

**BEFORE THE
FEDERAL ELECTION COMMISSION**

End Citizens United
Amanda Bogden
100 M St. SE
Washington, DC 20003
Complainant,

v.

MUR 7837

David Valadao
5132 N Palm Ave #227
Fresno, CA 93704

Valadao for Congress and Melissa Allen, Treasurer
5132 N Palm Ave #227
Fresno, CA 93704

Vitoria PAC and Melissa Allen, Treasurer
5132 N Palm Ave #227
Fresno, CA 93704

Respondents.

COMPLAINT

In accordance with 52 U.S.C. § 30109(a)(1), this Complaint alleges violations of the Federal Election Campaign Act of 1971, as amended (“*FECA*”) and Federal Election Commission (“*FEC*” or “*the Commission*”) regulations by David Valadao, a candidate for the U.S. House of Representatives in California’s 21st congressional district; Valadao for Congress, his principal campaign committee; Vitoria PAC, his leadership PAC; and Melissa Allen, treasurer of Valadao for Congress and Vitoria PAC, in her official capacity (collectively, “*Respondents*”). Public reports filed by the Respondents with the FEC strongly suggest that David Valadao is using Vitoria PAC to supplement the salary of his campaign manager, thereby making an excessive in-kind contribution from Vitoria PAC to his campaign. FECA and FEC regulations do not permit a Federal candidate to employ their leadership PAC as a tool to circumvent limits on permissible

contributions. As a former, three-term Member of Congress who now seeks to reclaim to his old seat, David Valadao should know that his conduct blatantly violates longstanding federal laws and regulations. Consequently, the FEC should immediately investigate these violations and levy appropriate sanctions against the Respondents.

I. FACTS

David Valadao is currently running to represent California's 21st congressional district in the U.S. House of Representatives.¹ He previously represented the district in the House from 2013 until 2019.² Valadao's principal campaign committee is Valadao for Congress.³ He also operates a leadership PAC, named Vitoria PAC.⁴ Vitoria PAC's Statement of Organization provides that it is a leadership PAC and its affiliated committee is Valadao for Congress.⁵ Melissa Allen serves as Treasurer for both Valadao for Congress and Vitoria PAC.⁶

Andrew Renteria serves as Valadao's campaign manager.⁷ Reports filed by Valadao for Congress with the FEC show that David Valadao's campaign paid Renteria \$6,404.81 for "[c]ampaign manager services" at the beginning of every month during this calendar year, up to

¹ David Valadao, FEC Form 2, Statement of Candidacy (June 29, 2020), available at <https://docquery.fec.gov/pdf/296/202006299244224296/202006299244224296.pdf>.

² *David Valadao announces he will run again for 21st congressional district seat*, KBAK FOX 58 (Aug. 28, 2019), <https://bakersfieldnow.com/news/local/david-valadao-announces-he-will-run-for-21st-congressional-district-seat>; Rory Appleton, *Valadao concedes in California congressional race*, Fresno Bee (Dec. 6, 2018 3:47 PM), <https://www.fresnobee.com/news/politics-government/politics-columns-blogs/political-notebook/article222741770.html>.

³ Valadao for Congress, FEC Form 1, Statement of Organization (June 29, 2020), available at <https://docquery.fec.gov/pdf/288/202006299244224288/202006299244224288.pdf>.

⁴ Vitoria PAC, FEC Form 1, Statement of Organization (Aug. 27, 2019), available at <https://docquery.fec.gov/pdf/205/201908279163108205/201908279163108205.pdf>.

⁵ *Id.* at 2, 6.

⁶ *See supra* notes 3, 4.

