byron Donalds is associated with Friends of Byron Donalds."<sup>5</sup>

Between September 2019 and January 2020, FBD raised \$98,707, with nearly half of those funds raised in December 2019.<sup>6</sup> A number of the donations appeared to be from sources prohibited under the Act, such as corporations and federal contractors.<sup>7</sup> On January 3, 2020, FBD reported making an \$87,000 contribution, which was approximately 88% of the funds it had

---

<sup>2</sup> See FBD, Statement of Organization of Political Committee, Florida Dept. of State, Division of Elections (Aug. 22, 2019), <https://dos.elections.myflorida.com/campaign-docs/?account=74495> (attached to Complaint, Ex. A).

<sup>3</sup> See FBD PC, IRS Form 8871 (Political Organization Notice of Section 527 Status) (Aug. 22, 2019) (FBD filed an amended notice on June 4, 2020 noting Noreen Fenner as Chair and Treasurer, and an amended/final notice on July 14, 2020). FBD also filed Form 8872 (Political Organization Report of Contributions and Expenditures) (July 14, 2020), disclosing \$107,456 in expenditures from June 4, 2020, through June 30, 2020.

<sup>4</sup> The Complaint provided a screenshot of the FBD website homepage displaying the mission statement (Compl., Ex. B).

<sup>5</sup> *Id.*

<sup>6</sup> See Florida Dept. of State, Division of Elections, Contributions Query Result for FBD, 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/contrib.exe> (attached to Compl. Ex. C).

<sup>7</sup> *Id.*

1 raised, to CFEG, another Florida political committee.<sup>8</sup> Before that contribution, FBD had made  
2 \$7,679.66 in disbursements.<sup>9</sup> Also on January 3, Donalds resigned as Chair of FBD, and Noreen  
3 Fenner became Chair and remained its treasurer.<sup>10</sup> FBD filed a statement with the Florida  
4 Division of Elections and an amended notice with the IRS notifying them of the change.<sup>11</sup>  
5 Although Donalds had resigned as Chair of FBD, FBD never changed its name, and as of August  
6 2020, the FBD website's home page (<http://friendsofbyrondonalds.org/>) still displayed the  
7 statement "Representative Byron Donalds is associated with Friends of Byron Donalds."<sup>12</sup>

8 **B. Activities of Friends of Byron Donalds After Donalds Registers as a Federal**  
9 **Candidate**

10 On January 6, 2020, three days after he resigned as Chair of FBD, Donalds filed a  
11 Statement of Candidacy for the Republican nomination in Florida's 19th Congressional District  
12

---

<sup>8</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/ expend.exe>. CFEG, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Contributions Query Results, 2020 election, available at <https://dos.elections myflorida.com/cgi-bin/ contrib.exe>.

<sup>9</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election, available at <https://dos.elections.myflorida.com/cgi-bin/ expend.exe>. FBD's other disbursements prior to the transfer to CFEG were to Ana Maria Rodriguez Campaign (\$1,000.00), PAC Financial Management (\$2,179.66), and Front Line Strategies, Inc. (\$4,500.00).

<sup>10</sup> See FBD, Campaign Finance Activity, Florida Dept. of State, Division of Elections, available at <https://dos.elections myflorida.com/committees/ComDetail.asp?account=74495> (last visited Dec. 7, 2020). CFEG, a Section 527 organization, registered as a Florida state political committee on January 17, 2017, and is still active. CFEG Resp. (Oct. 1, 2020).

<sup>11</sup> FBD, Change of Officers, Florida Dept. of State, Division of Elections (Jan. 3, 2020), <https://dos.elections myflorida.com/campaign-docs/?account=74495> (attached as Exhibit E of the Complaint); Friends of Byron Donalds PC, Amended IRS Form 8871 (Jan. 3, 2020).

<sup>12</sup> Compl., Ex. B.

1 with the Commission and designated Donalds for Congress as his principal campaign  
2 committee.<sup>13</sup>

3 From January 3, 2020, when Donalds resigned as Chair, until May 28, 2020, FBD  
4 reported receiving one additional contribution of \$1,000.<sup>14</sup> On May 28, 2020, five months after  
5 FBD reported making an \$87,000.00 contribution to CFEG, FBD reported receiving a  
6 \$107,038.66 contribution from CFEG,<sup>15</sup> although the CFEG Expenditure page reflects a different  
7 date for the contribution, June 28, 2020.<sup>16</sup>

8 On June 4, 2020, FBD filed a disbandment letter with the Florida Department of State  
9 Division of Elections, stating: “Please be advised that Friends of Byron Donalds has ceased  
10 operations. Please close this account.”<sup>17</sup> The Division of Elections replied, acknowledging  
11 receipt of the disbandment letter and indicating that a final report must be filed no later than  
12 June 19, 2020.<sup>18</sup> The Election Division’s website, however, does not reflect that FBD ever filed

---

<sup>13</sup> Byron Donalds Statement of Candidacy (Jan. 6, 2020). Donalds was also a candidate for re-election to the Florida House for the 80th District during the same cycle, but did not qualify for the ballot for the state Republican primary. See [https://ballotpedia.org/Byron\\_Donalds](https://ballotpedia.org/Byron_Donalds).

