



THE FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 10, 2022

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Noah Bookbinder, Executive Director
Citizens for Responsibility and Ethics in Washington
1331 F Street, NW, Suite 900
Washington, DC 20004

RE: MUR 7850
Freedom First PAC, *et al.*

Dear Noah Bookbinder:

This is in reference to the complaint you filed with the Federal Election Commission on October 30, 2020, concerning Freedom First PAC f/k/a Meadows for Congress and Collin McMichael, in his official capacity as treasurer (the “Committee”), and Mark R. Meadows. Upon further review of the allegations contained in the complaint and the information supplied by the respondents, the Commission, on June 7, 2022, voted to dismiss this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). The Factual and Legal Analysis, which more fully explains the Commission’s decision, is enclosed for your information.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission’s dismissal of this action. *See* 52 U.S.C. § 30109(a)(8).

If you have any questions, please contact me at (202) 213-3067.

Sincerely,

Lisa J. Stevenson
Acting General Counsel

Mark Shonkwiler

BY: Mark Shonkwiler
Assistant General Counsel

Enclosure
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Freedom First PAC (f/k/a Meadows for Congress) and Collin McMichael in his official capacity as treasurer Mark R. Meadows MUR 7850

I. INTRODUCTION

The Complaint alleges that Mark R. Meadows and Freedom First PAC (f/k/a Meadows for Congress) and Collin McMichael in his official capacity as treasurer (“the Committee”) converted campaign funds to personal use in violation of Federal Election Campaign Act of 1971, as amended (the “Act”). In support of this allegation, the Complaint points to certain expenditures totaling \$19,065 reported by the Committee after Meadows announced his retirement from Congress on December 19, 2019.

Respondents contend that the disbursements were for allowable winding-down expenses and submitted a sworn affidavit from Meadows asserting the same. The available information suggests that most of the disbursements identified in the Complaint were for legitimate expenses relating to Meadows’s service as a Member of Congress. Although a few of the disbursements for food and beverages described in the Response and affidavit may have been unrelated to Meadows’s service as a candidate or Member of Congress and thus could be viewed as a prohibited personal use of campaign funds, the maximum total of these disbursements appears to be \$2,655. For the reasons set forth below, the Commission exercises its prosecutorial discretion and dismisses the allegations that Meadows and the Committee violated 52 U.S.C. § 30114(b) by converting campaign funds to personal use.¹

¹ *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

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1 **II. FACTUAL BACKGROUND**

2 Mark R. Meadows first became a congressman from the 11th District of North Carolina
 3 on January 3, 2013.² Meadows for Congress was his principal campaign committee.³ On
 4 December 19, 2019, Meadows announced he would not be running for re-election in 2020.⁴ On
 5 March 6, 2020, President Trump announced his appointment of Meadows as White House Chief
 6 of Staff.⁵ Meadows resigned from Congress on March 30, 2020, and served as Chief of Staff
 7 from March 31, 2020, until January 20, 2021.⁶ On July 2, 2020, Meadows for Congress was
 8 converted to a multi-candidate committee, Freedom First PAC.⁷ Freedom First PAC did not
 9 report receiving any contributions for the remainder of 2020.⁸

10 The Complaint alleges that \$19,065 in disbursements beginning in January 2020 were
 11 converted to Meadows's personal use.⁹ The following chart reflects the challenged
 12 disbursements:

² See Compl. ¶ 10 (Oct. 30, 2020).

³ See Meadows for Congress, Statement of Organization (Oct. 4, 2011).

⁴ See Compl. ¶ 3.

⁵ See *id.* ¶ 10.

⁶ See Mark R. Meadows, Freedom First PAC, Meadows for Congress Joint Resp. at 2 (Dec. 28, 2020) ("Resp.").

⁷ See Compl. ¶ 4; Freedom First PAC, Statement of Organization at 2 (July 2, 2020).

⁸ See Freedom First PAC, 2020 October Quarterly Report at 3 (Oct. 14, 2020) (reporting \$0 in contributions); Freedom First PAC, 2020 Pre-General Report at 3 (Oct. 22, 2020) (same); Freedom First PAC, 2020 Amended Post-General Report at 3 (Apr. 30, 2021) (same); Freedom First PAC, 2020 Year-End Report at 3 (Jan. 30, 2021) (same); Freedom First PAC, 2021 Mid-Year Report at 3, 6-7 (July 30, 2021) (reporting \$14,060.50 in contributions and itemizing \$6,500 received from April 19 to May 12, 2021).

⁹ See Compl. ¶¶ 17-29.