⁷ *See* Andrew Renteria, LinkedIn, <https://www.linkedin.com/andrew-renteria-a1240357> (last visited Oct. 20, 2020) (stating that Renteria has served as Valadao's campaign manager since September 2019); Andrew Renteria (@andrewrenteria1), Twitter (describing himself in his biography as "Valadao for Congress[']s CM"), <https://www.twitter.com/andrewrenteria1>.

and including June 2020.⁸ However, starting in July 2020, Valadao for Congress reduced the amount it paid Renteria to \$1,500.00 for these services through September 2020.⁹ At the same time, reports filed by Vitoria PAC with the FEC show that the leadership PAC paid Renteria \$4,904.81 in July, August, and September 2020 for “[c]ampaign manager services.”¹⁰ The sum of the \$1,500.00 paid to Renteria by Valadao’s campaign and the \$4,904.81 paid to Renteria by Valadao’s leadership PAC equals the \$6,404.81 that Renteria received each month from Valadao’s campaign before July.

II. LEGAL ARGUMENT

Under federal law, a leadership PAC is “a political committee that is directly or indirectly established, financed, maintained or controlled by [a Federal] candidate or [an] individual [holding Federal office] but which is not an authorized committee of the candidate or individual and which is not affiliated with an authorized committee of the candidate or individual.”¹¹ The FEC has explained that contributions received by leadership PACs are “given to other Federal candidates to gain support when [an] officeholder seeks a leadership position in Congress, or used to subsidize [an] officeholder’s travel when campaigning for other Federal candidates.”¹² The FEC has promulgated several rules to prevent Federal candidates from using their leadership PACs to

⁸ Fed. Election Comm’n, Disbursements (showing raw disbursements from Valadao for Congress to Andrew Renteria during the 2019-2020 election cycle), *available at* https://www.fec.gov/data/disbursements/?data_type=efiling&committee_id=C00499392&disbursement_description=campaign+manager; Fed. Election Comm’n, Disbursements (showing processed disbursements from Valadao for Congress to Andrew Renteria during the 2019-2020 election cycle), *available at* https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00499392&recipient_name=renteria&two_year_transaction_period=2020&disbursement_description=campaign+manager.

⁹ Fed. Election Comm’n, Disbursements (showing raw disbursements from Valadao for Congress to Andrew Renteria during the 2019-2020 election cycle), *available at* https://www.fec.gov/data/disbursements/?data_type=efiling&committee_id=C00499392&disbursement_description=campaign+manager.

¹⁰ Fed. Election Comm’n, Disbursements (showing raw disbursements from Vitoria PAC to Andrew Renteria for “[c]ampaign manager services” in July, August, and September 2020), *available at* <https://docquery.fec.gov/cgi-bin/forms/C00712695/1450547/sb/ALL>.

¹¹ 52 U.S.C. § 30104(i)(8)(B).

¹² 68 Fed. Reg. 67013, 67014 (Dec. 1, 2003).

finance their authorized campaign committees and thus, a leadership PAC may not provide more than \$5,000 in goods and services per election to the Federal candidate with whom it is associated.¹³

Publicly-accessible FEC reports indicate that David Valadao is impermissibly using funds from his leadership PAC to subsidize his congressional campaign's expenses. Before July 2020, Valadao paid for what appears to be his campaign manager's monthly salary (\$6,404.81) using only funds from his congressional campaign, Valadao for Congress.¹⁴ However, since July 2020, Valadao has paid for his campaign manager's monthly salary using a combination of funds from his congressional campaign (\$1,500.00) *and* his leadership PAC (\$4,904.81).¹⁵ These funds conspicuously total the same amount (\$6,404.81) as the monthly salary that Valadao's campaign manager received from the campaign alone prior to July 2020. Further, the leadership PAC has now paid \$14,714.43 to Valadao's campaign manager for "[c]ampaign manager services" during the 2019-2020 election cycle,¹⁶ and none of these expenses were reported as in-kind contributions to the campaign. Even if they were unreported in-kind contributions, \$14,714.43 well exceeds the

¹³ 52 U.S.C. § 30116(a)(2)(A); 68 Fed. Reg. 57013, 67016 (Dec. 1, 2003).