<sup>14</sup> Compl. Ex. C (reflecting a \$1,000 contribution from Floridians for Economic Advancement on Jan. 14, 2020).

<sup>15</sup> See FBD, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Contribution Query Result; Compl. Ex. C.

<sup>16</sup> See CFEG, Campaign Finance Activity, Florida Dept. of State, Division of Elections, Expenditures Query Results, 2020 election, available at <https://dos.elections.myflorida.com/cgi-bin/expand.exe>.

<sup>17</sup> FBD, Disbandment Letter, Florida Dept. of State, Division of Elections (June 4, 2020), <https://dos.elections.myflorida.com/campaign-docs/?account=74495> (attached as Exhibit F of the Complaint).

<sup>18</sup> Florida Dept. of State Letter to FBD (June 4, 2020), <https://dos.elections.myflorida.com/campaign-docs/?account=74495>.

1 a final report with Florida election officials.<sup>19</sup> In addition, FBD filed an amended and final  
2 notice with the IRS.<sup>20</sup>

3 Despite FBD's disbandment letter, on June 22, 2020, FBD made a contribution of  
4 \$107,456 to Trusted Conservatives, an independent expenditure-only political committee that  
5 supported Donalds's federal candidacy.<sup>21</sup> Although Trusted Conservatives reported receiving  
6 the contribution,<sup>22</sup> Friends of Byron Donalds never disclosed to Florida election officials that it  
7 made a contribution to Trusted Conservatives.<sup>23</sup>

8 On August 18, 2020, Donalds won the Republican primary for Florida's 19th  
9 Congressional District, and later won the November 3, 2020, general election.<sup>24</sup> On  
10 November 17, 2020, Trusted Conservatives filed a termination report with the Commission,  
11 which was approved.<sup>25</sup>

12

---

<sup>19</sup> Florida Dept. of State, Division of Elections, Campaign Documents Search,  
<https://dos.elections.myflorida.com/campaign-docs/?account=74495>.

<sup>20</sup> FBD PC, Amended IRS Forms 8871 (June 4, 2020) and Amended/Final Form 8871 (July 14, 2020).

<sup>21</sup> Trusted Conservatives Statement of Organization (Jan. 24, 2020).

<sup>22</sup> Trusted Conservatives 2016 July Quarterly Report at 7, (July 9, 2020).

<sup>23</sup> See FBD, Florida Dept. of State, Division of Elections, Expenditures Query Result for 2020 Election,  
available at <https://dos.elections.myflorida.com/cgi-bin/expand.exe>. ..

<sup>24</sup> Florida Dept. of State, Division of Elections, Aug. 18, 2020 Primary Election, Republican Primary,  
[; November 3, 2020,  
General Election, \[.\]\(https://results.elections.myflorida.com/Index.asp?ElectionDate=11/3/2020&DATAMODE=\)](https://results.elections.myflorida.com/Index.asp?ElectionDate=8/18/2020&DATAMODE=)

<sup>25</sup> See Trusted Conservatives, 2020 Termination Report (Nov. 17, 2020) and 2020 Termination Approval  
(Dec. 1, 2020).



1 The following chart summarizes the timeline of events at issue in this matter:

Date	Event
August 22, 2019	Donalds forms state committee Friends of Byron Donalds (“FBD”) with himself as Chair.
Sept. 2019-Jan. 2, 2020	FBD raises \$98,707.
Jan. 3, 2020	1) Donalds resigns as Chair of FBD. 2) FBD makes an \$87,000 contribution (approx. 88% of the amount raised) to CFEG, another state committee.
Jan. 6, 2020	Donalds files Statement of Candidacy for Florida’s 19th Congressional District.
Jan. 24, 2020	Federal IEOPC Trusted Conservatives files Statement of Organization with Commission.
May 28, 2020	CFEG contributes \$107,038.66 to FBD.
June 4, 2020	FBD files disbandment letter with Florida Division of Elections.
June 22, 2020	Trusted Conservatives receives \$107,456 contribution from FBD. <sup>26</sup>
August 2020	(1) All of Trusted Conservatives independent expenditures (\$82,025 in direct mail expenditures) during the 2020 election cycle support Donalds or oppose his challengers in the FL-19 race, balance of expenditures are for administrative expenses. <sup>27</sup> (2) Donalds wins August 18, 2020, Republican Primary.
November 3, 2020	Donalds wins 2020 general election.
November 17, 2020	Trusted Conservatives files Termination Report.

