

1 **FEDERAL ELECTION COMMISSION**

2
3 **FIRST GENERAL COUNSEL'S REPORT**

4
5 **MUR: 7914**

6 DATE COMPLAINT FILED: July 20, 2021

7 DATE OF NOTIFICATIONS: July 27, 2021

8 LAST RESPONSE RECEIVED: Sept. 22, 2021

9 DATE ACTIVATED: Jan. 25, 2022

10
11 EARLIEST SOL: Jan. 1, 2022

12 LATEST SOL: Dec. 31, 2025

13 ELECTION CYCLES: 2018, 2020

14
15 **COMPLAINANTS:**

Campaign for Accountability

Michelle Koppersmith

16
17
18 **RESPONDENTS:**

National Rifle Association of America

National Rifle Association of America Political

Victory Fund and Christina Majors as treasurer

20 NRA Victory Fund, Inc. and Christina Majors as
21 treasurer

22 National Rifle Association Institute for Legislative
23 Action

24 Beretta U.S.A. Corp.

25 Glock, Inc.

26 SIG SAUER, Inc.

27 Taurus Holdings, Inc.

28
29
30 **RELEVANT STATUTES
31 AND REGULATIONS:**

52 U.S.C. § 30121

32 11 C.F.R. § 110.20

33
34 **INTERNAL REPORTS CHECKED:**

Disclosure reports

35
36 **FEDERAL AGENCIES CHECKED:**

None

37 **I. INTRODUCTION**

38 The Complaint alleges that the National Rifle Association of America (“NRA”) and three
39 NRA-affiliated organizations that made independent expenditures in connection with 2018 and
40 2020 federal elections violated the Federal Election Campaign Act of 1971, as amended (the
41 “Act”), by knowingly soliciting, accepting, and spending prohibited foreign national
42 contributions, including through transfers of funds to the NRA from four U.S. subsidiaries which
43 are associated with foreign firearms manufacturers.

1 In a joint Response, the NRA and its three affiliate organizations deny soliciting or
2 accepting contributions from foreign nationals or using any funds originating from foreign
3 nationals in connection with federal elections. While the NRA acknowledges accepting funds
4 from the U.S. subsidiaries of foreign firearms manufacturers, it maintains that such funds were
5 generated by the companies' domestic revenue and the donations were made for non-electoral
6 purposes funded by these companies' domestic operations. Further, the Respondent U.S.
7 subsidiaries of foreign firearms manufacturers — Beretta U.S.A. Corp. (“Beretta”), Glock, Inc.
8 (“Glock”), SIG SAUER, Inc. (“SIG SAUER”), and Taurus Holdings, Inc. (“Taurus”)
9 (collectively, the “Respondent U.S. Subsidiaries”) — acknowledge donating money to the NRA
10 but deny that any foreign nationals either provided these funds or were involved in making the
11 donations. Further, Beretta, Glock and SIG SAUER also deny making any political
12 contributions to the NRA or its affiliated organizations for the purpose of influencing federal
13 elections. While Taurus acknowledges that one of its subsidiaries made a \$25,000 contribution
14 to one of the NRA-affiliated organizations that made independent expenditures, it provided an
15 affidavit attesting that the contribution was funded by the company's domestic U.S. operations
16 and that the decision to make the contribution was made solely by U.S. nationals.

17 As discussed below, the Complaint is speculative in that it asserts, without any factual
18 support, that the four Respondent U.S. Subsidiaries should be considered “foreign nationals” for
19 purposes of the Act and Commission Regulations. Further it asserts, without any specific factual
20 basis, that foreign nationals funded, directed, dictated, controlled, or directly or indirectly
21 participated in the decision-making process of any of the Respondent U.S. Subsidiaries'
22 donations to the NRA. In the absence of facts supporting Complainant's assertions, and in light
23 of the Respondents' credible denials, we recommend that the Commission find no reason to
24 believe that any of the Respondents violated the Act or Commission Regulations.

1 II. FACTUAL BACKGROUND

2 A. The NRA and Its Affiliated Organizations

3 The NRA is a nonprofit corporation organized under section 501(c)(4) of the Internal
4 Revenue Code, self-described as “America’s foremost defender of Second Amendment rights.”¹
5 The NRA averaged over \$105 million per year in revenue from donations and grants between
6 2017-2020² and did not report making any independent expenditures in its own name in
7 connection with the 2018 or 2020 federal elections. The three NRA-affiliated organizations
8 described below however, collectively, reported spending \$8,875,954 on independent
9 expenditures in the 2018 cycle and \$28,341,480 on independent expenditures in the 2020 cycle.

10 The National Rifle Association Institute for Legislative Action (“NRA-ILA”), a 501(c)(4)
11 organization, is the lobbying arm of the NRA and reported spending \$785,548 on independent
12 expenditures during the 2018 election cycle.³ The National Rifle Association of America
13 Political Victory Fund (“NRA-PVF”) is a separate segregated fund of the NRA registered with
14 the Commission that reported spending \$16,979,325 on independent expenditures during the

¹ NRA Joint Resp. at 2 (Sept. 10, 2021) (filed on behalf of the NRA, NRA-ILA, NRA-PVF, and NRA-VF); *see also* About the NRA, <https://home.nra.org/about-the-nra> (last visited Feb. 2, 2022).

² *See* NRA 2017 IRS Form 990, available at https://apps.irs.gov/pub/epostcard/cor/530116130_201712_9900_2018121916022283.pdf (reporting over \$98 million in contributions and grants received); NRA 2018 IRS Form 990, available at https://apps.irs.gov/pub/epostcard/cor/530116130_201812_9900_2020020617115747.pdf (reporting over \$108 million); NRA 2019 IRS Form 990, available at <https://projects.propublica.org/nonprofits/organizations/530116130> (reporting over \$109 million); NRA 2020 IRS Form 990, available at <https://s3.documentcloud.org/documents/21117034/national-rifle-association-2020-990.pdf> (reporting \$105 million).

³ NRA Joint Resp. at 2; *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&committee_id=C90013301&is_notice=false&most_recent=true&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Feb. 2, 2022) (listing independent expenditure by NRA-ILF for the 2018 and 2020 election cycles). The NRA-ILA also reported \$1,457,140 in communications costs opposing and supporting federal candidates in the 2018 and 2020 elections. *FEC Communication Costs: Filtered Results*, FEC.GOV, https://www.fec.gov/data/communication-costs/?committee_id=C70000716&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Mar. 21, 2022) (listing the costs of NRA-ILF communications to its restricted class supporting and opposing federal candidates in the 2018 and 2020 elections cycles).

1 2018 and 2020 election cycles; Christina Majors is the committee's treasurer.⁴ The NRA
2 Victory Fund, Inc. ("NRA-VF") is an independent expenditure-only political committee
3 ("IEOPC") registered with the Commission that reported spending \$19,452,560 on independent
4 expenditures during the 2020 election cycle; Christina Majors is the committee's treasurer.⁵ The
5 NRA Joint Response acknowledges that the NRA and NRA-ILA received a total of
6 approximately \$270,000 in "monetary and/or in-kind contributions" from the four Respondent
7 U.S. Subsidiaries between 2016 and 2020 but states that none of these funds were earmarked for
8 political activity, that the funds were generated by the companies' domestic revenue, and that
9 neither the NRA-PVF nor NRA-VF received any contributions from the Respondent U.S.
10 Subsidiaries.⁶

11 **B. Beretta**

12 Beretta is a firearms manufacturer incorporated in Maryland in 1972 and is the U.S.
13 subsidiary of Fabbrica d'Armi Pietro Beretta S.p.A., an Italian company.⁷ Beretta denies being a
14 foreign corporation, but it also provides no information about whether any foreign nationals

⁴ NRA Joint Resp. at 2; NRA-PVF Amended Statement of Org. (Oct. 20, 2021); *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&committee_id=C90013301&is_notice=false&most_recent=true&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Feb. 2, 2022) (listing independent expenditures by NRA-PVF during the 2018 and 2020 election cycles).

