



FEDERAL ELECTION COMMISSION
Washington, DC 20463

BEFORE THE FEDERAL ELECTION COMMISSION

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| In the Matter of |) | |
| |) | |
| White Coat Waste PAC and Janna Rutland |) | MUR 7964 |
| as treasurer |) | |
| White Coat Waste Project, Inc. |) | |
| Anthony Bellotti |) | |
| Justin Goodman |) | |

**STATEMENT OF REASONS OF CHAIR DARA LINDENBAUM, VICE CHAIRMAN
SEAN J. COOKSEY, AND COMMISSIONERS ALLEN J. DICKERSON AND JAMES E.
“TREY” TRAINOR, III**

The Complaint alleges that White Coat Waste PAC and Janna Rutland in her official capacity as treasurer (“WCW PAC”), a non-connected multicandidate political committee, is financially supported and controlled by White Coat Waste Project, Inc. (“WCW Corp”), a section 501(c)(3) corporation, and that WCW PAC is therefore a separate segregated fund of WCW Corp.¹ Respondents deny the allegations and assert that the organizations are financially and organizationally independent of one another.² The Office of General Counsel (“OGC”) recommended that the Commission find reason to believe that WCW PAC was a separate segregated fund of WCW Corp, which resulted in multiple violations of the Federal Election Campaign Act of 1971, as amended (the “Act”), and Commission regulations.³ We disagreed and voted to find no reason to believe that WCW PAC violated the Act or Commission regulations with respect to the allegations that WCW PAC was a separate segregated fund of WCW Corp.⁴ We further voted to dismiss as a matter of prosecutorial discretion allegations that

¹ Compl. at 8-9 (Feb. 24, 2022).

² Resp. at 4-8 (Apr. 15, 2022).

³ First Gen. Counsel’s Rpt. (“FGCR”) at 2-3, 18-19 (May 4, 2023). Specifically, OGC recommended reason to believe that (1) WCW PAC violated 52 U.S.C. § 30103(b) by failing to include the name, address, relationship, and type of its connected organization in its statement of organization; (2) WCW PAC violated 52 U.S.C. § 30102(e)(5) and 11 C.F.R. § 102.14(c) by failing to include in its name the full name of its connected organization; and (3) WCW PAC violated 52 U.S.C. § 30118(b)(4)(a)(i) and 11 C.F.R. § 114.5(g)(1) by soliciting contributions from persons outside of its connected organization’s restricted class. *Id.* at 18-19. In addition, OGC recommended that the Commission take no action at this time as to WCW Corp, Anthony Bellotti, and Justin Goodman. *Id.* at 19.

⁴ Amended Certification at 2 (July 5, 2023). Specifically, the Commission voted to find no reason to believe on each of OGC’s reason to believe recommendations. *See supra* note 3.

WCW Corp made, and WCW PAC accepted, prohibited corporate contributions.⁵ This Statement explains the reasons for our votes.

WCW Corp is a section 501(c)(3) corporation established in 2013 whose mission is to combat taxpayer funded experimentation on animals.⁶ Anthony Bellotti is its founder, president, and a board member, and Justin Goodman is its senior vice president.⁷ WCW PAC, which was co-founded by Bellotti and Goodman, registered as a non-connected multicandidate political committee on February 10, 2017.⁸ WCW PAC similarly describes its mission as helping to elect candidates who oppose taxpayer funded experimentation on animals.⁹ Bellotti is WCW PAC's president, and Bellotti and Goodman also serve on WCW PAC's board.¹⁰

Relying on publicly available information, the Complaint alleges that WCW Corp is listed as the registrant and administrative organization for WCW PAC's GoDaddy account, indicating that WCW Corp financially supported WCW PAC.¹¹ However, Respondents submitted the sworn Affidavit of Bellotti explaining that he used to own the GoDaddy account personally, would pay expenses for both organizations on his personal credit card, and would seek reimbursement from the appropriate organization.¹² In an effort to professionalize the organizations, Bellotti obtained a corporate credit card for WCW Corp, switched the GoDaddy domain registration account over to WCW Corp, and mistakenly once paid WCW PAC's web hosting fees with the WCW Corp credit card.¹³ When the mistake was discovered, Bellotti attests that WCW Corp invoiced WCW PAC for reimbursement, which was paid on May 4, 2022.¹⁴ Bellotti further attests that he is "aware of no outstanding payments requiring reimbursement that [WCW Corp] has incurred on behalf of [WCW PAC]."¹⁵

While WCW PAC and WCW Corp maintain separate websites, they contain similar logos and describe their mission similarly.¹⁶ In all other respects; however, the websites appear

⁵ Amended Certification at 2 (July 5, 2023).

⁶ FGCR at 3; Resp. at 2.

⁷ FGCR at 3.

⁸ White Coat Waste PAC, Statement of Organization at 1 (Feb. 10, 2017).

⁹ FGCR at 4.