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Date	Vendor	Amount	Reported Purpose	Committee
<i>Disbursements Prior to Resignation</i>				
1/6/2020- 3/30/3020	Henry Mitchell	\$5,882.48	Field Representative Mileage	Meadows for Congress
1/9/2020- 3/13/2020	Various	\$5,577.50	Food/Beverage	Meadows for Congress
3/30/2020	Ann Hand LLC	\$2,650	Printed Materials	Meadows for Congress
<i>Pre-Resignation Subtotal</i>		\$14,109.98		
<i>Disbursements After Resignation</i>				
4/16/2020	Capitol Hill Club	\$358.58	Food/Beverage	Meadows for Congress
6/23/2020	Henry Mitchell	\$2,300	Management Consulting	Meadows for Congress
6/30/2020	Safeway Store	\$601.02	Food/Beverage	Meadows for Congress
7/21/2020	Capitol Hill Club	\$992.11	PAC food/beverage	Freedom First
8/26/2020	Costco	\$241.11	PAC food/beverage	Freedom First
9/8/2020	Lavender Moon Cupcakery	\$33	PAC food/beverage	Freedom First
9/15/2020	Trump International Hotel	\$393.10	PAC lodging	Freedom First
9/17/2020	Lavender Moon Cupcakery	\$36	PAC food/beverage	Freedom First
<i>Post-Resignation Subtotal</i>		\$4,954.92		

1 The Complaint relies primarily on Meadows's announced retirement in December 2019,
 2 his subsequent resignation from Congress in March 2020, and limited fundraising by the
 3 Committee to suggest that the listed expenditures were likely for personal use. As to the
 4 disbursements prior to Meadows's resignation, the Complaint notes that Ann Hand LLC is a
 5 jewelry store that "does not advertise stationery or other 'printed materials' on its website."¹⁰
 6 The Complaint suggests that the five disbursements to Henry Mitchell for "Field Representative
 7 Mileage" are questionable "[g]iven that Meadows was no longer campaigning for Congress."¹¹
 8 Similarly, noting Meadows for Congress's limited fundraising in the first quarter of 2020, the

¹⁰ *Id.* ¶ 18 (omitting citations).

¹¹ *Id.* ¶¶ 19-20.

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1 Complaint suggests that the \$5,578 in expenditures for “food/beverage” prior to Meadows’s
 2 resignation “raise[s] questions about unlawful conversion of campaign funds for personal use.”¹²

3 Again relying on Meadows’s resignation and noting that Freedom First PAC did not
 4 report raising any funds in 2020 after it converted to a multi-candidate committee, the Complaint
 5 questions all of the Committee’s expenditures since March 30, 2020.¹³ The Complaint first
 6 points to a final disbursement to Mitchell for “Management Consulting” on June 23, 2020, nearly
 7 three months after Meadows’s resignation.¹⁴ It next challenges \$2,262 in disbursements for
 8 “food/beverage” since March 30, 2020, by the Committee.¹⁵ Lastly, the Complaint questions
 9 \$393 spent on “PAC lodging” at the Trump International Hotel on September 15, 2020.¹⁶

10 Respondents address each of the challenged expenditures. First, they assert that the Ann
 11 Hand expense was for lapel pins distributed to members of the House Freedom Caucus, of which
 12 Meadows had previously served as chair.¹⁷ An affidavit signed by Meadows attesting to the
 13 same was attached to the Response, as was a picture of one of the pins.¹⁸ As to the
 14 disbursements to Mitchell, Respondents note that he was a paid staff member: the mileage
 15 reimbursements were for winding down the campaign while Meadows was still a member of
 16 Congress, and the \$2,300 disbursement to Mitchell was for “his time and services during the
 17 early part of 2020.”¹⁹ Respondents further contend that the disbursements for food and beverage

¹² *Id.* ¶¶ 22-23, 36.

¹³ *Id.* ¶¶ 28-29.

¹⁴ *Id.* ¶ 21.

¹⁵ *Id.* ¶¶ 24, 29.

¹⁶ *Id.* ¶ 29.

¹⁷ Resp. at 2.

¹⁸ Resp., Aff. of Mark Meadows ¶ 6 (“Meadows Aff.”).

¹⁹ Resp. at 2; *see* Meadows Aff. ¶ 3.

