

June 9, 2022 10:53 AM

BEFORE THE FEDERAL ELECTION COMMISSION**OFFICE OF GENERAL COUNSEL**

CAMPAIGN LEGAL CENTER
1101 14th Street, NW, Suite 400
Washington, DC 20005
(202) 736-2200

v.

MUR No. **8011**

DANIEL DEFENSE, LLC
101 Warfighter Way
Black Creek, GA 31308

COMPLAINT

1. Daniel Defense, LLC (“Daniel Defense”) is a gun manufacturer that has been awarded more than eleven million dollars in contracts to supply guns and gun accessories to the federal government.¹ On January 6, 2021, Daniel Defense made a \$100,000 political contribution to Gun Owners Action Fund, a super PAC, while it had multiple open contracts with federal agencies. In doing so, Daniel Defense violated federal campaign finance laws that expressly prohibit federal contractors from making political contributions. Allowing federal contractors like Daniel Defense to make political contributions would risk creating a “pay to play” culture of political corruption, in which companies benefiting from taxpayer-funded federal contracts receive favored treatment in exchange for their political contributions. As such, the federal contractor contribution ban has for decades served as a bulwark against corruption and the appearance of corruption, thus upholding accountability and integrity in the democratic process.

¹ See J. Brian Charles, *The Ruthless Rise of a Gunmaker*, N.Y. Magazine (June 2, 2022), <https://nymag.com/intelligencer/2022/06/ruthless-rise-of-daniel-defense-maker-of-the-uvalde-ar15.html> (“While Daniel Defense continues hawking weapons to consumers, they are also still profiting handsomely from the Pentagon, winning a \$9.1 million contract earlier this year.”).

2. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Daniel Defense violated the Federal Election Campaign Act of 1971 (“FECA”) prohibition on federal contractor contributions by contributing \$100,000 to Gun Owners Action Fund.²
3. If the Federal Election Commission (“FEC” or “Commission”), “upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [the Federal Election Campaign Act] . . . [t]he Commission *shall* make an investigation of such alleged violation”³

FACTS

4. Gun Owners Action Fund is an independent-expenditure only political committee (“IEOPC”) that registered with the Commission on December 10, 2020.⁴ Its treasurer is Nancy H. Watkins.⁵
5. On January 6, 2021, Gun Owners Action Fund received a \$100,000 contribution from Daniel Defense, which disclosed an address of 101 Warfighter Way, Black Creek, GA, 31308.⁶
6. Daniel Defense⁷ describes itself on its website as a “a family owned and privately held firearms manufacturer located in Black Creek, Georgia,” and lists its address as 101 Warfighter Way, Black Creek, GA 31308.⁸ A page on Daniel Defense’s website titled “U.S. Government & Foreign Military Sales (FMS)” states that “the Daniel Defense Rail Interface

² 52 U.S.C. § 30109(a)(1).

³ 52 U.S.C. § 30109(a)(2) (emphasis added); *see also* 11 C.F.R. § 111.4(a)

⁴ Gun Owners Action Fund, Statement of Org. at 1 (Dec. 10, 2020).

⁵ *Id.*

⁶ Gun Owners Action Fund, 30-Day Post-Election Report at 6 (Feb. 4, 2021).

⁷ Daniel Defense, LLC also goes by the other names “Daniel Defense, Inc.”, “Daniel Defense Inc”, and “Daniel Defense Inc.” *Other Names for DANIEL DEFENSE, LLC*, USASpending.gov, <https://www.usaspending.gov/recipient/483cae8b-46ea-dd3f-917f-a642e8f4c967-P/latest> (last viewed June 3, 2022).

⁸ Daniel Defense, <https://danieldefense.com/company-values> (last visited June 1, 2022).

System II (RIS II) was designed at the request of the United States Special Operations Command (SOCOM) for the SOPMOD II weapons system. After years of rigorous testing by Special Forces Operators, Daniel Defense was selected as the Sole Source Provider of the RIS II. Daniel Defense has and is still delivering thousands of units and they are continuing to be fielded by SOCOM.”⁹

7. According to USASpending.gov, “the official source for spending data for the U.S. Government,”¹⁰ Daniel Defense has been awarded \$1.9 million total in federal contracts and contract indefinite delivery vehicles (IDV) from the Department of State (DOS), the Department of Defense (DOD), and the Department of Justice (DOJ).¹¹ In March 2022, the company was also awarded a \$9.1 million DOD indefinite-delivery/indefinite-quantity contract (IDIQ).¹²
8. As detailed in the attached table,¹³ Daniel Defense had multiple federal contracts — specifically, three IDVs and one purchase order — open at the time it made a \$100,000 contribution to Gun Owners Action Fund:

⁹ See Daniel Defense, U.S. Government & Foreign Military Sales (FMS), <https://danieldefense.com/government.html> (last visited June 1, 2022) (attached as Exhibit A).

