



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

November 5, 2021

MUR 7942

Ms. Lisa J. Stevenson
Acting General Counsel
Office of the General Counsel
Federal Election Commission
1050 First Street, NE
Washington, D.C. 20463

COMPLAINT BEFORE THE FEDERAL ELECTION COMMISSION

RE: Request for Investigation into Rudy Salas and Rudy Salas for Congress's Use of Non-Federal Funds or Resources

Dear Ms. Stevenson,

The Foundation for Accountability and Civic Trust (FACT) is a nonprofit organization dedicated to promoting accountability, ethics, and transparency in government and civic arenas. This complaint is submitted, upon information and belief, that Rudy Salas and his campaign committee have illegally used state campaign resources for his federal congressional race.¹ Salas is a state elected official and is also currently running for the U.S. House of Representatives in California's 21st Congressional District. Based on multiple news stories and Salas' refusal to answer direct questions, it appears Salas used state campaign assets for his federal campaign. This type of activity violates federal election laws, including contribution limits and reporting requirements.² We request the Federal Election Commission (FEC) investigate and take appropriate enforcement actions.³

¹ This complaint is submitted pursuant to 52 U.S.C. § 30109(a)(1) and is against Rudy Salas and Rudy Salas for Congress, FEC Committee ID #: C00791756, PO Box 42257, Bakersfield, CA 93384.

² 52 U.S.C. §§ 30116 (contribution limits), 30104 (reporting requirements).

³ "If the Commission, upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [Act] . . . [t]he Commission shall make an investigation of such alleged violation." 52 U.S.C. § 30109(a)(2); 11 C.F.R. § 111.4(a).

Facts. On October 18, 2021, Rudy Salas held an event to announce his federal campaign for Congress. Salas spoke at a podium with a campaign sign in front of it and positioned supporters behind him holding campaign signs.⁴ The campaign signs appear to be Salas' campaign signs from his previous 2020 state campaign that had been altered to use for his federal campaign. "The consensus view among observers is that Salas used signs from his past campaigns for California State Assembly, trimmed a border which read 'Law Enforcement, Teachers, and Firefighters support,' and used the tape to cover the word 'Assembly.'" ⁵ The word "Congress" was hand-written on the tape covering "Assembly."⁶ It is unclear from the photographs whether Salas had taken any steps to remove inaccurate disclosures or include the appropriate disclosures on the signs.⁷

Shortly after Salas' campaign event, the media recognized that Salas may have violated federal campaign law.⁸ Salas was scheduled to appear on a local news show that same week, but the host of the show stated "[Salas] cancelled on me on the last second."⁹ One issue addressed on the show was whether Salas illegally used his state signs for his federal campaign announcement.¹⁰

On October 31, 2021, Salas ultimately was interviewed on the local news show he had cancelled on and although he was directly asked four separate times, Salas refused to answer whether he used his state campaign signs for his announcement event and would not say whether he violated any federal campaign finance rules. While he refused to answer the question or

⁴ Reid Stone, *Taped-up Signs May Put Salas in Hot Water with Federal Campaign Watchdogs*, The Sun, Oct. 20, 2021 (available at: <https://sjvsun.com/news/politics/taped-up-signs-may-put-salas-in-hot-water-with-federal-campaign-watchdogs/>).

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*; Alexan Balekian, *Panel – Did Assemblyman Rudy Salas Violate a Federal Campaign Rule and Is Redistricting the Political Landscape Truly Equitable?*, KSEE 24, Oct. 24, 2021 (available at: <https://www.yourcentralvalley.com/news/local-news/panel-did-assemblyman-rudy-salas-violate-a-federal-campaign-rule-and-is-redistricting-the-political-landscape-truly-equitable/>).

⁹ Alexan Balekian, *Panel – Did Assemblyman Rudy Salas Violate a Federal Campaign Rule and Is Redistricting the Political Landscape Truly Equitable?*, KSEE 24, Oct. 24, 2021 (available at: <https://www.yourcentralvalley.com/news/local-news/panel-did-assemblyman-rudy-salas-violate-a-federal-campaign-rule-and-is-redistricting-the-political-landscape-truly-equitable/>).

