

FEDERAL ELECTION COMMISSION

In the matter of:

Louis DeJoy
XPO Logistics, as the successor to New Breed Logistics
Thom Tillis Committee
Collin McMichael, Treasurer, Thom Tillis Committee, and former Treasurer, Thom Tillis
Victory Committee, in his official capacity as treasurer and in his personal
capacity
Unknown Respondents

MUR **7793**

COMPLAINT

1. Citizens for Responsibility and Ethics in Washington (“CREW”) brings this complaint before the Federal Election Commission (“FEC” or “Commission”) seeking an immediate investigation and enforcement action against Louis DeJoy, XPO Logistics, the Thom Tillis Committee, Collin McMichael, and Unknown Respondents for direct and serious violations of the Federal Election Campaign Act (“FECA”).

2. The FECA prohibits making and knowingly accepting a contribution in the name of another person, as well as knowingly permitting one’s name to be used to effect a contribution in the name of another person. This complaint concerns an apparent course of conduct orchestrated by Louis DeJoy to use New Breed Logistics, the predecessor to XPO Logistics, and other Unknown Respondents to effectuate a straw donor scheme to various recipients, including the Thom Tillis Committee, the Thom Tillis Victory Committee, and other Unknown Respondents, over a decade.

3. Louis DeJoy was Chairman and CEO of New Breed Logistics from 1983 to 2014. According to the Washington Post, former employees of New Breed stated that, between 2000 and 2014, Mr. DeJoy and the company used them to make contributions to various recipients,

including the Thom Tillis Committee, the principal campaign committee of then-Senate candidate Thom Tillis, and an associated committee, the Thom Tillis Victory Committee. Mr. DeJoy then reimbursed those employees with bonuses paid by New Breed Logistics.

4. While federal law may preclude agencies from imposing civil fines, penalties, or forfeitures more than five years after a claim first accrues, 28 U.S.C. § 2462, it does not bar the FEC from seeking all relief against the respondents here. The FEC may seek and obtain equitable relief more than five years after a violation, and the statute of limitations is tolled when a respondent fraudulently conceals wrongful conduct.

5. By utilizing straw donors, Mr. DeJoy, the company, and other Unknown Respondents were able to make excessive contributions to recipients, use illegal campaign funds to make donations to recipients, and conceal these activities and the true sources of such contributions from the public, in violation of the FECA. These apparent violations of the law deprive CREW and the public of important and truthful information required by the FECA and demand investigation.

Complainants

6. Complainant CREW is a non-profit corporation, organized under section 501(c)(3) of the Internal Revenue Code. CREW is committed to protecting the right of citizens to be informed about the activities of government officials and to ensuring the integrity of government officials. CREW is dedicated to empowering voters to have an influential voice in government decisions and in the governmental decision-making process. CREW uses a combination of research, litigation, and advocacy to advance its mission.

7. In furtherance of its mission, CREW seeks to expose unethical and illegal conduct of those involved in government. One way CREW does this is by educating citizens regarding the integrity of the electoral process and our system of government. Toward this end, CREW monitors the campaign finance activities of those who run for federal and state office and publicizes those who violate federal campaign finance laws through its website, press releases, and other methods of distribution. CREW also files complaints with the FEC when it discovers violations of the FECA. Publicizing campaign finance violators and filing complaints with the FEC serve CREW's mission of keeping the public informed about individuals and entities that violate campaign finance laws and deterring future violations of campaign finance law.

8. In order to assess whether an individual, candidate, political committee, or other regulated entity is complying with federal campaign finance law, CREW needs the information contained in receipts and disbursements reports that political committees and others must file pursuant to the FECA, 52 U.S.C. § 30104; 11 C.F.R. §§ 104.1–22, 109.10. CREW is hindered in its programmatic activity when an individual, candidate, political committee, or other regulated entity fails to disclose or provides false campaign finance information in reports of receipts and disbursements required by the FECA.