⁵ NRA Joint Resp. at 2, NRA-VF Amended Statement of Org. (Oct. 20, 2021); *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&committee_id=C00053553&is_notice=false&most_recent=true&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Feb. 2, 2022) (listing independent expenditures by NRA-VF during the 2018 and 2020 election cycles).

⁶ NRA Joint Resp. at 1-2.

⁷ Beretta Resp. at 1 (Aug. 4, 2021); Maryland Secretary of State Corporate Entity Search, <https://egov.maryland.gov/BusinessExpress/EntitySearch/Business> (last visited Feb. 2, 2022) (search for "Beretta U.S.A."); *Fabbrica d'Armi Pietro Beretta S.p.A. Today*, BERETTA, <https://www.beretta.com/en/world-of-beretta/today> (last visited Feb. 2, 2022).

1 control or substantially participate in the company's management.⁸ Beretta acknowledges
2 making donations to the NRA for the purpose of "support[ing] pro-2nd Amendment activities of
3 [the NRA]," but does not provide the amounts of such donations.⁹ It further denies that those
4 donations were made for the purpose of influencing federal elections and denies making any
5 contributions "to any political action committee . . . owned or operated by the NRA."¹⁰

6 C. Glock

7 Glock is a firearms manufacturer incorporated in Georgia in 1985 and is the U.S.
8 subsidiary of Glock Ges.m.b.H, an Austrian company.¹¹ Glock's Response includes an affidavit
9 signed by Carlos Guevara, the company's Director, Vice President, General Counsel, and
10 Records Custodian, wherein he acknowledges that Glock made annual \$115,000 donations to the
11 NRA from 2015-2020.¹² Guevara additionally attests that Glock's donations were earmarked for
12 NRA activities unrelated to federal election spending.¹³ He further attests that, in any event, the
13 donations were independently funded by Glock's domestic U.S. operations, that it has received
14 no funds from its Austrian parent company for the purposes of making donations to the NRA,
15 that Glock has made no contributions to the three Respondent NRA affiliated organizations, and

⁸ Beretta Resp. at 1.

⁹ *Id.*

¹⁰ *Id.*

¹¹ Glock Resp. at 1 (Aug. 18, 2021); Georgia Corporations Division Corporate Entity Search, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=692860&businessType=Domestic%20Profit%20Corporation&fromSearch=True> (last visited Feb. 2, 2022); Facts about GLOCK, <https://us.glock.com/en/learn/glock-pistols/facts-about-glock> (last visited Feb. 2, 2022).

¹² Glock Resp. Encl. 1 ¶ 5 ("Guevara Affidavit")

¹³ *Id.*

1 that its Austrian parent company has “not made any donations to any NRA entities and/or
2 programs during the period specified in the Complaint.”¹⁴

3 **D. SIG SAUER**

4 SIG SAUER is a firearms manufacturer incorporated in Delaware and based in New
5 Hampshire.¹⁵ SIG SAUER is owned by L&O Holding, which is based in Germany.¹⁶ SIG
6 SAUER acknowledges donating to the NRA between 2017 and 2020 but does not provide
7 information about the amounts of these donations.¹⁷ It states that the donations were for
8 purposes unrelated to federal election spending and were directed and approved by U.S.
9 nationals.¹⁸ SIG SAUER states that its “records do not indicate payments made for
10 electioneering communications or for other activities in connection with elections.”¹⁹

11 **E. Taurus**

12 Taurus is a firearms manufacturer incorporated in Georgia in 2017 and a wholly-owned
13 U.S. subsidiary of Taurus Armas, S.A., a Brazilian company.²⁰ Taurus’s board of directors has
14 five members, including U.S. citizens Kevin Riggot (Vice President and Chief Financial Officer)

¹⁴ *Id.* ¶¶ 7-10.

¹⁵ SIG SAUER Resp. at 1. (Sept. 22, 2021); Del. Dep’t of State Division of Corps. Business Entity Search, <https://icis.corp.delaware.gov/ecorp/entitysearch/NameSearch.aspx> (search for “SIG SAUER”); New Hampshire Dep’t of State Business Name Search, <https://quickstart.sos.nh.gov/online/BusinessInquire/TradeNameInformation?businessID=134211> (listing SIG’s primary place of business as Newington, DE).

¹⁶ SIG SAUER Resp. at 1.

¹⁷ *Id.* at 1-2.

¹⁸ *Id.* (stating that SIG paid the NRA unspecified amount between 2017 and 2020 for “sponsorships of competitions, advertising space for SIG SAUER products in NRA publications, booths at conferences, conference events, and general purpose support”).

¹⁹ *Id.* at 2.

²⁰ Taurus Resp. at 2 (Sept. 17, 2021); Georgia Corporations Division, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=2436123&businessType=Domestic%20Profit%20Corporation&fromSearch=True>.

1 and Bret Vorhees (President and Chief Operating Officer), and three foreign nationals.²¹ Taurus
2 owns “various companies that import, manufacture, and then sell firearms in the United States,”
3 including Taurus International Manufacturing, Inc. (“TMI”), which is also incorporated in
4 Georgia.²² TMI’s board of directors also includes Riggot, Vorhees, and three foreign nationals
5 and the company maintains a separate bank account from Taurus.²³

6 In an affidavit submitted with Taurus’ Response, Riggot attests that TMI made a \$25,000
7 contribution to the NRA-ILA on September 25, 2021; that the contribution was funded solely by
8 TMI’s U.S. operations; that Vorhees directed the contribution “[i]n consultation with only
9 [Riggot], and without any influence or interaction with anyone else”; and that none of the foreign
10 nationals on the boards of TMI or Taurus participated in the decision.²⁴ Taurus’s Response does
11 not say whether the \$25,000 was given for the purpose of making independent expenditures or
12 otherwise influencing any federal elections. Commission records do not reflect any independent
13 expenditures reported by the NRA-ILA during the 2020 or 2022 election cycles.²⁵ Commission
14 records indicate that the NRA-ILA transferred \$5,207,305 to the NRA-VF during the 2020
15 election cycle, but none of the dates or amounts appear to correlate to the proffered dates and
16 amounts of donations by the Respondent U.S. Subsidiaries to the NRA or NRA-ILA.²⁶

²¹ Taurus Resp. Encl 1 ¶¶ 2, 4, 6 (“Riggot Decl.”)

²² *Id.* ¶ 7; Georgia Corporations Division, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=2855485&businessType=Domestic%20Profit%20Corporation&fromSearch=True>.

²³ Riggot Decl. ¶¶ 10-13.

²⁴ *Id.* ¶¶ 23-27.

²⁵ *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&committee_id=C70000716&committee_id=C90013301&cycle=2020&cycle=2022&is_notice=true&most_recent=true (last visited Feb. 10, 2022) (returning no results for a search of independent expenditures by the NRA-ILA during the 2018 and 2020 election cycles).