¹⁰ *Id.*

provide any information to voters, Salas gave long, rambling, off-topic responses in an attempt to avoid the questions. The exchange is below:

INTERVIEWER: "During your Congressional campaign announcement last week, Republican critics already had come out and said that you violated a federal campaign rule with your signs at the event. You know, I'm wondering, were those the same signs you used for your Assembly campaign?"

SALAS: "Well first of, we had a great successful launch event. I mean, so many people showed up, more than we expected. There was people from all walks of life, you know, it was teachers, construction workers, firefighters, retired people from all backgrounds and all ethnicities. And I was just so proud to be there with them and share stories of us being in the trenches and working on all these issues for Central Valley families. Look, I know Washington insiders and Republican pundits and all that want to focus on everything but my campaign and focus on, they don't want to focus on the record, right? And the record is we've been able to deliver millions of dollars for the Central Valley. Look, I was the only Democrat that didn't vote for gas tax so people know that I'm tough in my values and where I stand, I stand up for Central Valley families."

INTERVIEWER: "So you're telling me you didn't violate any campaign finance rules?"

SALAS: "No, I'm saying that pundits want to focus on everything but my record of standing up for Central Valley families. Look, we had very excited and enthusiastic people at the launch that we had."

INTERVIEWER: "I just want to get a straight answer from you so we understand. You did not use the same signs to launch your Congressional campaign that you used for your state assembly?"

SALAS: "Well, we had very enthusiastic people that were out there, if anything we know Central Valley people are resourceful, and you know, we had a very successful launch, and, you know, people don't want to talk about my record. People want to talk about this distraction. They want to talk about anything but who Rudy Salas is, right? And people know that Rudy Salas is a person that no matter what the political parties say or what they're going to do, he's going to stand up for Central Valley families and that's what I've done. I've proven that, I've shown that, I've shown that I can do that against my own party when I stood up and said no against the gas tax. I've shown and proven that when I delivered millions of dollars to the Central Valley. Just this year alone we've delivered a million dollars to Central Valley projects like improving an emergency response center, improving emergency response times by dispatchers for when people are calling because they might have a heart attack or a stroke, right? Money for a

clean water well, for a pedestrian bridge for one of our dangerous highways, for a new building for our community college. These are all the things I love to talk about and I know the Washington insiders and the people on the other side just want to distract and not talk about my actual record.”

INTERVIEWER: “Okay, I get your record, I just wanted to know, is the federal campaign finance rules, were they committed, did you use the same signs or you didn’t? Yes or no?”

SALAS: “You know, we’re going to look into all of that but like I said, let’s focus on the actual issues that matter to Central Valley families.”¹¹

Law. Federal law prohibits federal candidates from soliciting, receiving, directing, transferring, or spending funds in connection with an election for federal office unless the funds are subject to the limitations, prohibitions, and reporting requirements of the Act.¹² For instance, funds raised for a state campaign are not subject to federal contribution limitations or federal reporting requirements for contributions and expenditures, and these “non-federal” funds cannot be used for a federal election.¹³

In addition to funds, a federal campaign cannot use the assets of a state campaign.¹⁴ The regulation also specifies that federal candidate campaign committees are prohibited from accepting contributions from a non-federal candidate campaign committee: “Transfers of funds or assets from a candidate’s campaign committee or account for a nonfederal election to his or

¹¹ Transcription of Rudy Salas’s Interview on KSEE 24’s *Sunday Morning Matters*. Alexan Balekian, *Exclusive – Congressional Candidate Salas Avoids Answering Allegations Over A Federal Campaign Violation, “Pundits Will Focus On Anything But My Record*, KSEE 24, Oct. 31, 2021 (available at: <https://www.yourcentralvalley.com/news/local-news/exclusive-congressional-candidate-salas-avoids-answering-allegations-over-a-federal-campaign-violation-pundits-will-focus-on-anything-but-my-record/>).

¹² 52 U.S.C. §§ 30101, 30116, 30118; *see also* 11 C.F.R. § 300.63 (“If an individual is simultaneously running for both Federal and State or local office, the individual must raise, accept, and spend only Federal funds for the Federal election.”).