9. CREW relies on the FEC's proper administration of the FECA's reporting requirements because the FECA-mandated disclosure reports are the only source of information CREW can use to determine if an individual, candidate, political committee, or other regulated entity is complying with the FECA. The proper administration of the FECA's reporting requirements includes mandating that all disclosure reports required by the FECA are properly

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

Respondents

10. Louis DeJoy is and has been since June 2020 the Postmaster General and Chief Executive Officer of the United States Postal Service (“USPS”). USPS, About, Leadership, Officers, <https://about.usps.com/who/leadership/officers/pmg-ceo.htm>. Prior to that, Mr. DeJoy served as deputy finance chairman to the Republican National Committee (“RNC”), *see* Press Release, RNC Announces Additions To RNC Finance Leadership Team, RNC, Apr. 3, 2017, <https://web.archive.org/web/20170707165419/https://gop.com/rnc-announces-additions-to-rnc-finance-leadership-team/>, and he served as national finance chairman and led fundraising efforts for the RNC’s 2020 Convention, CLT Host 2020, Inc., Charlotte 2020 Host Committee names national finance chairman Louis DeJoy, <https://www.charlottein2020.com/charlotte-2020-host-committee-names-national-finance-chairman-louis-dejoy>. Between September 2, 2014 and December 7, 2015, Mr. DeJoy served as CEO at XPO Logistics’s supply chain business. XPO Logistics, Louis DeJoy Appointed to XPO Logistics Board of Directors, Dec. 7, 2015, https://news.xpo.com/543/louis-dejoy-appointed-to-xpo-logistics-board-of-directo_1; XPO Logistics, XPO Logistics Completes Acquisition of New Breed, Sept. 2, 2014, <https://investors.xpo.com/news-releases/news-release-details/xpo-logistics-completes-acquisition-new-breed>. Before that, Mr. DeJoy served as CEO of New Breed Logistics, which was acquired by and merged into XPO Logistics on September 2, 2014. *Id.* Mr. DeJoy began serving as New Breed’s CEO in 1983. *Id.*

11. XPO Logistics is incorporated in Delaware with its principal place of business in

Greenwich Connecticut. XPO Logistics, SEC Form 10-Q, Aug. 3, 2020,

<https://investors.xpo.com/static-files/6cbc04dd-7298-4dbf-9839-ed935c2038c7>. On September 2,

2014, XPO Logistics acquired and merged into New Breed Logistics in a reverse subsidiary

merger. Agreement and Plan of Merger, July 29, 2014,

<https://www.sec.gov/Archives/edgar/data/1166003/000119312514287150/d767063dex21.htm>.

As part of the merger, XPO Logistics agreed to assume all liabilities of New Breed Logistics. *Id.*

12. Beginning in June 5, 2013 and continuing to today, the Thom Tillis Committee is the principal campaign committee of Senator Thom Tillis. FEC Form 1, Statement of

Organization, Thom Tillis Committee, June 5, 2013,

<https://docquery.fec.gov/pdf/817/13020252817/13020252817.pdf>; FEC Form 1, Statement of

Organization, Amended, Thom Tillis Committee, Aug. 3, 2020,

<https://docquery.fec.gov/pdf/783/202008039261203783/202008039261203783.pdf>.

13. At all times relevant to the complaint, Collin McMichael served as treasurer to the Thom Tillis Committee. FEC Form 1, Statement of Organization, Thom Tillis Committee, June 5, 2013; FEC Form 1, Statement of Organization, Amended, Thom Tillis Committee, Sept. 22, 2014, <https://docquery.fec.gov/pdf/334/14020734334/14020734334.pdf>. In addition, Mr.

McMichael served as treasurer to the Thom Tillis Victory Committee, a joint fundraising committee of the Thom Tillis Committee and the North Carolina Republican Party. FEC Form 1, Statement of Organization, Thom Tillis Victory Committee, May 30, 2014,

<https://docquery.fec.gov/pdf/774/14031243774/14031243774.pdf>. Mr. McMichael served in that

role from the formation of the Thom Tillis Victory Committee on May 30, 2014 through its

termination on December 31, 2014. *Id.*; FEC Form 3X, Termination Report, Thom Tillis Victory

Committee, Dec. 31, 2014, <https://docquery.fec.gov/pdf/205/15950061205/15950061205.pdf>.

Over fifty committees are registered with the FEC that identify a “Collin McMichael” as treasurer. *See* Committees, Collin McMichael,

https://www.fec.gov/data/committees/?treasurer_name=collin+mcmichael.

14. Unknown Respondents are the individuals falsely identified as the source of contributions made by Mr. DeJoy or XPO Logistics/New Breed Logistics, the individuals other than Mr. DeJoy or XPO Logistics/New Breed Logistics who made contributions in the name of New Breed Logistics employees, as well as the recipients other than the Thom Tillis Committee and Thom Tillis Victory Committee who received contributions from Mr. DeJoy, XPO Logistics/New Breed Logistics, or other Unknown Respondents as part of Mr. DeJoy’s scheme and falsely reported in the name of another.

