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FEDERAL ELECTION COMMISSION

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OFFICE OF GENERAL COUNSEL

**BEFORE THE
FEDERAL ELECTION COMMISSION**

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MUR 7808

Tiffany Muller
President and Executive Director
End Citizens United PAC
P.O. Box 66005
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Complainant,

v.

John James

Farmington Hills, MI 48334

Renaissance Global Logistics
4335 W. Fort Street
Detroit, MI 48209

Outsider PAC
25 West 8th Street, Suite 300
Holland, MI 49423

Julie Dozier, Treasurer
Outsider PAC
25 West 8th Street, Suite 300
Holland, MI 49423

COMPLAINT

Complainant files this complaint under 52 U.S.C. § 30109(a)(1) against John James, Renaissance Global Logistics, and Outsider PAC and Julie Dozier, in her official capacity as Treasurer, for violating the Federal Election Campaign Act of 1971, as amended (“the Act”) and Federal Election Commission (“FEC” or “Commission”) regulations. In 2018, John James ran

for U.S. Senate. In the final days of his campaign it appears that he had the company where he was CEO, Renaissance Global Logistics, contribute \$10,000 to the Super PAC supporting his candidacy for a last-minute advertising buy, during the very short window just before the election when the transaction would not be disclosed until after people had voted. The timing and circumstances of this transaction suggest that James and the Super PAC were illegally coordinating, and that James then illegally solicited, directed, or spent corporate money through his company to help his campaign. The FEC should immediately investigate and take swift action and review James' conduct to ensure that he complies with the law in his current Senate bid.

FACTS

John James was a candidate for United States Senate in 2018.¹ He lost that election to Senator Debbie Stabenow and is now running against Senator Gary Peters. During his 2018 Senate campaign, Mr. James was the Chief Executive Officer of Renaissance Global Logistics, a logistics and supply chain management firm.² Outsider PAC is an independent-expenditure-only PAC ("Super PAC") that supported Mr. James's candidacy in 2018.³ The close of books on the last FEC report to be public before the election that year, the Pre-General Report, was October 17, 2018.⁴ On November 1, 2018, just five days before the 2018 election, Renaissance Global

¹ John James, *FEC Form 2 Statement of Candidacy* (July 17, 2017),

<https://docquery.fec.gov/pdf/492/201707210200243492/201707210200243492.pdf>

² Kurt Nagl, *James Group founder passes CEO title to son*, Crain's Detroit Business (Jan. 5, 2018),

<https://www.craigslist.com/article/20180105/news/649306/james-group-founder-passes-ceo-title-to-son>.

³ Outsider PAC, *FEC Form 1 Statement of Organization* (May 16, 2018),

<https://docquery.fec.gov/pdf/347/201805169112069347/201805169112069347.pdf>; Center for Responsive Politics, *Outsider PAC Targeted Candidates, 2018 Cycle*,

<https://www.opensecrets.org/outsidespending/recips.php?cycle=2018&cmte=C00678920>.

⁴ Federal Election Commission, *Report Dates 2018*, https://transition.fec.gov/info/report_dates_2018.shtml#general.

Logistics made a last-minute contribution of \$10,000 to Outsider PAC.⁵ The same day, Outsider PAC paid \$8,000 for an ad opposing Senator Stabenow.⁶

LEGAL ARGUMENT

The facts in this matter indicate at least two different violations of the Act: Mr. James using the corporate resources of Renaissance Global Logistics to support his campaign and illegal coordination with at Super PAC resulting in a prohibited coordinated communication.