¹⁴ Fed. Election Comm'n, Disbursements (showing processed disbursements from Valadao for Congress to Andrew Renteria during the 2019-2020 election cycle), *available at* https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00499392&recipient_name=renteria&two_year_transaction_period=2020&disbursement_description=campaign+manager; Fed. Election Comm'n, Disbursements (showing raw disbursements from Valadao for Congress to Andrew Renteria during the 2019-2020 election cycle), *available at* https://www.fec.gov/data/disbursements/?data_type=efiling&committee_id=C00499392&disbursement_description=campaign+manager.

¹⁵ Fed. Election Comm'n, Disbursements (showing raw disbursements from Vitoria PAC to Andrew Renteria for "[c]ampaign manager services" in July, August, and September 2020), *available at* <https://docquery.fec.gov/cgi-bin/forms/C00712695/1450547/sb/ALL>; Fed. Election Comm'n, Disbursements (showing processed disbursements from Valadao for Congress to Andrew Renteria during the 2019-2020 election cycle), *available at* https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00499392&recipient_name=renteria&two_year_transaction_period=2020&disbursement_description=campaign+manager; Fed. Election Comm'n, Disbursements (showing raw disbursements from Valadao for Congress to Andrew Renteria during the 2019-2020 election cycle), *available at* https://www.fec.gov/data/disbursements/?data_type=efiling&committee_id=C00499392&disbursement_description=campaign+manager.

¹⁶

\$5,000 limit for permissible goods and services that a leadership PAC may pay for on a Federal candidate's behalf. Additionally, leadership PACs do not run campaigns, so it is unclear what "campaign manager services" could be provided to the leadership PAC here.

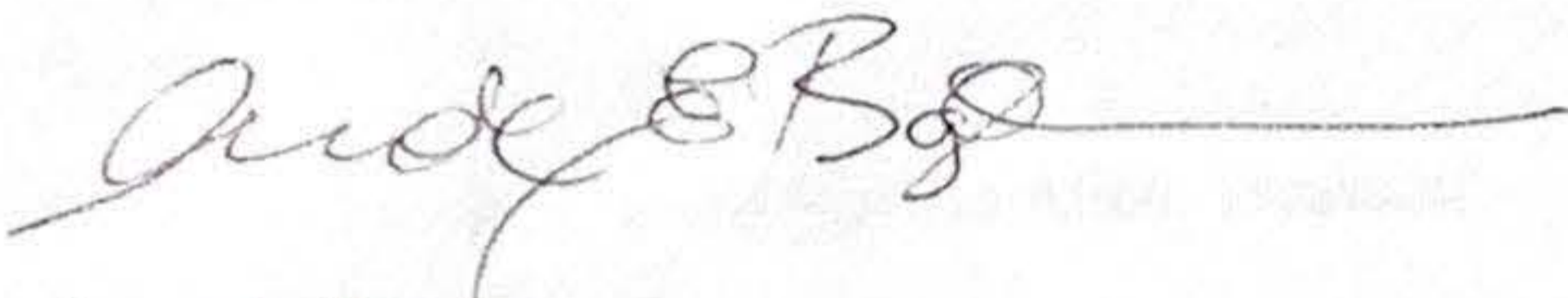
Given the leadership PAC's disbursements to Valadao's campaign manager, it is reasonable to conclude that David Valadao has used his leadership PAC to subsidize his congressional campaign's expenses, by paying portions of his campaign manager's salary that the campaign should have paid in full. And to make matters worse, Vitoria PAC paid Valadao's campaign manager for campaign services well in excess of the \$5,000 limit for permissible goods and services that a leadership PAC may pay for on a Federal candidate's behalf. Given the underlying record, and the fact that Valadao has been a Federal candidate for multiple election cycles under these same rules, it is improbable that this was some mere oversight by the former congressman and his staff. Although leadership PACs may play a critical role in helping Federal candidates and officeholders to make certain expenditures in pursuit of House leadership roles or to support other candidates, FECA and the FEC regulate permissible expenditures that a leadership PAC may make in part to prevent a Federal candidate from employing their leadership PAC as a tool to circumvent limits on permissible contributions. In other words, leadership PACs are not backup committees that Federal candidates can use to satisfy their campaign's financial obligations, when their authorized campaign committees are strapped for cash.