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1 while Meadows was still in Congress were “to defray expenses of his congressional service
 2 through the first quarter 2020.”²⁰ As to the disbursements after Meadows’s resignation, the
 3 Response states they “were solely related to meetings with government officials, past
 4 donors/supporters, and/or food/beverage for government staff working on weekends at the White
 5 House.”²¹ The Response also states that the “lodging” disbursement at Trump International
 6 Hotel was misreported; it was “for a dinner with donors / supporters.”²²

7 **III. LEGAL ANALYSIS**

8 **A. Legal Background**

9 Under the Act, a contribution accepted by a candidate may be used for, *inter alia*,
 10 “otherwise authorized expenditures in connection with the campaign for Federal office of the
 11 candidate.”²³ The Act and Commission regulations give candidates wide discretion over the use
 12 of campaign funds, but it is not limitless.²⁴ Specifically, a contribution to a candidate “shall not
 13 be converted by any person to personal use.”²⁵ “Personal use” means any use of funds in a
 14 campaign account of a current or former candidate “to fulfill a commitment, obligation, or
 15 expense of any person that would exist irrespective of the candidate’s campaign or duties as a
 16 Federal officeholder.”²⁶ For purposes of the Act, “Federal office” is defined as “the office of
 17 President or Vice President, or of Senator or Representative in, or Delegate or Resident

²⁰ Resp. at 2; *see* Meadows Aff. ¶ 2.

²¹ Resp. at 2; *see* Meadows Aff. ¶ 5.

²² Resp. at 3 n.1.

²³ 52 U.S.C. § 30114(a).

²⁴ Explanation and Justification for Expenditures; Reports by Political Committees; Personal Use of Campaign Funds, 60 Fed. Reg. 7,862, 7,863 (Feb. 9, 1995) (“Personal Use E&J”).

²⁵ 52 U.S.C. § 30114(b)(1).

²⁶ *Id.* § 30114(b)(2); 11 C.F.R. § 113.1(g); Personal Use E&J, 60 Fed. Reg. at 7,863.

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1 Commissioner to, the Congress.”²⁷ Thus, Cabinet secretaries and unelected White House staff
 2 are not considered to hold “Federal office” for purposes of 52 U.S.C. § 30114.²⁸

3 The Commission’s regulations include a list of permissible non-campaign related
 4 expenses, including ordinary and necessary expenses incurred in connection with the recipient’s
 5 duties as a federal officeholder, travel costs associated with *bona fide* official duties such as
 6 speaking engagements, the cost of winding down an office for a period of six months after
 7 leaving office, and for any other lawful purpose, unless such use is “personal use.”²⁹ For
 8 example, the Commission has previously approved the use of campaign funds to purchase gifts
 9 that “are low in cost and have little monetary value” for constituents, noting that paying for such
 10 gifts with campaign funds would be problematic only if the gift went “beyond an honorific
 11 purpose” and “confer[red] a significant personal benefit on the recipient.”³⁰ In addition, the
 12 Commission’s regulations include a non-exhaustive list of *per se* personal uses of campaign
 13 funds.³¹ The Commission evaluates other expenses, such as travel, meal, and legal expenses, on
 14 a case-by-case basis by applying the “irrespective test” to determine whether a personal use
 15 violation has occurred.³² The Commission has also concluded that principal campaign
 16 committees can be converted to multi-candidate committees, but contributions received when a

²⁷ 52 U.S.C. § 30101(3); 11 C.F.R. § 100.4.

²⁸ See Advisory Op. 1993-06 (Panetta) at 3; Factual & Legal Analysis (“F&LA”) at 16, MUR 7293 (Zinke for Congress, *et al.*).

²⁹ See 11 C.F.R. § 113.2(a)-(e); Explanation and Justification for Final Rules on Use of Campaign Funds for Donations to Non-Federal Candidates and Any Other Lawful Purpose Other than Personal Use, 72 Fed. Reg. 56,245, 56,246 (Oct. 3, 2007).

³⁰ Advisory Op. 2000-37 at 3 (Udall) (finding that use of campaign funds to purchase replica medals to honor military veterans would not constitute personal use because this activity “is a form of community service that is an integral part of the duties of a Member of Congress”).

³¹ 11 C.F.R. § 113.1(g)(1)(i)(A)-(J).

³² See *id.* § 113.1(g)(1)(ii).

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1 committee was still a principal campaign committee remain subject to the personal use
 2 prohibition.³³

3 **B. Disbursements for Obligations Before Meadows Resigned from Congress**

4 The available information does not support a finding of reason to believe that Meadows
 5 or the Committee converted campaign funds to personal use prior to Meadows's resignation.

6 According to the information provided in the Response, the Ann Hand LLC disbursement was
 7 for the purchase of pins to be provided to members of the House Freedom Caucus, of which
 8 Meadows previously served as chairman.³⁴ Under the circumstances of this case, this gift
 9 expense appears to be a permissible use under the Act and Commission regulations.³⁵

10 Similarly, disbursements to defray the costs of serving as a member of Congress are
 11 permissible.³⁶ As to the challenged "food/beverage" disbursements, the information provided in
 12 the Complaint and Response does not suggest that they were for reasons unrelated to Meadows's
 13 service as a Member of Congress. Relatedly, Respondents assert that the disbursements to
 14 Mitchell for "field representative mileage" were for permissible winding-down expenses, and
 15 there is no available information to suggest that the disbursements were for personal use.³⁷

³³ See Advisory Op. 2012-06 at 2-4 (RickPerry.org) (permitting a 2012 presidential candidate's principal campaign committee to convert to a nonconnected committee and to fund the nonconnected committee's activities using its remaining primary election funds, to the extent the funds were not used for personal use); *see also* Advisory Op. 1994-31 (Gallo) (concluding that a former candidate may use remaining general election contributions to create a multicandidate committee).

