

BEFORE THE FEDERAL ELECTION COMMISSION

Thomas Leland Schroeder

Pinehurst, NC 28374

v.

MUR No. **7939****Carolina Senate Fund**
228 S. Washington Street
STE 115
Alexandria, VA 22314**Lisa Lisker**
228 S. Washington Street
STE 115
Alexandria, VA 22314Complaint

This complaint is filed pursuant to 52 U.S.C. §§ 30118(a) and 30109(a)(1) and is based on information providing reason to believe that Carolina Senate Fund and Lisa Lisker, in her official capacity as Treasurer (hereinafter “CSF”) failed to file the required 48-hour report for print mailers that were disseminated opposing Representative Ted Budd, a candidate for Senate in North Carolina. If the Federal Election Commission (“FEC” or “the Commission”), upon receiving a complaint, “has reason to believe that a person has committed, or is about to commit, a violation of [FECA]...[t]he Commission shall make an investigation of such alleged violation...” 52 U.S.C. § 30109(a)(2); *see also* 11 C.F.R. § 111.4(a). The standard is easily met in this matter and the Commission should immediately take all necessary action to force CSF to comply with the law.

CSF registered with FEC as an independent-expenditure-only political committee (“Super PAC”) on April 16, 2021.¹ On October 16, 2021, CSF made independent expenditures opposing Representative Budd. Specifically, CSF sent mailers throughout the State of North Carolina, promoting a desperate conspiracy theory and stating that “Republicans can’t trust Ted Budd.”² However, it has been six days since the mailer was sent, and CSF has yet to report this expenditure to the Commission.³

According to this article, the CSF was created to support former Governor Pat McCrory’s bid for the US Senate and is funded by Lending Tree CEO Doug Lebda and former NC Budget Director Art Pope. It is understandable that these well-respected gentlemen would not want to be associated with the irresponsible, wackadoodle political shenanigans that have been the

¹ Statement of Organization (Form 1), Carolina Senate Fund (April 16, 2021).

² Attachments A and B.

³ Committee Filings, Carolina Senate Fund (last accessed October 22, 2021).

trademark of Pat McCrory's 32-year-political career, but the law is the law. And the law states that this organization is not allowed to hide what it is doing.

FECA requires political committees to report all independent expenditures within 48 hours of the date the materials were disseminated.⁴ An independent expenditure is defined as an expenditure for a communication, such as a website, newspaper, TV or direct mail advertisement that expressly advocates the election or defeat of a clearly identified candidate and is not made in consultation or cooperation with, or at the request or suggestion of any candidate or his or her authorized committees or agents.⁵ The Commission will find that a communication expressly advocates for the election or defeat of a candidate when (1) the communication uses phrases such as "vote for the President," "re-elect your Congressman," "support the Democratic nominee," or "cast your ballot for the Republican challenger for U.S. Senate in Georgia," or (2) when taken as a whole could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s) because the electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and reasonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action.⁶ The Commission has explained that "communications discussing or commenting on a candidate's character, qualifications or accomplishments are considered express advocacy under new section 100.22(b) if, in context, they can have no other reasonable meaning than to encourage actions to elect or defeat the candidate in question."⁷

Upon reviewing the above statutes and prior Commission precedent, it is clear that CSF's mailer classifies as an independent expenditure. Specifically, stating that "Republicans can't trust Ted Budd" has no other reasonable interpretation than advocating for Republican voters to not vote for Representative Budd. This position also is consistent with prior Commission precedent, as the Commission has repeatedly found such language to be unmistakable, unambiguous, and suggestive of only one meaning.⁸ Because CSF's mailer is clearly an independent expenditure, CSF was required to file an independent expenditure report within 48 hours of dissemination. Since the mailers were disseminated on October 16, 2021, this report should have been filed by October 18, 2021. As of the date of this Complaint, that report has not been filed. Therefore, CSF has clearly violated the law and should be penalized accordingly.

⁴ 11 CFR § 104.4(b)(2).

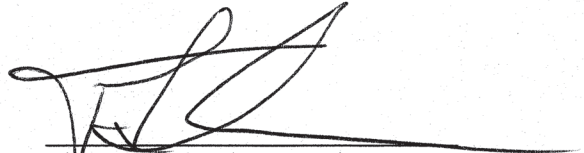
⁵ 11 CFR § 100.16

⁶ 11 C.F.R § 100.22.

⁷ EA E&J, 60 Fed. Reg. at 35,295.