Factual Allegations

15. According to the Washington Post, between 2000 and 2014, Mr. DeJoy operated a straw donor scheme at New Breed Logistics by which New Breed Logistics employees would make contributions to federal and state candidates and Mr. DeJoy would reimburse those employees for those contributions through bonuses paid by the company. Aaron C. Davis, Amy Gardner, and Jon Swaine, Louis DeJoy’s rise as GOP fundraiser was powered by contributions from company workers who were later reimbursed, former employees say, *Wash. Post*, Sept. 6, 2020, https://www.washingtonpost.com/investigations/louis-dejoy-campaign-contributions/2020/09/06/1187bc2c-e3fe-11ea-8181-606e603bb1c4_story.html (hereinafter, Louis DeJoy’s Rise, *Wash. Post*).

16. In particular, the Post reported, “[f]ive people who worked for DeJoy’s former

business, New Breed Logistics, say they were urged by DeJoy's aides or by the chief executive himself to write checks and attend fundraisers at his 15,000-square-foot gated mansion beside a Greensboro, N.C., country club." *Id.*

17. "Two other employees familiar with New Breed's financial and payroll systems," the newspaper reported, "said DeJoy would instruct that bonus payments to staffers be boosted to help defray the cost of their contributions." *Id.*

18. One former New Breed Logistics employee interviewed by the Post, David Young, was Mr. DeJoy's "longtime director of human resources, who had access to payroll records at New Breed." *Id.* According to a quote attributed to Mr. Young: "Louis was a national fundraiser for the Republican Party. He asked employees for money. We gave him the money, and then he reciprocated by giving us big bonuses." *Id.*

19. The newspaper reported that another employee "with knowledge of the process described a similar series of events, saying DeJoy orchestrated additional compensation for employees who had made political contributions, instructing managers to award bonuses to specific individuals." *Id.*

20. According to the Post, its own analysis of federal and state campaign finance records showed "a pattern of extensive donations by New Breed employees to Republican candidates, with the same amount often given by multiple people on the same day." *Id.* In particular, it reported, "[b]etween 2000 and 2014, 124 individuals who worked for the company together gave more than \$1 million to federal and state GOP candidates" and that "[m]any had not previously made political donations, and have not made any since leaving the company, public records show." *Id.*

21. When asked for a response, a spokesperson for Mr. DeJoy did not deny to the newspaper that he directed employee contributions or that he had those contributions reimbursed through bonuses paid by New Breed Logistics. *Id.*

22. As the Post reported, one of the beneficiaries of this straw donor scheme were the campaign committees for now-Senator Thom Tillis. *Id.* According to the newspaper, his campaign received nearly \$300,000 in contributions in 2014 from individuals who identified their employer as New Breed Logistics. *Id.* FEC records confirm these contributions. *See* FEC, Receipts, Thom Tillis Committee and Thom Tillis Victory Committee, 2013-14, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00545772&committee_id=C00564633&contributor_employer=new+breed&two_year_transaction_period=2014 (showing \$290,400 in contributions to the two committees between 2013 and 2014 from individuals identifying their employer as “New Breed”).

23. Mr. DeJoy’s straw donor contributions helped fuel his rise in North Carolina politics, according to his former employees. Louis DeJoy’s Rise, *Wash. Post*. According to “[m]ultiple New Breed employees,” the Post reported, “[Mr.] DeJoy’s ascent in Republican politics was powered in part by his ability to multiply his fundraising through his company.” *Id.*

Statute of Limitations

24. Federal law precludes agencies from imposing civil fines, penalties, or forfeitures more than five years after the claim first accrued. 28 U.S.C. § 2462. The law may preclude the FEC from seeking a court order to impose fines for violations of the FECA that occurred more than five years earlier. It does not, however, preclude the FEC from seeking all relief against the respondents here.