¹⁰ USASpending.gov, *Mission*, <https://www.usaspending.gov/#/about> (last visited May 20, 2022).

¹¹ USASpending.gov, Recipient Profile Daniel Defense LLC, <https://www.usaspending.gov/recipient/483cae8b-46ea-dd3f-917f-a642e8f4c967-C/latest> (last visited Jun. 1, 2022). See “Indefinite Delivery Vehicle,” <https://www.usaspending.gov/?glossary=indefinite-delivery-vehicle-idv> (“Indefinite Delivery Vehicle (IDV): Vehicle to facilitate the delivery of supply and service orders. IDV Types include: *Blanket Purchase Agreement (BPA)*; *Basic Ordering Agreement (BOA)*; *Government-Wide Acquisition Contract (GWAC)*; *Multi-Agency Contract*; *Indefinite Delivery Contract (IDC)*; *Federal Supply Schedule (FSS)*.”) (emphases added).

¹² Contracts For March 23, 2022, U.S. Dep’t of Defense, <https://www.defense.gov/News/Contracts/Contract/Article/2976212/> (last viewed June 3, 2022) (“Daniel Defense Inc., Black Creek, Georgia, is awarded a \$9,100,000 firm-fixed-price, indefinite-delivery/indefinite-quantity contract for 11.5” and 14.5” cold hammer-forged barrels.”).

¹³ Table of Federal Contracts (attached as Exhibit B).

- An indefinite delivery contract (“IDC”) with the Department of the Navy, NSWC Crane, with a product or service code (“PSC”) of “GUNS, THROUGH 30MM” and a description of “CONTRACT CEILING”;¹⁴
 - An IDC with the Defense Logistics Agency with a PSC of “GUNS, THROUGH 30MM” and a description of “ADAPTER RAIL, WEAPON”;¹⁵
 - A purchase order with the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), with a PSC of “MISCELLANEOUS WEAPONS” and a description of “SOD RIFLES&SUPPRESSORS FOR T&E”;¹⁶
 - A Blanket Purchase Agreement (BPA) with the Department of State, Bureau of Diplomatic Security, with a PSC of “ASSEMBLIES INTERCHANGEABLE BETWEEN WEAPONS IN TWO OR MORE CLASSES”, and a description of “BPA FOR DANIEL DEFENSE REPLACEMENT PARTS”.¹⁷
9. During the 2022 election cycle, Gun Owners Action Fund has received \$110,000 in itemized contributions — *i.e.*, Daniel Defense’s \$100,000 contribution constitutes 90% of the committee’s contributions this election cycle — and has made over \$130,000 in independent expenditures.¹⁸

¹⁴ USAspending.gov, Indefinite Delivery / Indefinite Quantity (IDIQ) Contract PIID N0016420DS016, https://www.usaspending.gov/award/CONT_IDV_N0016420DS016_9700 (last visited Jun. 1, 2022).

¹⁵ USAspending.gov, Indefinite Delivery / Indefinite Quantity (IDIQ) Contract PIID SPE7LX19D5038, https://www.usaspending.gov/award/CONT_IDV_SPE7LX19D5038_9700 (last visited Jun. 1, 2022).

¹⁶ USAspending.gov, Purchase Order (PO) PIID 15A00020PAQA00529, https://www.usaspending.gov/award/CONT_AWD_15A00020PAQA00529_1560_-NONE_-NONE- (last visited Jun. 1, 2022).

¹⁷ USAspending.gov, Blanket Purchase Agreement PIID 19AQMM19A0176, https://www.usaspending.gov/award/CONT_IDV_19AQMM19A0176_1900 (last visited Jun. 1, 2022).