¹³ 52 U.S.C. §§ 30104, 30116, 30118. Even in the case where a candidate is simultaneously running for both federal and state office, the candidate may only solicit, receive, or spend non-federal funds if its (1) “solely in connection with such election for State or local office” (2) “refers only” to him or her, to other candidates for that same state or local office, or both; and (3) is permitted under state law. 52 U.S.C. § 30125(e)(2); 11 C.F.R. 300.63; Federal Election Advisory Opinion AO 2016-25 (Jan. 25, 2017).

¹⁴ 52 U.S.C. § 30101(8)(A) (“non-federal” contributions are broadly defined to include monetary donations, gifts, and loans, but also “anything of value . . . for the purpose of influencing any election for Federal office.”).

her principal campaign committee or other authorized committee for a federal election are prohibited.”¹⁵

These laws apply before the candidate announces a federal campaign while in the “testing the waters” phase and throughout the campaign.¹⁶

Federal law also requires that all communications made by a campaign display a “clear and conscious” disclaimer. Specifically, the disclaimer should state that it is paid for by the campaign committee, be easy to read, and not placed where it could be easily overlooked.¹⁷

Legal Analysis. In the present case, Salas’ state campaign was not subject to the limitations, prohibitions, and reporting requirements of federal law. Thus, both before and after announcing his federal campaign, Salas is (1) not permitted to spend any state campaign funds for his federal election, and (2) is not permitted to transfer any funds or assets from his state campaign committee to his federal campaign committee. However, the facts in this case demonstrate he did just that. Any signs used for Salas’ state campaign are an asset of that campaign, and in fact Salas’ state campaign had reported a \$160 expenditure to Sign Factory on September 15, 2020 for “campaign paraphernalia/miscellaneous.”¹⁸ At the event announcing his federal campaign, Salas apparently used signs that were assets of his state campaign, having one positioned on the podium he was speaking from and having supporters stand behind him holding the signs. Shortly after the event, it became clear that Salas may have violated federal law and Salas abruptly cancelled a scheduled appearance on a local news show seemingly to avoid addressing this issue. Moreover, when he later did appear on the local news program, rather than giving voters a straightforward answer to a simple question, Salas’ appearance was even more

¹⁵ 11 CFR § 110.3(d).

¹⁶ Funds raised or spent during the “testing the waters” phase prior to announcing a federal candidacy are also subject to federal law. 11 CFR § 100.72 (stating only funds permissible under the Act may be used for testing the waters activities, and if the individual becomes a candidate all funds received are contributions subject to the reporting requirements of the Act).

¹⁷ FEC, *Advertising and Disclaimers*, available at: <https://www.fec.gov/help-candidates-and-committees/advertising-and-disclaimers/>.

¹⁸ Salas For Assembly 2020, California Secretary Of State, Accessed Nov. 2, 2021 (available at: <https://cal-access.sos.ca.gov/Campaign/Committees/Detail.aspx?id=1414982&session=2019&view=expenditures>)

troubling. He was directly asked four questions on the matter, but he obfuscated and refused to answer each time. He also refused to deny that he had violated federal law.

Additionally, if he did in fact re-use his state campaign signs during his federal campaign, another federal campaign law would likely have been violated. As state campaign assets, the signs would not have included the federally required “paid for by” disclaimer.

Not only does it appear that Salas used state campaign assets for his federal campaign, he has not been forthcoming in response to direct questions and refused to provide the public with any information. If Salas cannot answer simple questions, how can the public trust the information he provides? In addition to the signs his state campaign has other assets, including \$906,762.24 as of his last state campaign filing.¹⁹ Therefore, we request the FEC investigate not only this apparent use, but also whether Salas has used any other state campaign assets or funds for his federal campaign. Ultimately, if one or more campaign laws are found to have been broken we request the FEC hold the respondents accountable.

¹⁹ Reid Stone, *Taped-up Signs May Put Salas in Hot Water with Federal Campaign Watchdogs*, The Sun, Oct. 20, 2021 (available at: <https://sjvsun.com/news/politics/taped-up-signs-may-put-salas-in-hot-water-with-federal-campaign-watchdogs/>); Salas For Assembly 2022, California Secretary Of State, Filed July 30, 2021 (available at: <https://cal-access.sos.ca.gov/Campaign/Committees/Detail.aspx?id=1435012&session=2021>) .