²⁶ *FEC Individual Contributions: Filtered Results*, FEC.GOV, https://www.fec.gov/data/receipts/individual-contributions/?contributor_name=NRA+institute+for+legislative+action&two_year_transaction_period=2016&two

1 **III. LEGAL ANALYSIS**

2 The Act and Commission regulations prohibit a foreign national from making a
3 contribution, directly or indirectly, in connection with a federal, state, or local election.²⁷ A
4 “foreign national” is an individual who is not a citizen of the United States or a national of the
5 United States and who is not lawfully admitted for permanent residence, and also includes “a
6 partnership, association, corporation, organization, or other combination of persons organized
7 under the laws of or having its principal place of business in a foreign country.”²⁸ Commission
8 regulations provide that a “foreign national shall not direct, dictate, control, or directly or
9 indirectly participate in the decision-making process of any . . . corporation . . . with regard to . . .
10 election-related activities.”²⁹ This prohibition includes “decisions concerning the making of
11 contributions, donations, expenditures, or disbursements.”³⁰ It is also unlawful for a person to
12 provide substantial assistance “in the solicitation, making, acceptance, or receipt” of an unlawful
13 foreign contribution.³¹ Generally, a domestic subsidiary or affiliate of a foreign national
14 corporation is permitted to make contributions in instances in which corporate contributions are
15 otherwise permitted if the funds used to make the contribution are generated solely by the

[year_transaction_period=2018&two_year_transaction_period=2020&two_year_transaction_period=2022](#) (last visited Feb. 10, 2022) (showing 10 contributions by the NRA-ILA to the NRA-VF during 2020 totaling \$5,207,305).

²⁷ 52 U.S.C. § 30121(a)(1)(A); 11 C.F.R. § 110.20(b), (c).

²⁸ 52 U.S.C. § 30121(b)(1)-(2); 22 U.S.C. § 611(b).

²⁹ 11 C.F.R. § 110.20(i).

³⁰ *Id.*

³¹ 11 C.F.R. § 110.20(h).

1 entity's domestic operations³² and if no foreign nationals are involved in the decision to make
 2 the contribution.³³

3 The Complaint alleges that the NRA violated the Act and Commission regulations by
 4 knowingly soliciting and accepting "six-figure" contributions from Beretta, Glock, SIG SAUER,
 5 and Taurus "for decades" and that the Respondent U.S. Subsidiaries are "foreign business
 6 entities."³⁴ The Complaint also alleges that the NRA violated the Act by "conduct[ing]
 7 fundraising of foreign funds in 2018 . . . knowing that the funds [would] be used on electoral
 8 activities," including making independent expenditures, and by subsequently transferring the
 9 alleged foreign donations to its affiliated organizations to fund such activity.³⁵

10 The Complaint also cites as support for its allegations a report by the minority staff of the
 11 U.S. Senate Committee on Finance that it claims "deemed the NRA a 'foreign asset' for its
 12 contacts and relationships with Russian agents in the leadup to the 2016 elections."³⁶ According

³² See Advisory Opinon 2006-15 (TransCanada) ("AO 2006-15"); Advisory Opinion 1992-16 (Nansay); Advisory Opinion 1989-20 (Kuilima) ("AO 1989-20"); Factual & Legal Analysis ("F&LA") at 6, MUR 7613 (Zekelman Industries, Inc.) (explaining that "the Commission has consistently found a violation of the foreign national prohibition where foreign funds were used by a U.S. subsidiary of a foreign corporation to make contributions or donations in connection with U.S. elections").

³³ See 11 C.F.R. § 110.20(i); AO 2006-15; *see, e.g.*, F&LA at 3-4, MUR 6093 (Transurban Grp.). The Commission has specifically concluded that "no director or officer of the company or its parent who is a foreign national may participate in any way in the decision-making process with regard to making . . . proposed contributions." AO 1989-20 at 2; *see, e.g.*, F&LA at 4, MUR 6093 (the Act was violated where foreign company's board of directors directly participated in determining whether to continue the political contributions policy of its U.S. subsidiaries); F&LA at 6-7, MUR 6184 (Skyway Concession Company, LLC) (the Act was violated where a foreign national CEO participated in the subsidiary's election-related activities by vetting the campaign solicitations forwarded to him by the company's relations consultant or deciding which nonfederal committees would receive contributions from the company); F&LA at 6, MUR 7613 (Zekelman Industries, Inc.) (stating that "the Commission has consistently found a violation of the foreign national prohibition where foreign national officers or directors of a U.S. company participated in the company's decisions to make contributions or in the management of its separate segregated fund").

³⁴ Compl. ¶ 17.

³⁵ *Id.* ¶ 16.

³⁶ *Id.* ¶ 1 (citing *The NRA and Russia: How a Tax-Exempt Organization Became a Foreign Asset*, U.S. Senate Committee on Finance Minority Staff Report (Sept. 2019), <https://www.finance.senate.gov/download/the-nra-russia---how-a-tax-exempt-organization-became-a-foreign-asset>) ("Senate Report").

1 to the Senate Report itself, the report documents the results of “a narrow inquiry surrounding
2 NRA’s interactions with Russian nationals, including an individual cited by the U.S. government
3 as a foreign agent, U.S government sanctioned individuals, and officials of the Russian
4 government, both in the U.S. and during the NRA delegation’s 2015 trip to Moscow.”³⁷ The
5 Report lists seven “findings” made by the Finance Committee minority staff focusing on whether
6 the NRA and its members improperly used tax-exempt funds for private benefit; none of the
7 findings appear to relate to matters within the scope of the Complaint.³⁸

8 The Complaint also cites a news article which reported that Ugo Gussalli Beretta,
9 “pledged \$1 million to the NRA on behalf of the company in 2008” when he was CEO of
10 Beretta’s Italian parent company.³⁹ The Complaint cites no information indicating whether Mr.
11 Beretta followed through with this pledge. Addressing this information, Beretta’s Response
12 argues that “[t]o the extent that the Complaint pertains to donations made to the [NRA] by
13 Beretta U.S.A. Corp. in 2008, it is not timely filed with your agency,” and further asserts that
14 “Donations made by Beretta U.S.A. to the NRA were in support of the pro-2nd Amendment

³⁷ Senate Report at 12.

³⁸ The Senate Report lists seven findings alleging, collectively, that the NRA improperly used tax-exempt funds to pay for a delegation of NRA representatives to travel to Russia to meet with Russian government officials and oligarchs with the goal of trading NRA access to U.S. political figures for lucrative personal business opportunities in Russia. Senate Report at 7-8. The Senate Report does discuss potential “contributions” from Russian nationals, but that word is used in the report as a term of art describing certain conduct that is prohibited under U.S. sanctions put in place against Specially Designated Nationals in response to Russia’s 2014 annexation of the Crimea region of Ukraine. Senate Report at 15 (discussing current law relating to sanctions against certain Russian Specially Designated Nationals and stating that “[t]he Executive Order [imposing sanctions] specifies that U.S. persons are not permitted to make a contribution or provision of funds, goods, or services by, to, or for the benefit of an SDN, or to receive any contribution or provision of funds, goods, or services from any such person”). The Report concludes that certain interactions between the NRA delegation and specific Russian SDNs — unrelated to U.S. federal elections — may have violated these sanctions. *See id.* at 34-44 (discussing the Report’s conclusion that “members of the NRA delegation provided interviews, permitted the use of trademarked NRA logos, and appeared in promotional material for a sanctioned Russian arms manufacturer in their official capacity as representatives of the NRA . . . rais[ing] significant concerns under U.S. sanctions law.”).

³⁹ Compl. ¶ 10 (citing Neil Weinberg, Polly Mosendz, and Bill Allison, *NRA Goes International in Its Mission to Defend Guns*, BLOOMBERG (Jan. 3, 2019), <https://www.bloomberg.com/news/features/2019-01-03/nra-goes-global-with-its-pro-gun-agenda>).