¹⁸ See Gun Owners Action Fund, Individual Contributions, 2021-2022, https://www.fec.gov/data/individual-contributions/?committee_id=C00764522&two_year_transaction_period=2022 (last visited Jun. 2, 2022); Gun Owners Action Fund, Independent Expenditures, 2021-2022, https://www.fec.gov/data/independent-expenditures/?committee_id=C00764522&two_year_transaction_period=2022&cycle=2022&data_type=processed&is_notice=true (last viewed June 2, 2022).

10. During the 2020 election cycle, Gun Owners Action Fund received a \$100,000 contribution from Sig Sauer, another gunmaker and federal government contractor, which the committee refunded several weeks after Campaign Legal Center filed a complaint with the Commission alleging that Sig Sauer had violated the federal contractor contribution ban.¹⁹

SUMMARY OF THE LAW

11. Under FECA, a “contribution” is defined as “any gift . . . of money or anything of value made by any person for the purpose of influencing any election for Federal office.”²⁰
12. Federal law prohibits a federal contractor from making any “contribution to any political party, committee, or candidate for public office” at any time between the commencement of negotiations for a federal contract and the completion of performance or termination of negotiations for the contract.²¹
13. Federal law additionally prohibits any person from knowingly soliciting such a contribution from a federal contractor.²²
14. Under government contracting law, indefinite quantity contracts (IDC) and blanket purchase agreements (BPA) are types of federal contracts.²³ Federal regulations provide that IDC contracts “*must require the Government to order* and the contractor to furnish at least a stated

¹⁹ See Gun Owners Action Fund, 2020 Year-End Report at 6 (Jan. 29, 2021) (Sig Sauer contribution made on December 31, 2020); Gun Owners Action Fund, 2021 Mid-Year Report at 9 (July 30, 2021) (Sig Sauer contribution refund issued on April 23, 2021); CLC Complaint Against Sig Sauer, Inc. (Mar. 17, 2021), <https://campaignlegal.org/document/clc-complaint-against-sig-sauer-inc>. CLC’s Complaint regarding Sig Sauer’s \$100,000 contribution to Gun Owners Action Fund remains open.

²⁰ 52 U.S.C. § 30101(8)(A)(i).

²¹ 52 U.S.C. § 30119(a)(1).

²² 52 U.S.C. § 30119(a)(2).

²³ 48 C.F.R. § 16.504 (“**Description.** An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period.”); *id.* § 13.303-1 (“A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply.”).

minimum quantity of supplies or services,” and “if ordered, the contractor *must furnish* any additional quantities, not to exceed the stated maximum.”²⁴

15. The contractor contribution ban applies to any person “who enters into any contract with the United States or any department or agency thereof” for “the rendition of personal services” or for “furnishing any material, supplies, or equipment,” or for “selling any land or building,” if “payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress.”²⁵
16. The contractor contribution ban applies from when a request for proposals is sent out (or when contractual negotiations commence) until the completion of performance of the contract or the termination of negotiations.²⁶
17. The Commission has made clear since at least 2011 that the government contractor prohibition applies to contributions to IEOPCs: in MUR 6403, the Commission emphasized that a contractor making a contribution to a political committee to fund independent expenditures is not itself making an expenditure; therefore, a contribution to such a committee falls “squarely within the statute’s prohibitions.”²⁷
18. Moreover, in 2017, the Commission noted that there is no de minimis exception to the federal contractor contribution, finding that even if a contributor’s federal contract work is

²⁴ *Id.* § 16.504(a)(1) (emphases added); *see* Factual and Legal Analysis at 3, MUR 7843 (Marathon Petroleum Company LP) (finding reason to believe respondents violated the federal contractor contribution ban by making IEOPC contributions while negotiating or performing under IDV federal contracts).

²⁵ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(a).

²⁶ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(b).

²⁷ Factual and Legal Analysis at 5, 9, MUR 6403 (Alaskans Standing Together).

only a “small fraction” of its overall business, this “does not negate the company’s status as a federal contractor.”²⁸

19. Even when the prohibited contractor contribution has been refunded, the Commission has pursued enforcement action. In 2019, the Commission found reason to believe federal contractor Ring Power Corporation violated Section 30119 when it contributed \$50,000 to an IEOPC, finding that Ring Power’s remedial measures, including obtaining a refund of the illegal contribution from the IEOPC, “do not excuse the violation.”²⁹
20. The federal contractor ban applies in circumstances where there is “a very specific quo for which the contribution may serve as the quid,” and it was upheld unanimously by the en banc U.S. Court of Appeals for the D.C. Circuit in *Wagner v. FEC*, where the court stated that “the record offers every reason to believe that, if the dam barring contributions were broken, more money in exchange for contracts would flow through the same channels already on display.”³⁰

