

**FEDERAL ELECTION COMMISSION**

Washington, D.C. 20463

December 29, 2022

**VIA EMAIL**

William B. Canfield III, Esq.  
6723 Whittier Avenue, Suite 201  
McLean, VA 22101  
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RE: MUR 8011  
Daniel Defense, LLC

Dear Mr. Canfield:

On June 14, 2022, the Federal Election Commission (the "Commission") notified your client, Daniel Defense, LLC, of a complaint alleging that your client violated the Federal Election Campaign Act of 1971, as amended (the "Act"), and provided your client with a copy of the complaint.

After reviewing the allegations contained in the complaint, your client's response, and publicly available information, the Commission on December 15, 2022 found reason to believe that Daniel Defense, LLC violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by making a prohibited government contractor contribution. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is enclosed for your information.

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to your client as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that your client violated the law.

Please note that your client has a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

If your client is interested in engaging in pre-probable cause conciliation, please contact Jacob Tully, the attorney assigned to this matter, at (202) 694-1404 or [jtully@fec.gov](mailto:jtully@fec.gov), within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within sixty days. *See* 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A). Conversely, if your client is not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at [https://www.fec.gov/resources/cms-content/documents/respondent\\_guide.pdf](https://www.fec.gov/resources/cms-content/documents/respondent_guide.pdf).

Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.<sup>1</sup>

This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act.

We look forward to your response.

On behalf of the Commission,



Allen Dickerson  
Chairman

Enclosures

Factual and Legal Analysis

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<sup>1</sup> The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

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

RESPONDENTS: Daniel Defense LLC

MUR 8011

**I. INTRODUCTION**

This matter involves allegations that Daniel Defense LLC (“Daniel Defense”), a firearms manufacturer that contracts with the federal government, violated the federal contractor prohibition of the Federal Election Campaign Act of 1971, as amended (the “Act”), by making a \$100,000 contribution to Gun Owners Action Fund (“GOAF”), an independent expenditure-only political committee (“IEOPC”).

In its Response, Daniel Defense acknowledges both making the contribution and the company’s status as a government contractor, and states that it has requested and received a refund of its \$100,000 contribution from GOAF.<sup>1</sup> Daniel Defense argues it was the first time it had been solicited for a federal contribution and that it “in good faith, relied upon the expertise of [GOAF] with respect to [its eligibility to make a contribution under] federal campaign finance law.”<sup>2</sup> Because Daniel Defense acknowledges that it is a government contractor and that it made a \$100,000 contribution to GOAF, and presents no information which would vitiate liability in this matter, the Commission finds reason to believe that Daniel Defense violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a).

**II. FACTUAL BACKGROUND**

Daniel Defense, a firearms manufacturer, is a privately-held limited liability company (“LLC”) located in Georgia, founded by Marty Daniel, the co-owner and current Chief Executive

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<sup>1</sup> Daniel Defense Resp. at 1-2.

<sup>2</sup> Daniel Defense Resp. at 4.

1 Officer (“CEO”); and his wife, Cindy Daniel, is a co-owner and the company’s Chief Operating  
 2 Officer (“COO”).<sup>3</sup> Daniel Defense acknowledges that it was a government contractor at the time  
 3 it made the contribution at issue and that its status as such “could easily be obtained by . . . a  
 4 simple Google search.”<sup>4</sup> Daniel Defense also states that its “engage[ment] in defense contracting  
 5 and procurement . . . should be obvious from its very name.”<sup>5</sup> The company’s federal contracts  
 6 include supplying firearms to the U.S. Department of Defense and U.S. Department of  
 7 Homeland Security.<sup>6</sup>

8 GOAF is an IEOPC that registered with the Commission on December 10, 2020.<sup>7</sup> It was  
 9 founded and led by Chris Cox, who worked for the National Rifle Association (“NRA”) for 25  
 10 years and led its lobbying and political efforts until resigning in June 2019.<sup>8</sup> From December 11,  
 11 2021, to February 22, 2021, GOAF received a total of nine contributions, from six different  
 12 sources, totaling \$2,212,765.<sup>9</sup> These contributions included a \$100,000 contribution from Daniel