2

3 **C. The Complaint and Responses**

4 The Complaint argues that FBD is “established,” and “controlled by or acting on behalf  
5 of” Donalds because the entity bears Donalds’s name; Donalds signed the committee’s statement  
6 of organization and was its Chair; and, as late as August 2020, the committee’s website stated  
7 that Donalds was associated with FBD.<sup>28</sup> The Complaint further argues that the timing and

<sup>26</sup> See Trusted Conservatives, 2020 July Quarterly Report, FEC Form 3X at 7 (July 9, 2020).

<sup>27</sup> Trusted Conservatives, 24 and 48 Hour Report of Independent Expenditures, FEC Schedule E at 1-7 (Aug. 11, 2020). <https://docquery.fec.gov/pdf/535/202008119261294535/202008119261294535.pdf>.

<sup>28</sup> Compl. ¶¶ 2, 20, 21.

1 amounts of the contributions, and the chain of transfers—from FBD to CFEG, back to FBD, and  
2 finally to Trusted Conservatives—were intended to obscure the true sources of these funds and to  
3 funnel illegal contributions into Donalds’s federal race.<sup>29</sup>

4 Donalds denies the allegations. He contends that while he was involved in the initial  
5 leadership of FBD in 2019, he was not a federal candidate or officeholder at that time, and all  
6 fundraising by FBD was in connection with his activities as a member of the Florida House of  
7 Representatives.<sup>30</sup> He states that once he resigned as Chair on January 3, 2020, he had no  
8 interactions with FBD, including any role in decision-making regarding FBD’s spending after  
9 that date.<sup>31</sup>

### 10 III. LEGAL ANALYSIS

#### 11 A. The Commission Should Find Reason to Believe that Byron Donalds Violated 12 the Act by Soliciting, Receiving, Directing, Transferring or Spending 13 Non-Federal Funds

##### 14 1. Legal Standard

15  
16 The Act prohibits federal candidates and officeholders, their agents, and entities directly  
17 or indirectly established, financed, maintained or controlled by or acting on behalf of one or  
18 more candidates or individuals holding federal office, from “solicit[ing], receiv[ing], direct[ing],  
19 transfer[ing], or spend[ing] funds in connection with an election for Federal office, . . . unless the  
20 funds are subject to the limitations, prohibitions, and reporting requirements of [the] Act.”<sup>32</sup>

---

<sup>29</sup> Compl.

<sup>30</sup> Resp. of Byron Donalds at 2.

<sup>31</sup> *Id.*

<sup>32</sup> See 52 U.S.C. § 30125(e)(1)(A); see also 11 C.F.R. § 300.61.

1           The Act limits contributions to non-authorized, non-party committees to \$5,000 in any  
2     calendar year.<sup>33</sup> Although an IEOPC may accept contributions from corporations and  
3     individuals without regard to that \$5,000 limitation,<sup>34</sup> federal officeholders and candidates, or an  
4     entity directly or indirectly established, financed, maintained or controlled by or acting on behalf  
5     of a federal candidate or officeholder may only solicit, receive, direct, transfer, or spend funds up  
6     to \$5,000 from permissible sources on behalf of or to such a committee.<sup>35</sup>

7           To determine whether a candidate or his or her agent “directly or indirectly establishes,  
8     finances, maintains, or controls” an entity, the Commission considers ten non-exhaustive factors  
9     “in the context of the overall relationship between the sponsor and the entity.”<sup>36</sup> One of the  
10    factors includes whether the candidate or his or her agent “has the authority or ability to direct or  
11    participate in the governance of the entity.”<sup>37</sup>

12           2.     Friends of Byron Donalds Appears to Have Been An Entity that was  
13                   Established, Financed, Maintained or Controlled by a Federal Candidate  
14

15           As the plain language of the statute indicates, the prohibition at section 30125(e) applies  
16    after an individual becomes a candidate or officeholder. The current record indicates that  
17    Donalds was not a federal candidate at the time he first became Chair of FBD in August 2019.

---

<sup>33</sup>     52 U.S.C. § 30116(a)(1)(C).

<sup>34</sup>     See *SpeechNow.org v. FEC*, 599 F.3d 686, 696 (D.C. Cir. 2010) (*en banc*) (holding that contribution limits are unconstitutional as applied to individuals’ contributions to political committees that only make independent expenditures); Advisory Op. 2010-11 (Common Sense Ten) (“AO 2010-11”) (concluding that corporations, labor organizations, political committees, and individuals may each make unlimited contributions to IEOPCs).