1 activities of that organization and not for the purpose of providing any funds to any Political
2 Action Committee (PAC) owned or operated by the NRA.”⁴⁰

3 **A. The Commission Should Find No Reason to Believe As to the Allegations**
4 **Involving Beretta, Glock, SIG SAUER, and Taurus Because They are**
5 **Speculative and Credibly Denied by Respondents**

6 Although it is undisputed that Beretta, Glock, SIG SAUER, and Taurus are U.S.
7 subsidiaries of foreign gun manufacturers, the Complaint does not include information indicating
8 that any of the four companies should be considered a “foreign national” under the Act, such that
9 the alleged contributions were funded by sources other than the Respondent U.S. Subsidiaries’
10 domestic operations, or that any foreign nationals participated in the decision-making process
11 with regards to the alleged contributions. The Complaint merely states that “it is unclear whether
12 the contributions . . . were entirely funded by [the U.S.] subsidiaries.”⁴¹ It also appears not to
13 appreciate the distinctions between the parent and subsidiary companies, for example, stating
14 that “NRA records and media reports show that gunmakers Beretta (an Italian company), Glock
15 (an Austrian company), Sig Sauer (a German company), and Taurus (a Brazilian company) are
16 all members” of the NRA “Golden Ring of Freedom,” denoting donors who have given
17 \$1,000,000 or more to the NRA.⁴² The portion of the NRA website cited in the Complaint,
18 however, specifically identifies the Respondent U.S. Subsidiaries as prominent donors to the
19 NRA, not their foreign parent companies, and links to the websites for each domestic company.⁴³

⁴⁰ Beretta Resp. at 1.

⁴¹ *Id.* ¶¶ 7, 10

⁴² *Id.* ¶ 10.

⁴³ *Amazing Brands | NRA Industry Ally*, NRA.COM, <https://nraindustryally.nra.org/become-an-ally/amazing-brands> (last visited Mar. 8, 2022) (identifying Glock, SIG SAUER, and Taurus as “Golden Ring of Freedom,” identifying Beretta as an “industry ally,” and linking to the website of each Respondent U.S. subsidiary).

1 By contrast, consistent with the U.S. state incorporation information cited above,⁴⁴ the
 2 Responses unequivocally deny that the Respondent U.S. Subsidiaries are foreign entities and
 3 credibly state that their donations were funded independently from their foreign parent
 4 companies, with the Responses from SIG SAUER and Taurus specifically denying, in sworn
 5 declarations included in the Responses, that any foreign nationals directed or approved the
 6 donations.⁴⁵

7 In light of the available information, the Complaint appears to be unfounded in
 8 contending that Beretta, Glock, SIG SAUER, or Taurus are “foreign nationals” for purposes of
 9 the Act and Commission Regulations, or that any foreign national funded, directed, dictated,
 10 controlled, or directly or indirectly participated in the decision-making process for any of the
 11 Respondent U.S. Subsidiaries’ donations to the NRA.⁴⁶ For example, Guevara’s attestation that
 12 “GLOCK, Inc’s donations to the NRA are independently funded by GLOCK, Inc.,”⁴⁷ supports
 13 the reasonableness of presuming that a well-known company like Glock generates sufficient U.S.

⁴⁴ *Supra* notes 7, 11, 15, 20 and accompanying text.

⁴⁵ Beretta Resp. at 1 (stating that “Beretta U.S.A. Corp. is not a foreign corporation”); Guevara Affidavit ¶¶ 2-3, 8-9 (stating that Glock, Inc. is a U.S. corporation separate from its Austrian parent company, and that Glock’s “donations to the NRA are independently funded by Glock, Inc. . . [which] does not receive funds from Glock Ges.m.b.H for the purpose of making donations to NRA Programs”); SIG SAUER Resp. at 1-2 (stating that “payments to the NRA . . . were made by SIG SAUER, not a foreign corporation,” were “approved by U.S. personnel,” and “were not directed or approved by a foreign national”); Riggot Decl. ¶¶ 23-27 (declaring that the \$25,000 contribution to the NRA-ILA was funded solely by TMI’s U.S. operations and was directed and approved by two U.S. nationals on the company’s board).

⁴⁶ *See* First Gen. Counsel’s Rpt. at 5, MUR 5467 (Michael Moore) (“The Commission cannot entertain complaints based on mere speculation that a person may violate the law at some future date.”); Cert. MUR 5467 (Aug. 4, 2004) (documenting a unanimous decision to dismiss all allegations); Statement of Reasons, Comm’rs Smith & Toner at 1, MUR 5467 (“[T]he Federal Election Commission voted unanimously to accept the recommendations of the Office of General Counsel and dismiss the allegations in MUR 5467. . . . OGC . . . recommended dismissal because the complaint ‘presents nothing more than idle, unsupported speculation’ . . . We agree. We write here to stress the importance of this case as a matter of Commission policy not to entertain speculative complaints.”); Statement of Reasons, Comm’rs. Mason, Sandstrom, Smith & Thomas at 3, MUR 4960 (Hillary Rodham Clinton for Senate) (“[P]urely speculative charges, especially when accompanied by a direct refutation, do not form an adequate basis to find reason to believe that a violation of the FECA has occurred.”) (citation omitted).

⁴⁷ Guevara Aff. ¶ 8.

1 income to make annual \$115,000 contributions to the NRA. Because the Complaint fails to
2 establish that any of the Respondent companies are subject to the foreign national prohibitions,
3 to the extent that they may have donated money to the NRA, it is unnecessary to analyze the
4 extent to which their donations or payments to the NRA may have been used to fund federal
5 election related spending by the NRA-ILA, NRA-PVF, or NRA-VF, because such activity would
6 not be prohibited. As domestic subsidiaries or affiliates of foreign national corporations, Beretta,
7 Glock, SIG SAUER, and Taurus are permitted to make contributions or donations for the
8 purpose of funding independent expenditures so long as the funds are generated solely by their
9 domestic operations and no foreign nationals are involved in the decisions to make the
10 contributions.⁴⁸ Lastly, as to the allegation that Beretta's Italian parent company — who were
11 not notified in this matter — may have contributed to the NRA in 2008, there is no information
12 indicating that such a donation occurred or that the NRA used that donation to fund
13 disbursements in connection with federal elections; and in any event this alleged activity appears
14 to be well beyond the five-year statute of limitations for seeking a civil penalty.

15 Accordingly, we recommend that the Commission find no reason to believe that the NRA
16 or its affiliated organizations violated the Act or Commission regulations by soliciting or
17 accepting funds from the Respondents U.S. Subsidiaries, as alleged in the Complaint, or that
18 Beretta, Glock, SIG SAUER, or Taurus violated the Act or Commission Regulations by making
19 donations to the NRA.

⁴⁸ *Supra* notes 32, 33 and accompanying text.

1 **B. The Commission Should Find No Reason to Believe Regarding the**
2 **Complaint's Allegations Involving Other Foreign Fundraising by the NRA**
3 **Because the Allegations are Speculative and Unsupported by the Factual**
4 **Record**

5 The Complaint also alleges that, apart from the alleged activity involving the Respondent
6 U.S. Subsidiaries, the NRA broadly sought out foreign funds that it intended to transfer to its
7 affiliated organizations for the purpose of making independent expenditures in the 2018 and
8 2020 elections. The Complaint requests that the Commission investigate whether undisclosed
9 foreign nationals may have contributed to the NRA for the purposes of influencing federal
10 elections but provides scant factual support for these allegations. It neither identifies particular
11 foreign nationals believed to have given the NRA money for the purpose of influencing federal
12 elections nor any particular independent expenditures allegedly funded by these unidentified
13 foreign nationals.⁴⁹ Rather, the Complaint appears to infer that, because the NRA spent money
14 to fundraise outside the U.S. and also funded independent expenditures through its affiliated
15 organizations, that the yields of the former were for the purpose of funding the latter.