Respectfully submitted,

K Arnold

Kendra Arnold
Executive Director
Foundation for Accountability & Civic Trust
1717 K Street NW, Suite 900
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STATE OF OREGON

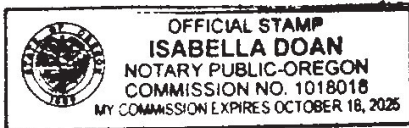
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) ss.

COUNTY OF ~~OREGON~~ LANE

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Subscribed and sworn to before me on November 5, 2021.



Isabella Doan

Notary Public in and for the State of Oregon

Politics

Taped-up signs may put Salas in hot water with Federal campaign watchdogs



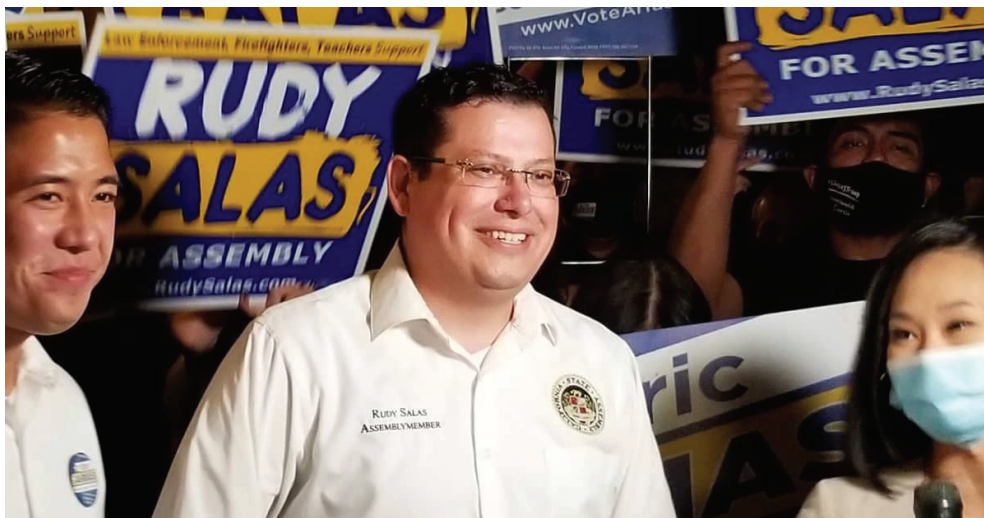
REID STONE

October 20, 2021, 11:59 am



The signs, which featured Salas' trademark paint-splatter logo, also featured another intriguing design feature: masking tape.

The consensus view among observers is that Salas used signs from his past campaigns for California State Assembly, trimmed a border which read "Law Enforcement, Teachers, and Firefighters support," and used the tape to cover the word "Assembly."



On the tape, supporters hand-wrote the word “Congress.”

That move may put Salas’ campaign in hot water with Federal campaign finance officials mere days after he launched his candidacy.

Federal campaign finance rules bar candidates running for Federal office from using “funds or assets transferred from a committee established by the same candidate for a nonfederal election campaign.”

In Salas’ case, the assets include signs, which undoubtedly appear to be holdovers from his 2020 Assembly campaign.

Federal rules also require that signs include a disclosure that they were paid for by the candidate’s authorized committee, in this case Rudy Salas for Congress.

Images from the Monday announcement event make it difficult to tell if a disclosure was even present on signs – or what they said.

For California’s state legislators, the ban on using state campaign funds has proven to be a difficult line to walk.

Many – including Salas – have spent considerable time amassing significant campaign funds only to be unable to transfer it for a Congressional bid.

For Salas, that figure sits at \$906,762.24, per filings with California’s Secretary of State.

Many wind up utilizing remaining state-level campaign funds to pay for other non-Federal political expenses, support down-ballot candidates, ballot measures, or charities. Others refund donors.



Reid Stone

Reid Stone is a contributing reporter for The San Joaquin Valley Sun.