The Act prohibits federal candidates from soliciting, directing, or spending corporate money to influence a federal election.⁷ It is illegal for a candidate to use corporate funds to support his campaign or to ask someone else to use corporate funds in support of his campaign. While corporations are allowed to contribute to Super PACs, a candidate cannot move corporate funds to a Super PAC or even solicit such a contribution. The Act also prohibits federal candidates from accepting contributions, including in-kind contributions, from corporations or entities like Super PACs that can be funded by corporations.⁸ Paid communications, like digital advertising, that are coordinated with a candidate are illegal in-kind contributions.⁹ Coordination occurs when a candidate gives a Super PAC information about a candidate's plans, projects, activities, or needs, or suggests, requests, or assents to Super PAC spending.¹⁰

As a federal candidate, Mr. James was therefore prohibited from enlisting the help of his company in his Senate campaign, and doubly prohibited from routing his company funds through

⁵ Outsider PAC, *2018 Post-General FEC Form 3X Report of Receipts and Disbursements* at 10 (Dec. 8, 2018), <https://docquery.fec.gov/pdf/225/201812069134579225/201812069134579225.pdf>.

⁶ *Id.* at 21.

⁷ 11 C.F.R. § 300.61.

⁸ 52 U.S.C. § 30118.

⁹ 11 C.F.R. § 109.21.

¹⁰ *Id.*

a Super PAC with which he could not coordinate. With just five days left in the campaign, Mr. James's company made a last-minute contribution to Outsider PAC, which then turned around and ran an ad against Mr. James's opponent in the race the very same day.

As Chief Executive Officer, Mr. James had a fiduciary responsibility to oversee the disbursement of corporate treasury funds at Renaissance Global Logistics. Any corporate funds directed to non-business activities, such as contributions to a federal Super PAC would, in all likelihood, need to be authorized by Mr. James. However, having any interaction with his company whatsoever regarding its Super PAC contribution, is a violation of Mr. James's legal obligations as a federal candidate. Because Mr. James could not solicit, direct, or spend corporate money to influence a federal election, his apparent authorization to spend corporate treasury funds to support his campaign is illegal under the Act. It is difficult to imagine any set of circumstances where these corporate funds would have moved to Outsider PAC, only at the very last minute, without involvement from Mr. James, the company's CEO and the benefiting candidate. Any such involvement, however, broke the law.

The last-minute transaction also raises issues of coordination. That late in the election, it's unlikely that Outsider PAC could realistically use the contribution to develop new programming. Instead, November donations go towards specific needs and budget gaps. If Mr. James sought the contribution from his company in order to meet a specific need of the Super PAC supporting him, that would be a request, suggestion, or assent to the proposed spending by the Super PAC.¹¹ It's also likely that such conversations involved Mr. James sharing material, non-public information about his campaign's plans, projects, activities, or needs, which is also

¹¹ See 11 C.F.R. § 109.21(d)(1).

illegal coordination.¹² Outsider PAC's FEC report suggests that this contribution offset a particular ad, because on the same day of the contribution, Outsider PAC spent \$8,000 on an ad attacking Mr. James's opponent in the race.¹³

What is even more troubling here is how Mr. James appears to have structured this transaction to avoid its disclosure to voters before the election. His company made the contribution after the close of books on the Pre-General Report, ensuring that it would not be disclosed until December, well after the election. Voters in 2018 therefore had no opportunity to scrutinize the inappropriate relationship between Mr. James's company and the Super PAC airing ads to influence them.

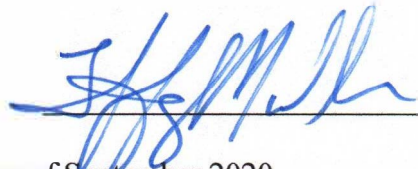
Because these apparent violations of the Act were not knowable to voters before Mr. James's 2018 election, who therefore could not hold him accountable, the Commission has a particular obligation to use its enforcement power to deter future violations. I respectfully request that the Commission investigate these transactions and that Respondents be enjoined from further violations and be fined the maximum amount permitted by law.

Sincerely,

¹² *See id.* § 109.21(d)(3).

¹³ Outsider PAC, *2018 Post-General FEC Form 3X Report of Receipts and Disbursements* at 10, 21 (Dec. 8, 2018), <https://docquery.fec.gov/pdf/225/201812069134579225/201812069134579225.pdf>.

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SUBSCRIBED AND SWORN to before me this 28th day of September 2020.

Mark Andrews

Notary Public

My Commission Expires:
MARK ANDREWS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 14, 2024