16 The NRA and its affiliated organizations argue that “[o]n its face, the Complaint fails to
17 establish the basic elements necessary to warrant an investigation, since it fails to provide
18 ‘sufficient specific facts’ to support” an inference that the NRA and its affiliated organizations
19 violated the Act or Commission regulations.⁵⁰ With respect to these aspects of the Complaint’s
20 allegations, this argument is well taken, because the Complaint fails to provide sufficient factual
21 information to support an inference that the NRA knowingly solicited or accepted foreign

⁴⁹ Although the Complaint references two previous MURs involving, *inter alia*, similar allegations that the NRA violated the Act’s foreign national prohibitions, noting that the Commission voted to close the matters after being equally divided as to whether the NRA violated the Act, our analysis here is of the allegations in the instant Complaint. Compl. ¶¶ 7, 8 (referencing MURs 7314 and 7637).

⁵⁰ NRA Joint Resp. at 1-2.

1 national contributions from, or provided substantial assistance to, unnamed foreign nationals
2 seeking to influence federal elections during the 2018 or 2020 election cycles.⁵¹

3 The Complaint's primary support for these broad allegations is the Senate Report. As
4 discussed above, the Senate Report cited by the Complaint, however, does not make any findings
5 about activity related to contributions or disbursements in connection with federal elections.
6 Rather, it addresses matters within the U.S. Senate Committee on Finance's jurisdiction: whether
7 the NRA improperly used tax-exempt resources for non-tax-exempt purposes and whether they
8 may have improperly given or received non-election-related things of value in violation of U.S.
9 sanctions. Because the Senate Report does not address activity within the scope of the
10 Complaint and the Complaint provides no other specific support for these allegations relating to
11 unnamed foreign nationals, the Complaint does not credibly allege violations warranting further
12 investigation.

13 Accordingly, we recommend that the Commission find no reason to believe that
14 unknown foreign nationals violated 52 U.S.C. § 30121(a)(1)(A) by making prohibited foreign
15 national contributions, expenditures, independent expenditures, or disbursements for
16 electioneering communications.⁵²

⁵¹ *Supra* note 46.

⁵² Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12545 (Mar. 16, 2007) ("The Act requires that the Commission find reason to believe that a person has committed, or is about to commit, a violation of the Act as a predicate to opening an investigation into the alleged violation. The Commission will find reason to believe in cases where the available evidence in the matter is at least sufficient to warrant conducting an investigation, and where the seriousness of the alleged violation warrants either further investigation or immediate conciliation.") (Internal citations and quotation marks omitted).

1 **IV. RECOMMENDATIONS**

- 2 1. Find no reason to believe that the National Rifle Association of America, National
3 Rifle Association of America Political Victory Fund and Christina Majors as
4 treasurer, NRA Victory Fund, Inc. and Christina Majors as treasurer, and National
5 Rifle Association Institute for Legislative Action violated 52 U.S.C.
6 § 30121(a)(2) and 11 C.F.R. § 110.20(g) by knowingly soliciting accepting, or
7 receiving contributions from a foreign national;
- 8 2. Find no reason to believe that the National Rifle Association of America, National
9 Rifle Association of America Political Victory Fund and Christina Majors as
10 treasurer, NRA Victory Fund, Inc. and Christina Majors as treasurer, and National
11 Rifle Association Institute for Legislative Action violated 11 C.F.R. § 110.20(h)
12 by providing substantial assistance to foreign nationals making contributions,
13 expenditures, independent expenditures, or disbursements for electioneering
14 communications;
- 15 3. Find no reason to believe that Beretta U.S.A. Corp., Glock, Inc., SIG SAUER,
16 Inc., or Taurus Holdings, Inc. violated 52 U.S.C. § 30121(a)(1)(A) by making
17 prohibited foreign national contributions, expenditures, independent expenditures,
18 or disbursements for electioneering communications;
- 19 4. Find no reason to believe that unknown foreign nationals violated 52 U.S.C.
20 § 30121(a)(1)(A) by making prohibited foreign national contributions,
21 expenditures, independent expenditures, or disbursements for electioneering
22 communications;
- 23 5. Approve the attached Factual and Legal Analysis;

Cooksey Office Edits

1 **FEDERAL ELECTION COMMISSION**2 **FACTUAL AND LEGAL ANALYSIS**

3
4 **RESPONDENTS:** National Rifle Association of America MUR 7914
5 National Rifle Association of America Political
6 Victory Fund and Christina Majors as treasurer
7 NRA Victory Fund, Inc. and Christina Majors
8 as treasurer
9 National Rifle Association Institute for Legislative
10 Action
11 Beretta U.S.A. Corp.
12 Glock, Inc.
13 SIG SAUER, Inc.
14 Taurus Holdings, Inc.

15 **I. INTRODUCTION**

16 The Complaint alleges that the National Rifle Association of America (“NRA”) and three
17 NRA-affiliated organizations that made independent expenditures in connection with 2018 and
18 2020 federal elections violated the Federal Election Campaign Act of 1971, as amended (the
19 “Act”), by knowingly soliciting, accepting, and spending prohibited foreign national
20 contributions, including through transfers of funds to the NRA from four U.S. subsidiaries which
21 are associated with foreign firearms manufacturers — Beretta U.S.A. Corp. (“Beretta”), Glock,
22 Inc. (“Glock”), SIG SAUER, Inc. (“SIG SAUER”), and Taurus Holdings, Inc. (“Taurus”)
23 (collectively, the “Respondent U.S. Subsidiaries”).

24 While it appears that the NRA accepted funds from the Respondent U.S. Subsidiaries of
25 foreign firearms manufacturers, the available information indicates that such funds were
26 generated by the companies’ domestic revenue and that the donations were made for non-
27 electoral purposes. As discussed below, the Complaint is speculative in that it asserts, without
28 any factual support, that the four Respondent U.S. Subsidiaries should be considered “foreign
29 nationals” for purposes of the Act and Commission regulations. Further, it asserts, without any
30 specific factual basis, that foreign nationals funded, directed, dictated, controlled, or directly or

1 indirectly participated in the decision-making process of any of the Respondent U.S.
2 Subsidiaries' donations to the NRA. For the reasons discussed below, in the absence of facts
3 supporting Complainant's assertions, the Commission finds no reason to believe that any of the
4 Respondents violated the Act or Commission Regulations.

5 **II. FACTUAL BACKGROUND**

6 **A. The NRA and Its Affiliated Organizations**

7 The NRA is a nonprofit corporation organized under section 501(c)(4) of the Internal
8 Revenue Code, self-described as "America's foremost defender of Second Amendment rights."¹
9 The NRA averaged over \$105 million per year in revenue from donations and grants between
10 2017-2020² and did not report making any independent expenditures in its own name in
11 connection with the 2018 or 2020 federal elections. The three NRA-affiliated organizations
12 described below however, collectively, reported spending \$8,875,954 on independent
13 expenditures in the 2018 cycle and \$28,341,480 on independent expenditures in the 2020 cycle.

14 The National Rifle Association Institute for Legislative Action ("NRA-ILA"), a 501(c)(4)
15 organization, is the lobbying arm of the NRA and reported spending \$785,548 on independent
16 expenditures during the 2018 election cycle.³ The National Rifle Association of America

¹ About the NRA, <https://home.nra.org/about-the-nra> (last visited Feb. 2, 2022).