III. REQUESTED ACTION

As discussed above, congressional candidate David Valadao, his principal campaign committee, and his leadership PAC appear to have violated FECA and FEC regulations by using leadership PAC funds to pay for campaign-related goods and services, well in excess of permissible limits. Irrespective of whether the Respondents acted with gross negligence in using Valadao's leadership PAC to pay for campaign-related services, or intentionally sought to

circumvent Federal laws by funneling payments for his campaign manager's salary through Valadao's leadership PAC, Respondents' conduct warrants an immediate investigation by the FEC. Should the Commission determine that Respondents have violated FECA and FEC regulations, we respectfully request that Respondents be enjoined from further violations and be fined the maximum amount permissible under law.

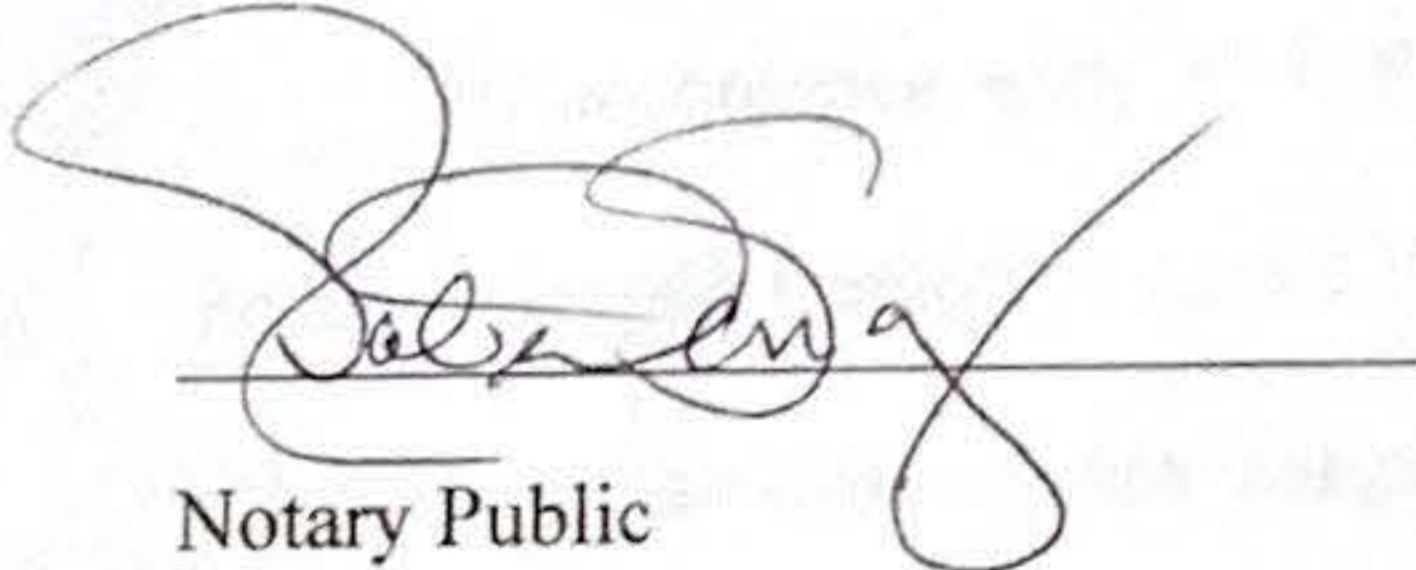
Sincerely,



Amanda Bogden

End Citizens United
100 M St. SE
Washington, DC 20003

SUBSCRIBED AND SWORN to before me this 26 day of October, 2020.



Notary Public

My Commission Expires:

04-30-2022

County/City of Arlington
Commonwealth/State of Virginia
The foregoing instrument was acknowledged
before me this 26 day of Oct,
2020, by
Amanda Bogden
(name of person seeking acknowledgement)
Robert Sanchez
Notary Public
My Commission Expires: 04-30-2022

