



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
)
Kanye 2020 and Stella Denn in her official) MUR 7800
capacity as treasurer)
)

**STATEMENT OF REASONS OF
COMMISSIONERS DARA LINDENBAUM AND SHANA M. BROUSSARD**

This matter arises from a Complaint alleging that Kanye 2020 and Stella Denn in her official capacity as treasurer (the “Committee”), the principal campaign committee of 2020 presidential candidate Ye,¹ failed to report the ultimate payee for at least \$1.6 million in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”). For the following reasons, we voted to dismiss the Complaint.

In August and July of Ye’s campaign for U.S. President in 2020, the Committee reported \$2,697,598.89 in disbursements to the political consulting firm Millennial Strategies, LLC (“Millennial”) for, *inter alia*, “campaign management consulting,” “ballot access services,” “campaign website services,” and “legal fees, notary, printing.”² The Complaint cites a *New York Times* article which reported that Mercury was among a number of consulting firms “aiding [Kanye West’s] candidacy” and that it “played an organizing role,” providing “substantial professional services.”³ Based on the information contained in *The New York Times* article, the Complaint alleges that the Committee failed to report its disbursements to Mercury.⁴

¹ Kanye West legally changed his name to Ye in October 2021. *Kanye West Officially Changes His Name to Ye*, BBC (Oct. 19, 2021), <https://www.bbc.com/news/entertainment-arts-58965500>.

² Other purposes reported by the Committee include “ballot access digital services”; “election law research”; “GOTV consulting”; “legal fees & ballot access filing fee”; “list acquisition”; “polling”; “printing/scanning services”; and “travel expenses.” *FEC Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00751701&recipient_name=Millennial (last visited July 25, 2024) (showing all disbursements by the Committee to Millennial).

³ Compl. at 1 (Sept. 21, 2020); Danny Hakim & Maggie Haberman, *Kanye West’s Perplexing Run as a Potential 2020 Spoiler*, N.Y. TIMES (Sept. 16, 2020) (“NYT Article”), <https://www.nytimes.com/2020/09/16/us/politics/kanye-west-president-2020.html> (cited in and attached to the Complaint as an exhibit).

⁴ Compl. at 1-2.

The Response acknowledges that Mercury performed work for the Committee “to assist in obtaining ballot access in states throughout the country.”⁵ However, the Committee argues that it was not required to disclose any payments to Mercury because Millennial hired Mercury as a sub-vendor.⁶

Following the submission of the Response, *The Daily Beast* published an article reporting, based on anonymous sources, that the Committee’s relationship with Millennial was “designed in part to mask the extent of other companies’ work for the West campaign.”⁷ The article states that “[t]he wall between Millennial and Mercury was apparently so thin that multiple campaign sources told *The Daily Beast* they did not realize Millennial was an independent firm at all; they believed it was a shell company created by Mercury specifically for disguising the payments.”⁸ The article describes the anonymous sources only as “campaign sources” and contains almost no direct quotes from these campaign sources.

Based primarily on the information contained in *The Daily Beast* article, the Office of General Counsel (“OGC”) recommended that the Commission find reason to believe that the Committee violated 52 U.S.C. § 30104(b)(6) and 11 C.F.R. § 104.3(b)(4) by failing to accurately report disbursements.⁹ OGC concluded that the Committee arranged for Mercury to provide services directly to the Committee and used Millennial as a conduit to “obscure that Mercury was the true vendor.”¹⁰ We disagreed and instead voted to dismiss the allegations because *The Daily Beast* article lacked the indicia of credibility necessary to rebut the Response and *The New York Times* article to support a reason to believe finding.¹¹

The Act and Commission regulations require authorized political committees to report the name and address of each person to whom they make disbursements aggregating more than \$200 per election cycle, as well as the date, amount, and purpose of such payments.¹² Ordinarily, the Commission has found it sufficient for a committee to report payments to its primary vendors and not those made to sub-vendors.¹³ However, the Commission has determined that reporting the immediate recipient of a disbursement will not satisfy the Act’s reporting requirements when the facts indicate that the reported recipient is “merely a conduit for

⁵ Resp. at 1 (Nov. 10, 2020).

⁶ *Id.*

⁷ William Bredderman & Roger Sollenberger, *The Big Red Flag Under Kanye West’s Democratic Fig Leaf*, DAILY BEAST (Jan. 4, 2022) (“Daily Beast Article”), <https://www.thedailybeast.com/the-big-red-flag-under-the-kanye-west-campaigns-democratic-fig-leaf>.