² See NRA 2017 IRS Form 990, available at https://apps.irs.gov/pub/epostcard/cor/530116130_201712_9900_2018121916022283.pdf (reporting over \$98 million in contributions and grants received); NRA 2018 IRS Form 990, available at https://apps.irs.gov/pub/epostcard/cor/530116130_201812_9900_2020020617115747.pdf (reporting over \$108 million); NRA 2019 IRS Form 990, available at <https://projects.propublica.org/nonprofits/organizations/530116130> (reporting over \$109 million); NRA 2020 IRS Form 990, available at <https://s3.documentcloud.org/documents/21117034/national-rifle-association-2020-990.pdf> (reporting \$105 million).

³ *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&committee_id=C90013301&is_notice=false&most_recent=true&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Feb. 2, 2022) (listing independent expenditure by NRA-ILF for the 2018 and 2020 election cycles). The NRA-ILA also reported \$1,457,140 in communications costs opposing and supporting federal candidates in the 2018 and 2020 elections. *FEC Communication Costs: Filtered Results*, FEC.GOV, https://www.fec.gov/data/communication-costs/?committee_id=C70000716&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Mar.

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1 Political Victory Fund (“NRA-PVF”) is a separate segregated fund of the NRA registered with
2 the Commission that reported spending \$16,979,325 on independent expenditures during the
3 2018 and 2020 election cycles; Christina Majors is the committee’s treasurer.⁴ The NRA
4 Victory Fund, Inc. (“NRA-VF”) is an independent expenditure-only political committee
5 (“IEOPC”) registered with the Commission that reported spending \$19,452,560 on independent
6 expenditures during the 2020 election cycle; Christina Majors is the committee’s treasurer.⁵ The
7 Commission is aware of information indicating that the NRA and NRA-ILA received a total of
8 approximately \$270,000 in monetary and in-kind contributions from the four Respondent U.S.
9 Subsidiaries between 2016 and 2020 but is unaware of any information indicating that these
10 funds were earmarked for political activity, that the funds were generated by anything other than
11 the companies’ domestic revenue, or that either the NRA-PVF or NRA-VF received any
12 contributions from the Respondent U.S. Subsidiaries.

13 **B. Beretta**

14 Beretta is a firearms manufacturer incorporated in Maryland in 1972 and is the U.S.
15 subsidiary of Fabbrica d’Armi Pietro Beretta S.p.A., an Italian company.⁶ The Commission is

21, 2022) (listing the costs of NRA-ILF communications to its restricted class supporting and opposing federal candidates in the 2018 and 2020 elections cycles).

⁴ NRA-PVF Amended Statement of Org. (Oct. 20, 2021); *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&committee_id=C90013301&is_notice=false&most_recent=true&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Feb. 2, 2022) (listing independent expenditures by NRA-PVF during the 2018 and 2020 election cycles).

⁵ NRA-VF Amended Statement of Org. (Oct. 20, 2021); *FEC Independent Expenditures: Filtered Results*, FEC.GOV, https://www.fec.gov/data/independent-expenditures/?data_type=processed&committee_id=C00053553&is_notice=false&most_recent=true&min_date=01%2F01%2F2017&max_date=12%2F31%2F2020 (last visited Feb. 2, 2022) (listing independent expenditures by NRA-VF during the 2018 and 2020 election cycles).

⁶ Maryland Secretary of State Corporate Entity Search, <https://egov.maryland.gov/BusinessExpress/EntitySearch/Business> (last visited Feb. 2, 2022) (search for “Beretta U.S.A.”); *Fabbrica d’Armi Pietro Beretta S.p.A. Today*, BERETTA, <https://www.beretta.com/en/world-of-beretta/today> (last visited Feb. 2, 2022).

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1 not aware of any information indicating that Beretta is a foreign corporation or that any foreign
2 nationals control or substantially participate in the company's management. The Commission is
3 aware of information indicating that Beretta made donations of unknown amounts to the NRA
4 for the purported purpose of supporting the NRA's pro-2nd Amendment activities but is unaware
5 of any information indicating that Beretta's donations were made for the purpose of influencing
6 federal elections or made to any of the three Respondent NRA-affiliated organizations that made
7 independent expenditures.

8 **C. Glock**

9 Glock is a firearms manufacturer incorporated in Georgia in 1985 and is the U.S.
10 subsidiary of Glock Ges.m.b.H, an Austrian company.⁷ The Commission is aware of
11 information indicating that Glock made annual \$115,000 donations to the NRA from 2015-2020
12 that were earmarked for NRA activities unrelated to federal election spending. These
13 contributions appear to have been independently funded by Glock's domestic U.S. operations.
14 The Commission is not aware of any information indicating that Glock received funds from its
15 Austrian parent company for the purposes of making donations to the NRA, that Glock made
16 contributions to any of the three Respondent NRA-affiliated organizations, or that its Austrian
17 parent company made any donations to any NRA entities and/or programs during the period
18 specified in the Complaint.

⁷ Georgia Corporations Division Corporate Entity Search, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=692860&businessType=Domestic%20Profit%20Corporation&fromSearch=True> (last visited Feb. 2, 2022); Facts about GLOCK, <https://us.glock.com/en/learn/glock-pistols/facts-about-glock> (last visited Feb. 2, 2022).

1 **D. SIG SAUER**

2 SIG SAUER is a firearms manufacturer incorporated in Delaware and based in New
3 Hampshire.⁸ SIG SAUER is owned by L&O Holding, which is based in Germany. The
4 Commission is aware of information indicating that SIG SAUER donated to the NRA between
5 2017 and 2020 but is unaware of the amounts of these donations. The donations were
6 purportedly for purposes unrelated to federal election spending and appear to have been directed
7 and approved by U.S. nationals. The Commission is not aware of any information indicating that
8 SIG SAUER made these donations for the purpose of influencing a federal election.

9 **E. Taurus**

10 Taurus is a firearms manufacturer incorporated in Georgia in 2017 and a wholly-owned
11 U.S. subsidiary of Taurus Armas, S.A., a Brazilian company.⁹ Taurus's board of directors has
12 five members, including U.S. citizens Kevin Riggot (Vice President and Chief Financial Officer)
13 and Bret Vorhees (President and Chief Operating Officer), and three foreign nationals. Taurus
14 owns various companies that import, manufacture, and then sell firearms in the United States,
15 including Taurus International Manufacturing, Inc. ("TMI"), which is also incorporated in
16 Georgia.¹⁰ TMI's board of directors also includes Riggot, Vorhees, and three foreign nationals
17 and the company maintains a separate bank account from Taurus.

⁸ Del. Dep't of State Division of Corps. Business Entity Search, <https://icis.corp.delaware.gov/ecorp/entitysearch/NameSearch.aspx> (search for "SIG SAUER"); New Hampshire Dep't of State Business Name Search, <https://quickstart.sos.nh.gov/online/BusinessInquire/TradeNameInformation?businessID=134211> (listing SIG's primary place of business as Newington, DE).

⁹ Corporations Division, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=2436123&businessType=Domestic%20Profit%20Corporation&fromSearch=True>.

¹⁰ Georgia Corporations Division, <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=2855485&businessType=Domestic%20Profit%20Corporation&fromSearch=True>.