<sup>35</sup>     See Advisory Op. 2011-12 (Majority PAC) at 3 (“AO 2011-12”) (determining that solicitation restrictions under 52 U.S.C. § 30125(e)(1)(A) remain applicable to contributions solicited by federal candidates, officeholders, and other covered persons); Conciliation Agreement ¶¶ 7, 8 (“CA”), MUR 7048 (Cruz for President) (same); Factual & Legal Analysis at 11 (“F&LA”), MURs 6563 and 6733 (Rep. Aaron Schock).

<sup>36</sup>     11 C.F.R. § 300.2(c)(2).

<sup>37</sup>     *Id.* § 300.2(c)(2)(ii).

1           However, although Donalds resigned as Chair on January 3, 2020, and registered as a  
2 federal candidate on January 6, 2020, the available information suggests that in the context of the  
3 overall relationship between Donalds and FBD, Donalds retained “the authority or ability to  
4 direct or participate in the governance of” FBD during his federal candidacy.<sup>38</sup> After Donalds  
5 resigned as Chair, FBD never changed its name, and its website continued to display Donalds’s  
6 name and the statement: “Friends of Byron Donalds is associated with Byron Donalds.”  
7 Moreover, the amounts raised and spent by FBD are some indicia that Donalds maintained and  
8 controlled it, given that almost all of the funds raised were later used to support Donalds’s  
9 federal candidacy. Thus, while Donalds resigned as Chair of FBD in January 2020, other  
10 information before the Commission suggests that Donalds continued to play some type of  
11 prominent role with the state committee.

12           Although Donalds and FBD filed letters with the Florida Division of Elections indicating  
13 that Donalds resigned as Chair on January 3, 2020, those letters do not fully resolve the question  
14 of whether Donalds otherwise continued to exercise control over FBD without the formal title of  
15 Chair. Further, there is tension between the FBD’s June 4, 2020, disbandment letter filed with  
16 the Florida Board of Elections, in which it stated it was ceasing operations, and its \$107,456  
17 contribution to Trusted Conservatives on June 22, 2020, a contribution it did not disclose, despite  
18 the Florida Board of Elections’ direction to file a closing report, which it also did not do.

---

<sup>38</sup> *Id.*

1                   3.     The Commission Should Find Reason to Believe that Byron Donalds  
2                             Improperly Solicited, Received, Directed, Transferred, or Spent Non-  
3                             Federal Funds  
4

5                   The available information suggests that FBD was an entity that was maintained and  
6 controlled by Donalds while he was a federal candidate beginning in January 2020, and the  
7 current record indicates that FBD spent non-federal funds by making a contribution to Trusted  
8 Conservatives on June 22, 2020, to support Donalds’s election for U.S. Congress.<sup>39</sup> Further,  
9 given that FBD spent almost all of the funds that it received to make a contribution to Trusted  
10 Conservatives, the facts indicate that FBD spent little money on its stated purpose of supporting  
11 causes and candidates in the state of Florida but instead appears to have become a vehicle to  
12 finance Donald’s federal candidacy with non-federal funds.

13                  The available information supports a reasonable inference that Donalds, as a federal  
14 candidate, directed non-federal funds in connection with a federal election. As described above,  
15 the vast majority of the funds FBD received were used to ultimately support Donalds’s federal  
16 candidacy, through Trusted Conservatives’ independent expenditures in support of Donalds or in  
17 opposition to his challengers. That FBD would transfer so much of the funds it received to  
18 Trusted Conservatives to support Donalds without any direction or involvement by him appears  
19 unlikely, especially where there is indicia that Donalds maintained or controlled FBD while he  
20 was a federal candidate, as described above.

21                  Although the available information does not conclusively establish that Donalds violated  
22 section 30125(e), the Commission has advised that a reason to believe finding “by itself does not

---

<sup>39</sup> See Compl., Ex. C (Contributions to Friends of Byron Donalds); Transparency USA, Conservatives for Effective Government, Donors.

1 establish the law has been violated.”<sup>40</sup> Rather, a reason to believe finding is warranted, “where  
2 the evidence in the matter is at least sufficient to warrant conducting an investigation, and where  
3 the seriousness of the alleged violation warrants either further investigation or immediate  
4 conciliation.”<sup>41</sup> In this matter, there is credible information suggesting that Donalds maintained  
5 and retained control of FBD long after he registered as a federal candidate, FBD’s statement to  
6 the Florida Board of Elections that it was ceasing operations was not consistent with its  
7 subsequent \$107,456 contribution to Trusted Conservatives, and Trusted Conservatives used  
8 \$82,025 of that money to finance independent expenditures (“IEs”) that supported only  
9 Donalds’s federal election, and made no other IEs. Accordingly, the Commission finds that  
10 there is reason to believe that Byron Donalds violated 52 U.S.C. § 30125(e) by soliciting,  
11 receiving, directing, transferring, or spending non-federal funds to advance Donalds’ candidacy.

---

<sup>40</sup> See Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12,545 (Mar. 16, 2007).

<sup>41</sup> *Id.*