⁸ *Id.*

⁹ First Gen. Counsel’s Rpt. at 13 (July 30, 2024).

¹⁰ *Id.*

¹¹ Certification at 1 (Aug. 16, 2024).

¹² 52 U.S.C. § 30104(b)(6); 11 C.F.R. § 104.3(b)(4).

¹³ Advisory Opinion (“AO”) 1983-25 at 2 (Mondale); *see also* F&LA at 12, MUR 6510 (Kirk for Senate, *et al.*) (holding that “a committee need not separately report its consultant’s payments to other persons — such as those payments for services or goods used in the performance of the consultant’s contract with the committee”).

the intended recipient of the funds.”¹⁴ In prior matters, the Commission has found reason to believe where the available information suggested an intent to conceal the ultimate payee.¹⁵

Here, the only information concerning the Committee’s intent is derived from *The Daily Beast* article, but the article lacks the specificity necessary to credibly support a finding of reason to believe that the Committee intended to use Millennial as a conduit to conceal Mercury from disclosure reports. For one, the article describes the anonymous sources only as “campaign sources” – it does not state whether these sources were senior ranking campaign officials with first-hand knowledge of the situation. The article is almost devoid of direct quotes from the anonymous sources, instead vaguely characterizing their understandings, and at times, undermining their credibility with internal inconsistencies. For example, the article states that multiple anonymous sources “did not realize Millennial was an independent firm at all; they believed it was a shell company created by Mercury specifically for disguising the payments.”¹⁶ Later, however, the article describes Millennial as an established “staunchly progressive firm.”¹⁷ Disclosure reports indicate that Millennial has received \$3.8 million for services to federal political committees starting in early 2013 through late 2022, hardly indicia of a “shell company.”¹⁸

In another example of unreliability, the article candidly acknowledges that the anonymous sources had inconsistent understandings. “[O]ne source told *The Daily Beast* that Millennial was a hub between the campaign and its various Republican consultants,” akin to a vendor/sub-vendor arrangement, while “multiple [other] sources contradicted that claim, claiming the main connection between Millennial and [the Committee] was [Mercury’s Senior Vice President, Ted] Anastasiou and Mercury.”¹⁹ Other information in the record tends to contradict the allegation that the parties had an intent to conceal Mercury from the public eye. For example, *The New York Times* article quoted Michael McKeon, a Mercury partner, describing Mercury “as a liaison between the campaign and the [ballot access] team until they established independent relationships.”²⁰ If the Committee intended to conceal its relationship with Mercury, one would presume that Mercury leadership would not disclose the relationship in on-the-record comments to a *New York Times* reporter.

We also note that the Committee was not notified of or given an opportunity to provide any response to *The Daily Beast* article. Although OGC may consider publicly available

¹⁴ F&LA at 9, MUR 6724 (Bachmann for President, *et al.*).

¹⁵ *E.g.*, F&LA at 15, MUR 7923 (Friends of David Schweikert); F&LA at 9, MUR 6724 (Bachmann for President, *et al.*); Conciliation Agreement ¶ IV.6, MUR 4872 (Jenkins for Senate).

¹⁶ Daily Beast Article.

¹⁷ *Id.*

¹⁸ *FEC Disbursements: Filtered Results*, FEC.Gov, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=Millennial+Strategies (last visited July 25, 2024) (showing all reported disbursements to “Millennial Strategies”).

¹⁹ Daily Beast Article.

²⁰ NYT Article.

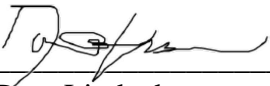
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information in framing its analysis and recommendations, where, as here, information obtained by OGC after the Respondent has filed its Response forms almost the entire factual basis for OGC's reason to believe recommendation, we believe that the Respondent should be notified and given an opportunity to provide a supplemental Response.

In sum, while we believe that news reporting based on anonymous sources can support a reason-to-believe finding under certain circumstances, *The Daily Beast* article lacked the indicia of credibility and reliability sufficient to make a reason-to-believe finding here. Therefore, we voted to dismiss the Complaint.²¹

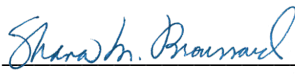
9/9/24

Date


Dara Lindenbaum
Commissioner

September 9, 2024

Date


Shana M. Broussard
Commissioner

²¹ Certification at 1 (Aug. 16, 2024).