25. First, § 2462 does not preclude the FEC from seeking and obtaining equitable relief more than five years from the violation. *See* 52 U.S.C. § 30109(a)(6)(A) (permitting FEC to seek injunctive relief and other “appropriate relief” in addition to a civil penalty); *FEC v. Craig for U.S. Senate*, 816 F.3d 829, 847 (D.C. Cir. 2016) (upholding award of equitable relief in suit brought by FEC). Rather, § 2462 “provides no [] shield from declaratory or injunctive relief.” *FEC v. Christian Coalition*, 965 F. Supp. 66, 71 (D.D.C. 1997); *accord FEC v. Nat’l Republican Senatorial Comm.*, 877 F. Supp. 15, 17, 20-21 (D.D.C. 1995) (permitting FEC to seek equitable relief for claim of violation occurring nearly a decade prior to suit). Equitable relief, for example, may include an order to correct the false disclosures and to identify the true source of reported contributions. *See FEC v. Comm. Of 100 Democrats*, 844 F. Supp. 1, 8 (D.D.C. 1993) (granting FEC’s motion for an injunction requiring defendants to, *inter alia*, comply with conciliation agreement by “filing scheduled reports disclosing all contributions received”).

26. In addition, § 2462 is tolled when a respondent fraudulently conceals the wrongful conduct. A respondent’s “[s]ilence [will] toll the statute of limitations” under a fraudulent concealment theory if the respondent “has an affirmative duty to disclose the relevant information.” *Spring Comm’ns Co., L.P. v. FCC*, 76 F.3d 1221, 1226 (D.C. Cir. 1996). Here, the recipients of the funds had an affirmative duty to disclose the true source of the contributions. *See United States v. Hsia*, 176 F.3d 517, 524 (D.C. Cir. 1999); 52 U.S.C. § 30104(b). Accordingly, § 2462 is tolled against any respondent who had an affirmative obligation to report the true source of the contributions in the straw donor scheme but who did not.

Count I

27. The FECA and FEC regulations prohibit making a contribution in the name of another person. 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b)(1)(i).

28. FEC regulations further prohibit knowingly helping or assisting any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).¹

29. By reimbursing employees of New Breed Logistics for contributions to various candidates and political committees, Mr. DeJoy made or knowingly helped or assisted XPO Logistics or other Unknown Respondents in making contributions in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).

Count II

30. XPO Logistics is the successor to New Breed Logistics. As part of XPO's merger with New Breed, XPO agreed to accept New Breed Logistics's liabilities. Agreement and Plan of Merger, July 29, 2014.

31. By reimbursing New Breed Logistics employees through bonuses paid from New Breed corporate funds, New Breed, and its successor XPO Logistics, made or knowingly helped or assisted Unknown Respondents to make contributions in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).

Count III

¹ On April 6, 2018, a federal district court in the District of Utah found 11 C.F.R. § 110.4(b)(1)(iii) exceeded the FEC's rulemaking authority and enjoined the FEC from enforcing the provision. *FEC v. Swallow*, 304 F. Supp. 3d 1113, 1119 (D. Utah 2018). Notwithstanding the provenance of this nationwide injunction, such an injunction would not limit a private plaintiff's ability to seek redress for a violation of the FEC regulation in a suit brought under 52 U.S.C. § 30109(a)(8).

32. The FECA and FEC regulations prohibit knowingly accepting a contribution made by one person in the name of another. 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b). The FECA and FEC regulations further require political committees to report the identity of those who make contributions, as well as anyone who acted as a conduit for a contribution. 52 U.S.C. § 30104(b)(2); 11 C.F.R. § 104.3(a), (j) (political committees must report “earmarked contributions”); *see also Instructions for FEC Form 3X and Related Schedules* at 11 (revised May 2016), <https://bit.ly/2F19VxP> (instructing any political committee receiving an earmarked contribution through conduit entities must “report each conduit through which the earmarked contribution passed, including the name and address of the conduit, and whether the contribution was passed on in cash, by the contributor’s check, or by the conduit’s check”); 52 U.S.C. § 30107(a)(8) (FEC forms have force of law).

33. The Thom Tillis Committee is a principal campaign committee registered with the FEC. FEC Form 1, Statement of Organization, Thom Tillis Committee, June 5, 2013. The Thom Tillis Committee accepted contributions from New Breed Logistic employees that were made as part of the straw donor contribution scheme. Louis DeJoy’s Rise, *Wash. Post*.

34. The lengthy history of Mr. DeJoy’s straw donor scheme, and the fact that his ability to use that scheme helped to power his rise in North Carolina Republican politics, supports the inference that recipients of the illicit contributions knew that the reported sources of the contributions were not in fact the true sources of the contributions.

35. Accordingly, the Thom Tillis Committee, by and through its treasurer, Collin McMichael, knowingly accepted a contribution made by one person in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b).