¹⁰ *Id.*

¹¹ Compl. at 2 (citing "WHOIS" domain registration database); FGCR at 5. GoDaddy is a corporation that provides a variety of web services, including website domain, web hosting, and website design services. GODADDY, <https://www.godaddy.com/> (last visited July 7, 2023).

¹² Resp., Attach. A, Bellotti Aff. ¶ 4.

¹³ *Id.* ¶¶ 6-8.

¹⁴ *Id.* ¶ 10; Resp., Attach. B (copy of invoice). The FGCR notes that there is reason not to credit Bellotti's Affidavit because there is no corresponding disbursement in WCW PAC's disclosure reports, and the date of the reimbursed invoice – July 16, 2022 – postdates the date of supposed payment on May 4, 2022. *Id.* at 6-7

¹⁵ Resp., Attach. A, Bellotti Aff. ¶ 11.

¹⁶ The logos have the same basic stop sign shape, similar fonts, and the same phrase "stop taxpayer funded animal experiments," but the logos are different colors, have different backgrounds, and identify the specific organization

different, including the layout, images, language, and content. OGC further asserts that WCW PAC and WCW Corp “may be operating from the same location” based on addresses both organizations filed with state governmental entities.¹⁷ However, the address OGC identifies appears to be an office for the law firm both organizations used, not a shared office space.¹⁸

A separate segregated fund, also known as a connected political committee, is a committee that has a connected organization (such as a corporation, labor union, or trade association) that establishes, administers, or financially supports the committee.¹⁹ A benefit of organizing as a connected political committee is that the committee may use unlimited funds from its connected organization to pay for its “[e]stablishment, administration, and solicitation costs,” such as “the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, fund-raising and other expenses incurred in setting up and running” the committee.²⁰ These payments are not considered contributions and thus are not subject to the Act’s contribution prohibitions,²¹ which otherwise generally prohibit corporations and labor unions from making direct or in-kind contributions.²² However, except for two written solicitations per year to the general public, the connected political committee may only solicit contributions from members of its connected organization’s restricted class, which are the connected organization’s members, stockholders, executive or administrative personnel, and their families.²³

In contrast, all payments to a non-connected political committee, including those for its establishment, administration, and solicitation, are considered direct or in-kind contributions

(*i.e.*, “PAC” vs. “Project”). See FGCR at 5 (including images of each logo). While the websites describe their purposes similarly in part, contrary to the FGCR’s selective and partial quotes, they are not identical. Compare WHITE COAT WASTE PROJECT, INC., <https://www.whitecoatwaste.org/> (last visited July 7, 2023) (“White Coat Waste Project is a taxpayer watchdog group representing more than 2 million liberty-lovers and animal-lovers who all agree: taxpayers shouldn’t be forced to pay over \$20 billion every year for wasteful and cruel experiments on dogs, cats, monkeys and other animals.”), with WHITE COAT WASTE PAC, <https://www.whitecoatwastepac.org/> (last visited July 7, 2023) (“The nonpartisan White Coat Waste PAC empowers Americans to help elect candidates for U.S. Congress who are committed to ending \$20 billion in wasteful and cruel taxpayer-funded animal experiments.”).

¹⁷ FGCR at 7. OGC also notes that WCW PAC identified two P.O. boxes in reports filed with the Commission, but did not report any corresponding disbursements in its disclosure reports. *Id.* at 13.

¹⁸ Resp. at 7; Holtzman Vogel, <https://www.holtzmanvogel.com/> (last visited July 7, 2023) (reflecting an office at 15405 John Marshall Hwy, Haymarket, VA 20169).

¹⁹ 52 U.S.C. §§ 30101(7), 30118(b)(2); 11 C.F.R. § 100.6(a). For the purposes of determining whether a committee has a connected organization, financial support for the committee “does not include contributions to the political committee, but does include the payment of establishment, administration and solicitation costs of such committee.” 11 C.F.R. § 100.6(c).

²⁰ 11 C.F.R. §§ 114.1(b), 114.5(b).

²¹ 11 C.F.R. § 114.1(a)(2)(iii).

²² 52 U.S.C. § 30118(a). Corporations may contribute to independent-expenditure-only political committees (“IEOPCs”). Advisory Opinion 2010-11 at 2-3 (Commonsense Ten) (“AO 2010-11”).

²³ 52 U.S.C. § 30118(b)(4); 11 C.F.R. §§ 114.1(j), 114.5(g), 114.6(a)-(b).

subject to the limits and prohibitions of the Act, unless another exception applies.²⁴ In exchange, the non-connected political committee is permitted to solicit contributions from the general public.²⁵ In determining whether a committee is a separate segregated fund, the Commission has considered: (1) “whether the committee is financially supported by that corporation” and (2) “the organizational independence of the committee from any other incorporated entity.”²⁶ Under Commission regulations, “the term financially supports does not include contributions to the political committee, but does include the payment of establishment, administration and solicitation costs of such committee.”²⁷

OGC argues that several facts in the record indicate that WCW Corp financially supported WCW PAC. For example, OGC points to WCW Corp’s payment of \$188 to GoDaddy for hosting WCW PAC’s website.²⁸ However, Bellotti’s Affidavit adequately explains that the payment was a mistake and WCW PAC promptly reimbursed WCW Corp.²⁹ But even if we did not credit Bellotti’s Affidavit, as OGC urges us to do, we do not believe that WCW Corp’s single payment of \$188 reflects the level of financial support necessary to find that WCW PAC is a separate segregated fund.