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1 The Commission is aware of information indicating that TMI made a \$25,000
2 contribution to the NRA-ILA on September 25, 2021; that the contribution was funded solely by
3 TMI’s U.S. operations; and that Vorhees and Riggot directed the contribution. The Commission
4 is aware of no information indicating that any foreign nationals on the boards of TMI or Taurus
5 participated in the decision to contribute to the NRA-ILA. It is unclear whether the \$25,000 was
6 given for the purpose of making independent expenditures or otherwise influencing any federal
7 elections, but Commission records do not reflect any independent expenditures reported by the
8 NRA-ILA during the 2020 or 2022 election cycles. Commission records indicate that the NRA-
9 ILA transferred \$5,207,305 to the NRA-VF during the 2020 election cycle, but none of the dates
10 or amounts appear to correlate to the apparent dates and amounts of donations by the Respondent
11 U.S. Subsidiaries to the NRA or NRA-ILA.¹¹

12 **III. LEGAL ANALYSIS**

13 The Act and Commission regulations prohibit a foreign national from making a
14 contribution, directly or indirectly, in connection with a federal, state, or local election.¹² A
15 “foreign national” is an individual who is not a citizen of the United States or a national of the
16 United States and who is not lawfully admitted for permanent residence, and also includes “a
17 partnership, association, corporation, organization, or other combination of persons organized
18 under the laws of or having its principal place of business in a foreign country.”¹³ Commission

¹¹ *FEC Individual Contributions: Filtered Results*, FEC.GOV, https://www.fec.gov/data/receipts/individual-contributions/?contributor_name=NRA+institute+for+legislative+action&two_year_transaction_period=2016&two_year_transaction_period=2018&two_year_transaction_period=2020&two_year_transaction_period=2022 (last visited Feb. 10, 2022) (showing 10 contributions by the NRA-ILA to the NRA-VF during 2020 totaling \$5,207,305).

¹² 52 U.S.C. § 30121(a)(1)(A); 11 C.F.R. § 110.20(b), (c).

¹³ 52 U.S.C. § 30121(b)(1)-(2); 22 U.S.C. § 611(b).

1 regulations provide that a “foreign national shall not direct, dictate, control, or directly or
2 indirectly participate in the decision-making process of any . . . corporation . . . with regard to . . .
3 election-related activities.”¹⁴ This prohibition includes “decisions concerning the making of
4 contributions, donations, expenditures, or disbursements.”¹⁵ It is also unlawful for a person to
5 provide substantial assistance “in the solicitation, making, acceptance, or receipt” of an unlawful
6 foreign contribution.¹⁶ Generally, a domestic subsidiary or affiliate of a foreign national
7 corporation is permitted to make contributions in instances in which corporate contributions are
8 otherwise permitted if the funds used to make the contribution are generated solely by the
9 entity’s domestic operations¹⁷ and if no foreign nationals are involved in the decision to make
10 the contribution.¹⁸

11 The Complaint alleges that the NRA violated the Act and Commission regulations by
12 knowingly soliciting and accepting “six-figure” contributions from Beretta, Glock, SIG SAUER,
13 and Taurus “for decades” and that the Respondent U.S. Subsidiaries are “foreign business

¹⁴ 11 C.F.R. § 110.20(i).

¹⁵ *Id.*

¹⁶ 11 C.F.R. § 110.20(h).

¹⁷ See Advisory Opinion 2006-15 (TransCanada) (“AO 2006-15”); Advisory Opinion 1992-16 (Nansay); Advisory Opinion 1989-20 (Kuilima) (“AO 1989-20”); Factual & Legal Analysis (“F&LA”) at 6, MUR 7613 (Zekelman Industries, Inc.) (explaining that “the Commission has consistently found a violation of the foreign national prohibition where foreign funds were used by a U.S. subsidiary of a foreign corporation to make contributions or donations in connection with U.S. elections”).

¹⁸ See 11 C.F.R. § 110.20(i); AO 2006-15; *see, e.g.*, F&LA at 3-4, MUR 6093 (Transurban Grp.). The Commission has specifically concluded that “no director or officer of the company or its parent who is a foreign national may participate in any way in the decision-making process with regard to making . . . proposed contributions.” AO 1989-20 at 2; *see, e.g.*, F&LA at 4, MUR 6093 (the Act was violated where foreign company’s board of directors directly participated in determining whether to continue the political contributions policy of its U.S. subsidiaries); F&LA at 6-7, MUR 6184 (Skyway Concession Company, LLC) (the Act was violated where a foreign national CEO participated in the subsidiary’s election-related activities by vetting the campaign solicitations forwarded to him by the company’s relations consultant or deciding which nonfederal committees would receive contributions from the company); F&LA at 6, MUR 7613 (Zekelman Industries, Inc.) (stating that “the Commission has consistently found a violation of the foreign national prohibition where foreign national officers or directors of a U.S. company participated in the company’s decisions to make contributions or in the management of its separate segregated fund”).

1 entities.”¹⁹ The Complaint also alleges that the NRA violated the Act by “conduct[ing]
2 fundraising of foreign funds in 2018 . . . knowing that the funds [would] be used on electoral
3 activities,” including making independent expenditures, and by subsequently transferring the
4 alleged foreign donations to its affiliated organizations to fund such activity.²⁰

5 The Complaint also cites as support for its allegations a report by the minority staff of the
6 U.S. Senate Committee on Finance²¹ The report lists seven “findings” made by the Finance
7 Committee minority staff focusing on whether the NRA and its members improperly used tax-
8 exempt funds for private benefit; none of the findings appear to relate to matters within the scope
9 of the Complaint.

10 The Complaint also cites a news article which reported that Ugo Gussalli Beretta,
11 “pledged \$1 million to the NRA on behalf of the company in 2008” when he was CEO of
12 Beretta’s Italian parent company.²² The Complaint cites no information indicating whether Mr.
13 Beretta followed through with this pledge. However, to the extent that the Complaint pertains to
14 donations made to the NRA by Beretta U.S.A. Corp. in 2008, such contributions would be well
15 beyond the statute of limitations, and further, the Complaint provides no information indicating
16 that donations made by Beretta U.S.A. to the NRA were for the purpose of influencing federal
17 elections.

¹⁹ Compl. ¶ 17.

²⁰ *Id.* ¶ 16.

²¹ *Id.* ¶ 1 (citing *The NRA and Russia: How a Tax-Exempt Organization Became a Foreign Asset*, U.S. Senate Committee on Finance Minority Staff Report (Sept. 2019), <https://www.finance.senate.gov/download/the-nra-russia--how-a-tax-exempt-organization-became-a-foreign-asset>) (“Senate Report”).

²² Compl. ¶ 10 (citing Neil Weinberg, Polly Mosendz, and Bill Allison, *NRA Goes International in Its Mission to Defend Guns*, BLOOMBERG (Jan. 3, 2019), <https://www.bloomberg.com/news/features/2019-01-03/nra-goes-global-with-its-pro-gun-agenda>).

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1 **A. The Commission Finds No Reason to Believe as to the Allegations Involving**
2 **Beretta, Glock, SIG SAUER, and Taurus Because They are Speculative**

3 Although Beretta, Glock, SIG SAUER, and Taurus are U.S. subsidiaries of foreign gun
4 manufacturers, the Complaint does not include information indicating that any of the four
5 companies should be considered a “foreign national” under the Act, such that the alleged
6 contributions were funded by sources other than the Respondent U.S. Subsidiaries’ domestic
7 operations, or that any foreign nationals participated in the decision-making process with regards
8 to the alleged contributions. The Complaint merely states that “it is unclear whether the
9 contributions . . . were entirely funded by [the U.S.] subsidiaries.”²³ The Complaint also appears
10 not to appreciate the distinctions between the parent and subsidiary companies, for example,
11 stating that “NRA records and media reports show that gunmakers Beretta (an Italian company),
12 Glock (an Austrian company), Sig Sauer (a German company), and Taurus (a Brazilian
13 company) are all members” of the NRA “Golden Ring of Freedom,” denoting donors who have
14 given \$1,000,000 or more to the NRA.²⁴ The portion of the NRA website cited in the
15 Complaint, however, specifically identifies the Respondent U.S. Subsidiaries as prominent
16 donors to the NRA, not their foreign parent companies, and links to the websites for each
17 domestic company.²⁵ The Commission, however, consistent with the U.S. state incorporation
18 information cited above,²⁶ is unaware of any information indicating that the Respondent U.S.