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<sup>3</sup> Daniel Defense Resp. at 1-2; Daniel Defense LinkedIn Profile Page, <https://www.linkedin.com/company/daniel-defense-inc> (“Daniel Defense is a family-owned and privately held firearms manufacturer located in Black Creek, Georgia. Founded in 2001 by President/CEO Marty Daniel . . . .”); Cindy Daniel LinkedIn Profile Page, <https://www.linkedin.com/in/cindy-daniel-07439027>.

<sup>4</sup> Daniel Defense Resp. at 2.

<sup>5</sup> Daniel Defense Resp. at 2.

<sup>6</sup> Daniel Defense Frequently Asked Questions, <https://danieldefense.com/faq> (“Daniel Defense is the sole source provider of RIS II Rail Systems for US Special Operations Command. This is an [ ] Indefinite Delivery, Indefinite Quantity [ ] contract that was awarded in 2005. To date, Daniel Defense has delivered approximately 30,000 units to [U.S. Special Operations Command]”); Daniel Defense Federal Contract Funding Since Inception in 2003, GovTribe.com, <https://govtribe.com/vendors/daniel-defense-inc-dot-3e3e2>.

<sup>7</sup> GOAF Statement of Org. (Dec. 10, 2020).

<sup>8</sup> David M. Drucker, *New Gun Rights Group Led by Ex-NRA Strategist Chris Cox Enters Georgia Runoffs*, WASH. EXAMINER (Dec. 11, 2020), <https://www.washingtonexaminer.com/news/campaigns/gun-rights-ex-nra-strategist-enters-georgia-runoffs>; Scott Bland, *Former NRA Lobbyist Chris Cox Launches New Consulting Firm*, POLITICO (July 11, 2019), <https://www.politico.com/story/2019/07/11/chris-cox-consulting-firm-1581639>.

<sup>9</sup> *FEC Receipts: Filtered Results*, FEC.GOV, [https://www.fec.gov/data/receipts/?data\\_type=processed&committee\\_id=C00764522&two\\_year\\_transaction\\_period=2020&two\\_year\\_transaction\\_period=2022](https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00764522&two_year_transaction_period=2020&two_year_transaction_period=2022) (last visited, Oct. 27, 2022) (last visited Oct. 27, 2022) (reflecting receipts from GOAF including \$1,950,000 in contributions from registered IEOPC ESAFUND, \$100,000 from SIG, \$100,00 from Daniel Defense, \$50,000 from Brownells, Inc., \$10,000 from Luth-AR, LLC, and \$2765 from Ring Unlimited).

1 Defense on January 6, 2021.<sup>10</sup> Between December 11, 2020, and January 5, 2021, GOAF was  
2 active in the Georgia Senate runoff elections, reporting \$1,951,302 in independent expenditures  
3 supporting and opposing candidates in the two Georgia runoffs.<sup>11</sup>

### 4 **III. LEGAL ANALYSIS**

5 Under the Act, a federal contractor may not make contributions to political committees.<sup>12</sup>  
6 Specifically, the Act prohibits “any person . . . [w]ho enters into any contract with the United  
7 States . . . for the rendition of personal services or furnishing any material, supplies, or  
8 equipment to the United States or any department or agency thereof” from making a contribution  
9 “if payment for the performance of such contract . . . is to be made in whole or in part from funds  
10 appropriated by the Congress.”<sup>13</sup> These prohibitions begin to run at the beginning of  
11 negotiations or when proposal requests are sent out, whichever occurs first, and end upon the  
12 completion of performance of the contract or the termination of negotiations, whichever occurs  
13 last.<sup>14</sup> These prohibitions apply to contributions to any political party, political committee,  
14 federal candidate, or “any person for any political purpose or use.”<sup>15</sup>

15 Daniel Defense acknowledges both making the \$100,000 contribution to GOAF and its  
16 concurrent status as a government contractor as defined by the Act and Commission