36. The Thom Tillis Committee, by and through its treasurer, Mr. McMichael, also failed to report the identities of the true source of contributions and the identities of each conduit for the contributions falsely attributed to various Unknown Respondents, violating 52 U.S.C. § 30104(b)(2) and 11 C.F.R. § 104.3(a) and (j).

Count IV

37. At all relevant times, Collin McMichael served as treasurer to the Thom Tillis Committee. FEC Form 1, Statement of Organization, Thom Tillis Committee, June 5, 2013.

38. In addition, Mr. McMichael served as treasurer of the Thom Tillis Victory Committee between May 30, 2014 and its December 31, 2014, the entire lifetime of the Committee. FEC Form 1, Statement of Organization, Thom Tillis Victory Committee, May 30, 2014. The Thom Tillis Victory Committee was a joint fundraising political committee registered with the FEC. *Id.*

39. Under the FECA, treasurers of political committees like the Thom Tillis Committee and the Thom Tillis Victory Committee are responsible for filing accurate disclosure reports. 52 U.S.C. § 30104(a); FEC, Treasurer's liability, <https://www.fec.gov/updates/treasurers-liability/>.

40. A political committee treasurer is personally liable for a failure by the political committee to file required reports. *Id.*; FEC, Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3, 5 (Jan. 3, 2005).

41. By permitting the Thom Tillis Committee and the Thom Tillis Victory Committee to accept contributions in the name of another and to file reports to the FEC falsely identifying the true source of a contribution, Mr. McMichael personally violated 52 U.S.C. §§ 30104, 30122

and 11 C.F.R. §§ 104.3, 110.4(b).

42. Given Mr. McMichaels's experience with multiple political committees and on information and belief, Mr. McMichael's violations of the FECA were knowing and willful, or he recklessly failed to fulfill duties specifically imposed on treasurers by the Act, or he has intentionally deprived himself of the operative facts giving rise to the violation.

Count V

43. Unknown Respondents are: (1) the true sources, if any, of the contributions Mr. DeJoy helped or assisted be made in the name of another other than himself, New Breed Logistics and its successor XPO Logistics, in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)(1)(i); (2) the individuals who permitted their names to be used to allow Mr. DeJoy to effectuate a contribution in the name of another in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)(1)(ii); and (3) the recipients other than the Thom Tillis Committee and the Thom Tillis Victory Committee who knowingly received contributions made by or with the help and assistance of Mr. DeJoy in violation of 52 U.S.C. § 30122 and 11 C.F.R. § 110.4(b)(1)(iv).

Conclusion

WHEREFORE, Citizens for Responsibility and Ethics in Washington requests that the FEC conduct an investigation into these allegations; declare the respondents to have violated the FECA and applicable FEC regulations; and order respondents to correct these violations by providing to CREW and filing with the FEC reports identifying the true source of contributions to the Thom Tillis Committee, the Thom Tillis Victory Committee, and other Unknown Respondents who received contributions made by or with the help or assistance of Louis DeJoy and falsely attributed to others. In addition, the complainants request that the FEC impose

remedies and sanctions appropriate to these violations, and take such further action as may be appropriate, including referring this matter to the Department of Justice for criminal prosecution.

Noah Bookbinder

ON BEHALF OF COMPLAINANT
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Verification

Citizens for Responsibility and Ethics in Washington hereby verifies that the statements made in the attached Complaint are, upon information and belief, true. Sworn pursuant to 18 U.S.C. § 1001.

Noah Bookbinder

Noah Bookbinder

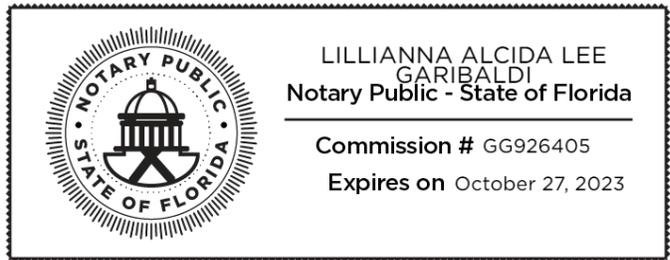
Sworn to and subscribed before me this 11 day of 09, 2020

Lillianna Alcida Lee Garibaldi

Notary Public

STATE OF FLORIDA

COUNTY OF PALM COUNTY



GG926405

10/27/2023

Lillianna Alcida Lee Garibaldi

Electronic Notary Public

Notarized online using audio-video communication