³⁴ Resp. at 2; Meadows Aff. ¶ 6.

³⁵ 11 C.F.R. § 113.1(g)(4) (permitting the use of campaign funds to pay for "gifts of nominal value and donations of a nominal amount made on a special occasion").

³⁶ 11 C.F.R. § 113.2(a).

³⁷ We note that the amount disbursed to Mitchell for mileage in the first quarter of 2020 is consistent with amounts and frequency he received previously. *See FEC Disbursements: Filtered Results*, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00503094&recipient_name=Henry+Mitchell (last visited Aug. 4, 2021) (showing disbursements to Henry Mitchell dating back to July 18, 2016).

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1 **C. Disbursements for Obligations After Meadows Resigned from Congress**

2 The personal use prohibition attaches to any funds raised by a principal campaign
 3 committee, even if the committee is later converted to a multi-candidate committee.³⁸ For the
 4 reporting period ending March 31, 2020 (one day after Meadows’s resignation), the Committee
 5 reported \$218.86 in itemized contributions – the last of which was received on February 12 – and
 6 \$567.14 in unitemized contributions;³⁹ it did not report any contributions for the rest of 2020.⁴⁰
 7 Therefore, all of the Committee’s funds were raised while Meadows was a Member of Congress
 8 and remained subject to the personal use prohibition in 2020 when the challenged disbursements
 9 occurred.

10 The challenged disbursements after Meadows’s resignation fall into two categories:

11 (1) \$2,300 to Mitchell for “management consulting” and (2) seven disbursements totaling \$2,655
 12 for “food/beverage.”⁴¹ The Commission has previously identified “payments to committee staff”
 13 as a permissible winding-down cost.⁴² In his affidavit submitted with the Response, Meadows
 14 avers that the management consulting payment to Mitchell was for “his time spent on winding
 15 down the campaign during 2020.”⁴³ Thus, the available information suggests that the post-
 16 resignation payment to Mitchell was permissible.

³⁸ See *supra* note 33.

³⁹ 2020 April Quarterly Report at 3.

⁴⁰ See *supra* note 8. Meadows for Congress reported two receipts totaling \$1,195.45 as “expenditure refund[s].” Meadows for Congress, 2020 July Quarterly Report at 5 (July 1, 2020).

⁴¹ This total includes the \$393 disbursement to Trump International Hotel on September 15, 2020. See *supra* note 22 and accompanying text.

⁴² F&LA at 13, MUR 7293 (Zinke for Congress, *et al.*)

⁴³ Meadows Aff. ¶ 3.

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1 The information provided in the Response suggests that at least some portion of the post-
 2 resignation “food/beverage” disbursements may have been impermissible.⁴⁴ The Response
 3 states that these disbursements “were solely related to [1] meetings with government officials,
 4 [2] past donors/supporters, and/or [3] food/beverage for government staff working on weekends
 5 at the White House.”⁴⁵ The food and beverage disbursements after Meadows’s resignation
 6 identified in the Complaint totaled \$2,655, and the Commission has previously exercised its
 7 prosecutorial discretion when a member of Congress spent a similar amount on food and
 8 beverage with government officials after becoming a Cabinet secretary.⁴⁶ Accordingly, the
 9 Commission exercises its prosecutorial discretion and dismisses the allegations that Mark R.
 10 Meadows and Freedom First PAC (f/k/a Meadows for Congress) and Collin McMichael in his
 11 official capacity as treasurer violated 52 U.S.C. § 30114(b) by converting campaign funds to
 12 personal use.⁴⁷

⁴⁴ See *id.* ¶ 7 (“There have been no disbursements . . . for any personal expenses not attendant to my official duties as either a member of Congress and/or a White House official”).

⁴⁵ Resp. at 2.

⁴⁶ F&LA at 16, MUR 7293 (Zinke for Congress, *et al.*) (exercising prosecutorial discretion to dismiss personal use allegation where congressman-turned-cabinet-secretary’s principal campaign committee spent \$1,250 after he was no longer in Congress and the disbursements stopped once his replacement was sworn into Congress).

⁴⁷ *Heckler*, 470 U.S. at 831-32.