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<sup>10</sup> *Id.*

<sup>11</sup> *FEC Independent Expenditures: Filtered Results*, FEC.GOV, [https://www.fec.gov/data/independent-expenditures/?committee\\_id=C00764522&data\\_type=processed&q\\_spender=C00764522&is\\_notice=false&most\\_recent=true&min\\_date=01%2F01%2F2019&max\\_date=10%2F27%2F2022](https://www.fec.gov/data/independent-expenditures/?committee_id=C00764522&data_type=processed&q_spender=C00764522&is_notice=false&most_recent=true&min_date=01%2F01%2F2019&max_date=10%2F27%2F2022) (last visited Oct. 27, 2022) (showing GOAF’s independent expenditures in 2020-2022).

<sup>12</sup> 52 U.S.C. § 30119(a); 11 C.F.R. § 115.2.

<sup>13</sup> 52 U.S.C. § 30119(a)(1); *see also* 11 C.F.R. part 115.

<sup>14</sup> 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(b).

<sup>15</sup> 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2.

1 regulations.<sup>16</sup> Daniel Defense asserts, however, that this was the first time it had been solicited  
2 by a federal political committee, that it was unaware that federal contractors were prohibited  
3 from making contributions, and that it relied on a “good faith expectation that [GOAF] was  
4 aware of any and all federal restriction as to the source of contributions it was soliciting.”<sup>17</sup>  
5 After being notified in this matter, Daniel Defense requested and received a refund from  
6 GOAF.<sup>18</sup>

7 In its Response, Daniel Defense states that prior to its January 6, 2021 contribution, “at  
8 the time of the solicitation,” Cox — GOAF’s founder and principal — had direct conversations  
9 with Marty Daniel about “the needs of the then newly-created IEOPC” and about “how [Daniel  
10 Defense] could be helpful to the IEOPC.”<sup>19</sup> The company asserts that despite the fact that its  
11 “status as a government contractor can be readily ascertained through an elementary Google  
12 search” and is “specifically established by Daniel [Defense] on its website,” neither Cox nor  
13 other GOAF representatives made “any inquiry of Daniel [Defense] as to its status as a  
14 government contractor and the obvious implications that could follow from that fact.”<sup>20</sup>

15 However, Daniel Defense does not provide any specific information about the advice it  
16 received from GOAF. Regardless, advice from compliance professionals — even advice from  
17 counsel — may be considered a mitigating factor but does not vitiate liability.<sup>21</sup> In addition,

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<sup>16</sup> Daniel Defense Resp. at 1-2.

<sup>17</sup> Daniel Defense Resp. at 1-2.

<sup>18</sup> Daniel Defense Resp. at 2, 4; GOAF 2022 July Quarterly Report at 6 (filed July 15, 2022) (reporting a \$100,000 contribution refund to Daniel Defense).

<sup>19</sup> Daniel Defense Resp. at 2.

<sup>20</sup> Daniel Defense Resp. at 2.

<sup>21</sup> *See e.g.* Second Gen. Counsel’s Rpt. at 6, MUR 6128 (Craig for U.S. Senate) (describing as mitigating factor that respondent received an opinion letter from counsel advising that he could use campaign funds to pay for all relevant legal expenses); Larry E. Craig Resp. at 2 (Dec. 2, 2008), MUR 6128 (Craig for U.S. Senate) (letter from counsel addressing legal expenses at issue in MUR).

MUR 8011 (Daniel Defense LLC)

Factual and Legal Analysis

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1 Daniel Defense points out that it requested and received a refund.<sup>22</sup> Such measures similarly do  
2 not excuse Daniel Defense's liability even if they may be considered as mitigating arguments in  
3 conciliation. Therefore, the Commission finds reason to believe that Daniel Defense violated  
4 52 U.S.C. § 30119(a)(1) and 11 C.F.R. § 115.2(a).

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<sup>22</sup> Daniel Defense Resp. at 1-2.