²³ *Id.* ¶¶ 7, 10

²⁴ *Id.* ¶ 10.

²⁵ *Amazing Brands | NRA Industry Ally*, NRA.COM, <https://nraindustryally.nra.org/become-an-ally/amazing-brands> (last visited Mar. 8, 2022) (identifying Glock, SIG SAUER, and Taurus as “Golden Ring of Freedom,” identifying Beretta as an “industry ally,” and linking to the website of each Respondent U.S. subsidiary).

²⁶ *Supra* notes 6, 7, 8, 9 and accompanying text.

1 Subsidiaries are foreign entities, that their donations were not funded independently from their
2 foreign parent companies, or that any foreign nationals directed or approved the donations.

3 In light of the available information, the Complaint appears to be unfounded in
4 contending that Beretta, Glock, SIG SAUER, or Taurus are “foreign nationals” for purposes of
5 the Act and Commission Regulations, or that any foreign national funded, directed, dictated,
6 controlled, or directly or indirectly participated in the decision-making process for any of the
7 Respondent U.S. Subsidiaries’ donations to the NRA.²⁷ For example, the available information
8 supports the reasonableness of presuming that a well-known company like Glock generates
9 sufficient U.S. income to make annual \$115,000 contributions to the NRA. Because the
10 Complaint fails to establish that any of the Respondent U.S. Subsidiaries are subject to the
11 foreign national prohibitions, to the extent that they may have donated money to the NRA, it is
12 unnecessary to analyze the extent to which their donations or payments to the NRA may have
13 been used to fund federal election related spending by the NRA-ILA, NRA-PVF, or NRA-VF,
14 because such activity would not be prohibited. As domestic subsidiaries or affiliates of foreign
15 national corporations, Beretta, Glock, SIG SAUER, and Taurus are permitted to make
16 contributions or donations for the purpose of funding independent expenditures so long as the
17 funds are generated solely by their domestic operations and no foreign nationals are involved in

²⁷ See First Gen. Counsel’s Rpt. at 5, MUR 5467 (Michael Moore) (“The Commission cannot entertain complaints based on mere speculation that a person may violate the law at some future date.”); Cert. MUR 5467 (Aug. 4, 2004) (documenting a unanimous decision to dismiss all allegations); Statement of Reasons, Comm’rs Smith & Toner at 1, MUR 5467 (“[T]he Federal Election Commission voted unanimously to accept the recommendations of the Office of General Counsel and dismiss the allegations in MUR 5467. . . . OGC . . . recommended dismissal because the complaint ‘presents nothing more than idle, unsupported speculation’ . . . We agree. We write here to stress the importance of this case as a matter of Commission policy not to entertain speculative complaints.”); Statement of Reasons, Comm’rs. Mason, Sandstrom, Smith & Thomas at 3, MUR 4960 (Hillary Rodham Clinton for Senate) (“[P]urely speculative charges, especially when accompanied by a direct refutation, do not form an adequate basis to find reason to believe that a violation of the FECA has occurred.”) (citation omitted).

1 the decisions to make the contributions.²⁸ Lastly, as to the allegation that Beretta’s Italian parent
2 company — who were not notified in this matter — may have contributed to the NRA in 2008,
3 there is no information indicating that such a donation occurred or that if it did the NRA used
4 that donation to fund disbursements in connection with federal elections; and in any event this
5 alleged activity appears to be well beyond the five-year statute of limitations.

6 Accordingly, the Commission finds no reason to believe that the NRA or its affiliated
7 organizations violated 52 U.S.C. § 30121(a)(2) and 11 C.F.R. § 110.20(g) by soliciting or
8 accepting funds from the Respondents U.S. Subsidiaries, as alleged in the Complaint, or that
9 Beretta, Glock, SIG SAUER, or Taurus violated 52 U.S.C. § 30121(a)(1)(A) by making
10 donations to the NRA. The Commission also finds no reason to believe that the NRA or its
11 affiliated organizations violated 11 C.F.R. § 110.20(h) by providing substantial assistance to
12 foreign nationals making contributions, expenditures, independent expenditures, or
13 disbursements for electioneering communications.

14 **B. The Commission Finds No Reason to Believe Regarding the Complaint’s**
15 **Allegations Involving Other Foreign Fundraising by the NRA Because the**
16 **Allegations are Speculative and Unsupported by the Factual Record**

17 The Complaint also alleges that, apart from the alleged activity involving the Respondent
18 U.S. Subsidiaries, the NRA broadly sought out foreign funds that it intended to transfer to its
19 affiliated organizations for the purpose of making independent expenditures in the 2018 and
20 2020 elections. The Complaint requests that the Commission investigate whether undisclosed
21 foreign nationals may have contributed to the NRA for the purposes of influencing federal
22 elections but provides scant factual support for these allegations. It neither identifies particular

²⁸ *Supra* notes 17, 18 and accompanying text.

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1 foreign nationals believed to have given the NRA money for the purpose of influencing federal
2 elections nor any particular independent expenditures allegedly funded by these unidentified
3 foreign nationals. Rather, the Complaint appears to infer that, because the NRA spent money to
4 fundraise outside the U.S. and also funded independent expenditures through its affiliated
5 organizations, that the yields of the former were for the purpose of funding the latter.

6 On its face, the Complaint fails to establish the basic elements necessary to warrant an
7 investigation, since it fails to provide sufficient specific facts to support an inference that the
8 NRA and its affiliated organizations violated the Act or Commission regulations. Specifically,
9 the Complaint fails to provide sufficient factual information to support an inference that the NRA
10 knowingly solicited or accepted foreign national contributions from, or provided substantial
11 assistance to, unnamed foreign nationals seeking to influence federal elections during the 2018 or
12 2020 election cycles.²⁹

13 The Complaint's primary support for these broad allegations is the Senate Report. As
14 discussed above, the Senate Report cited by the Complaint, however, does not make any findings
15 about activity related to contributions or disbursements in connection with federal elections.
16 Rather, it addresses matters within the U.S. Senate Committee on Finance's jurisdiction: whether
17 the NRA improperly used tax-exempt resources for non-tax-exempt purposes and whether they
18 may have improperly given or received non-election-related things of value in violation of U.S.
19 sanctions. Because the Senate Report does not address activity within the scope of the
20 Complaint and the Complaint provides no other specific support for these allegations relating to

²⁹ *Supra* note 27.

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1 unnamed foreign nationals, the Complaint does not credibly allege violations warranting further
2 investigation.

3 Accordingly, the Commission finds no reason to believe that unknown foreign nationals
4 violated 52 U.S.C. § 30121(a)(1)(A) by making prohibited foreign national contributions,
5 expenditures, independent expenditures, or disbursements for electioneering communications.³⁰

³⁰ Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12545 (Mar. 16, 2007) (“The Act requires that the Commission find reason to believe that a person has committed, or is about to commit, a violation of the Act as a predicate to opening an investigation into the alleged violation. The Commission will find reason to believe in cases where the available evidence in the matter is at least sufficient to warrant conducting an investigation, and where the seriousness of the alleged violation warrants either further investigation or immediate conciliation.”) (internal citations and quotation marks omitted).