⁸ See generally MUR 5024R (Council for Responsible Government), Factual and Legal Analysis at 14-15 (concluding that, in context, the brochures constituted express advocacy under 11 C.F.R. § 100.22(b), because the electoral portions of the brochure, including the phrase "Tell Tom Kean Jr....New Jersey Needs New Jersey Leaders," were "unmistakable, unambiguous and suggestive of only one meaning" — to vote against Tom Kean); MURS 5511 and 5525 (Swift Boat Veterans), Conciliation Agreement at IV 25-28 (concluding that attacks on John Kerry's character, fitness for public office, and capacity to lead, including phrases such as "JOHN KERRY CANNOT BE TRUSTED" and "unfit for command" were "unmistakable, unambiguous and suggestive of only one meaning" — and had no reasonable meaning other than to encourage actions to defeat him in the upcoming election); MUR 5831 (Softer Voices), Factual and Legal Analysis at 6-8 (concluding that, in context, the ad attacking Bob Casey's qualifications and stating "Can we really risk Bob Casey learning on the job?" constituted express advocacy under 11 C.F.R. § 100.22(b), because the electoral portions were "unmistakable, unambiguous and suggestive of only one meaning" — to vote against Bob Casey).

Respectfully submitted,



Thomas Leland Schroeder

Signed and sworn before me on this 27th day of October, 2021

Dione M Torbert
Notary Public
Richmond County, NC
My Commission Expires January 18, 2022

Notary Signature: Dione M. Torbert

My Commission Expires: 1-18-2022

ATTACHMENT A

Ted Budd & George Soros FOREVER LINKED

IT'S TRUE:
Family farmers lost millions.
Their life savings, gone.
But not before Ted Budd's family was able to
pay themselves back \$10 million instead.*

George Soros was
Major Investor in ...
NC Senate Candidate's
Family Company.*

**Republicans
Can't Trust Ted Budd.**

Paid for by Carolina Senate Fund
Not authorized by any candidate or candidate's committee
229 S. Washington St. Suite 105
Alexandria, VA 22314

Printed
Special
U.S. POSTAGE
PAID
98827, VA

07001 ***** AUTO ** ALL FOR AADC 275

ATTACHMENT B

Ted Budd & George Soros

Senate candidate Ted Budd and Democrat billionaire investor George Soros are forever linked.

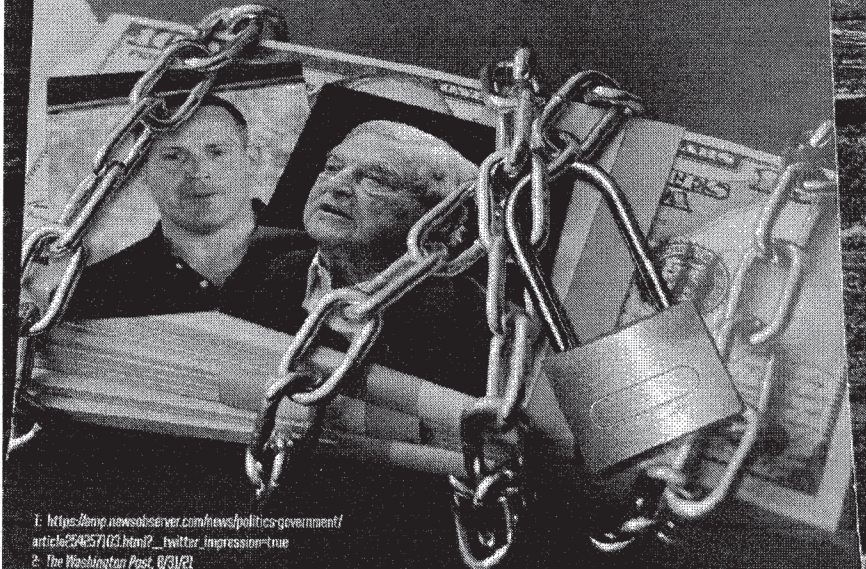
Soros was the largest investor in Budd's family business¹ - a business that went bankrupt and cost family farmers their life savings, forcing the federal government to step in and create a no-interest loan fund to help them.²

Budd's company owed hardworking farmers millions of dollars, but the Budd family maneuvered to pay themselves back \$10 million instead³ ...

Maneuvers described as having a "purpose ... to hinder, delay and/or defraud creditors," including the farmers.^{3,2}

"We were the little guy. We were just a number, and they [the Budds] could care less about us."² -Lifelong Republican farmer

Republicans Can't Trust Ted Budd.



1. https://amp.newsobserver.com/news/politics-government/article/24657103.html?_twitter_impression=true
2. The Washington Post, 8/31/21