CAUSE OF ACTION

I. DANIEL DEFENSE, LLC VIOLATED THE FEDERAL CONTRACTOR CONTRIBUTION BAN

21. FECA and Commission regulations prohibit a federal contractor from making a contribution to any political committee during the period in which a federal contract is being negotiated or performed.³¹
22. According to USAspending.gov, Daniel Defense is a federal contractor, and was a federal contractor when it made a \$100,000 contribution to Gun Owners Action Fund on January 6,

²⁸ Factual and Legal Analysis at 4-5, MUR 7099 (Suffolk Construction Co., Inc.) (finding reason to believe that federal contractor Suffolk Construction Company, Inc. violated 52 U.S.C. § 30119(a)(1) by contributing \$200,000 to an IEOPC).

²⁹ Factual and Legal Analysis at 4, MUR 7451 (Ring Power Corp.); *see* Factual and Legal Analysis at 2-3, MUR 7568 (Alpha Marine Servs., Inc.) (same).

³⁰ *Wagner v. FEC*, 793 F.3d 1, 18, 22 (D.C. Cir. 2015) (en banc).

³¹ 52 U.S.C. § 30119(a)(1); 11 C.F.R. Part 115.

2021.³² Specifically, at the time it made the contributions at issue, Daniel Defense had multiple active contracts³³ to “furnish[] any material, supplies, or equipment to the United States or any department or agency thereof,” in particular, the Department of the Navy, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Department of State Bureau of Diplomatic Security, and the Defense Logistics Agency.³⁴

23. Consequently, there is reason to believe that Daniel Defense, a federal contractor, violated FECA’s federal contractor contribution ban by making a \$100,000 contribution to an IEOPC, Gun Owners Action Fund, during the period its federal contracts were being negotiated and/or performed.

³² See *supra* ¶ 8.

³³ See Exhibit B.

³⁴ 52 U.S.C. § 30119(a)(1).

PRAYER FOR RELIEF

24. Wherefore, the Commission should find reason to believe that Daniel Defense, LLC violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
25. The Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations and an injunction prohibiting the respondents from any and all violations in the future, and should seek such additional remedies as are necessary and appropriate to ensure compliance with the FECA.

Respectfully submitted,

/s/ Saurav Ghosh
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Counsel to the Campaign Legal Center
June 9, 2022

VERIFICATION

The complainant listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

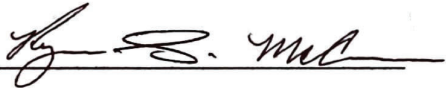
Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Campaign Legal Center



Saurav Ghosh, Esq.

Sworn to and subscribed before me this 9 day of June 2022.



Notary Public

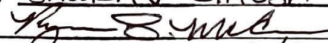
City/County of FAIRFAX
Commonwealth of Virginia
The foregoing instrument was acknowledged before me
this 9 day of JUNE, 2022
by SAURAV GHOSH
 Notary Public
My commission expires 09/30/2024



EXHIBIT A

View Compared (0)

VIEW

EXHIBIT B

Daniel Defense Federal IDVs and Contract Open at the Time of its Contribution to Gun Owners Action Fund

Award ID	Start Date	End Date	PSC	Description	Awarding Agency	Awarding Sub Agency	Contract Award Type
19AQMM19A0176	9/1/2019	8/31/2024	1090: ASSEMBLIES INTERCHANGEABLE BETWEEN WEAPONS IN TWO OR MORE CLASSES	BPA FOR DANIEL DEFENSE REPLACEMENT PARTS.	Department of State	Department of State	BPA
SPE7LX19D5038	3/11/2019	8/31/2024	1005: GUNS, THROUGH 30MM	4610046530!ADAPTER RAIL, WEAPON	Department of Defense	Defense Logistics Agency	IDIQ
N0016420DS016	8/28/2020	8/31/2024	1005: GUNS, THROUGH 30MM	CONTRACT CEILING	Department of Defense	Department of the Navy	IDIQ
15A00020PAQA00529	7/29/2020	2/6/2021	1095: MISCELLANEOUS WEAPONS	SOD RIFLES&SUPPRESSORS FOR T&E	Department of Justice	Bureau of Alcohol, Tobacco, Firearms and Explosives	Purchase Order