In another example, OGC asserts that WCW Corp and WCW PAC shared office space and WCW PAC’s disclosure reports do not reflect any disbursements to WCW Corp for rent.³⁰ However, the Response explained that the Complaint merely identified the address of the law firm both organizations used, and the law firm’s website corroborates the Response’s explanation.³¹

OGC finally argues that the organizations’ similar names, logos, and phrasing of the organizations’ purposes on their respective websites indicate that WCW Corp paid for WCW PAC’s solicitation costs in the form of WCW PAC’s use of WCW Corp’s intellectual property free of charge.³² We disagree. OGC cites to MUR 7302 for the proposition “that a corporation’s name, trade name, trademarks, and service marks are things of value owned by the corporation, and that allowing a committee to use them in a manner suggesting the corporation’s support or

²⁴ Advisory Op. 1997-26 (Assoc. of Metropolitan Sewerage Industries); F&LA at 4, MUR 6746 (AICPAC).

²⁵ F&LA at 3, MUR 5830 (U.S.-Cuba Democracy PAC, *et al.*).

²⁶ F&LA at 4, MUR 6746 (AICPAC) (citing Advisory Op. 1997-26 (Assoc. of Metropolitan Sewerage Industries)).

²⁷ 11 C.F.R. § 100.6(c) (*italics omitted*).

²⁸ FGCR at 12.

²⁹ Resp., Attach. A, Bellotti Aff. ¶ 9.

³⁰ FGCR 12-13 (identifying the address, 15405 John Marshall Hwy, from the organizations’ public filings).

³¹ Resp. at 7 Holtzman Vogel, <https://www.holtzmanvogel.com/> (last visited July 7, 2023) (reflecting an office at 15405 John Marshall Hwy, Haymarket, VA 20169).


³² FGCR at 11.

endorsement of a candidate may constitute an in-kind contribution.”³³ However, in MUR 7302, the Commission dismissed as *de minimis* the allegations that a candidate’s use of a corporate name and logo in television ads constituted prohibited corporate contributions.³⁴ Accordingly, even if OGC’s thing-of-value analysis is correct, the value here is likely *de minimis* and, thus, not probative of WCW Corp’s financial support of WCW PAC.

In sum, the Complaint has not identified information sufficient to establish that WCW Corp financially supported WCW PAC and, therefore, we need not reach the issue of organizational independence. For these reasons, we voted to find no reason to believe that WCW PAC violated the Act or Commission regulations with respect to the allegations that WCW PAC was a separate segregated fund of WCW Corp.³⁵

Given that we find that WCW PAC correctly registered as a non-connected PAC, it was prohibited from accepting corporate contributions, including contributions from WCW Corp.³⁶ To the extent the facts discussed above resulted in WCW Corp making in-kind contributions to WCW PAC, the value was likely *de minimis* and not worth the Commission’s resources to pursue further.³⁷ We therefore voted to dismiss as a matter of prosecutorial discretion the allegations that WCW Corp made, and WCW PAC accepted, prohibited corporate contributions.³⁸

7/27/23
Date


Dara Lindenbaum
Chair

7/27/23
Date


Sean J. Cooksey
Vice Chairman

³³ F&LA at 4, MUR 7302 (Tom Campbell for North Dakota). Given that the name, logo and phrases of WCW PAC and WCW Corp are not identical, and that a corporation’s endorsement of a candidate is not at issue here, it is not clear whether this broad legal proposition from MUR 7302 even applies to this matter.

³⁴ F&LA at 5, MUR 7302 (Tom Campbell for North Dakota); *see also* F&LA at 7, MUR 6542 (Mullin for Congress) (same).

³⁵ Amended Certification at ¶ 2a-c.

³⁶ 52 U.S.C. § 30118(a).

³⁷ F&LA at 5, MUR 7302 (Tom Campbell for North Dakota) (dismissing similar allegations as *de minimis*); F&LA at 7, MUR 6542 (Mullin for Congress) (same).

³⁸ Amended Certification ¶ 2d; *see also Heckler v. Chaney*, 470 U.S. 821 (1985).

MUR 7964 (White Coat Waste PAC, *et al.*)

Statement of Reasons

Page 6 of 6

7/27/23

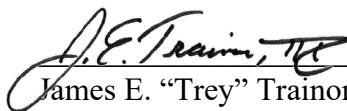
Date



Allen J. Dickerson
Commissioner

7/27/23

Date



James E. "Trey" Trainor, III
Commissioner