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From: [Chris Ashby](#)
To: [CELA](#)
Subject: MUR 8082 - Response of Richard Alexander and Sean Jason Anderson
Date: Tuesday, January 17, 2023 11:23:12 PM
Attachments: [MUR 8082 - Response of Alexander & Anderson.pdf](#)

Good evening -

On behalf of Richard Alexander and Sean Jason Anderson, the attached letter responds to the Complaint in MUR 8082. I will provide signed designation of counsel forms from Messrs. Alexander and Anderson when I receive them.

Additionally, in prior correspondence with CELA, I indicated that I would be representing several nonprofit organizations associated with Messrs. Alexander and Anderson. I subsequently learned that the organizations no longer exist - therefore, I do not represent them.

Thank you, and best regards,
Chris

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Via Email

Federal Election Commission
Office of Complaints Examination
& Legal Administration
1050 First Street, NE
Washington, District of Columbia 20463

**MUR 8082:
RESPONSE OF RICHARD ALEXANDER AND SEAN JASON ANDERSON**

Dear Commissioners:

On behalf of Richard Alexander and Sean Jason Anderson, this letter responds to the complaint in MUR 8082. Because the Complaint fails to provide any evidence or other indication—or even to allege without evidence or other indication—that Messrs. Alexander and Anderson accepted contributions from a supposed “true source” and permitted the true source to direct and control the contributions through them to one or more specific candidate or committee recipients, I urge the Commission to dismiss Messrs. Alexander and Anderson from this MUR.

Facts and Background

Richard Alexander and Sean Jason Anderson each served in various director and officer capacities for several IRC Section 501(c)(4) social welfare organizations placed at issue in the Complaint. Mr. Alexander was associated with Grow United Inc., Florida Promise, Inc., and Center for Advancement of Integrity and Justice, Inc. Mr. Anderson was associated with Broken Promises and Stand Up for Justice. All five entities—Grow United, Florida Promise, Center for Advancement of Integrity and Justice, Broken Promises and Stand Up for Justice—are terminated and no longer in existence.

The Complaint attempts to allege that one or more unknown respondents made contributions in the name of another through numerous 501(c)(4) social welfare organizations, including the five associated with Messrs. Alexander and Anderson. The basis for the Complaint’s allegation is a cache of documents that a reporter apparently obtained from an anonymous source. The cache

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included a flow chart that appeared to depict ways in which "FPL" might finance political engagement through a combination of paid advertising and support for one or more 501(c)(4) organizations, and to advise that "C4s are allowed to spend 50% of revenue on political activities," "Florida PCs are allowed to take unlimited funds from C4s," and "each state operates under unique state elections." Notably, the flow chart made no reference to federal candidates, federal committees or federal elections. It did appear to depict funding support for "Fed Promise C4" but did not specify or generally advise on how "Fed Promise C4" would or might use any such funding. The document cache also apparently included a legal memo that explained different ways in which nonprofit organizations can support and oppose candidates, and the attendant donor disclosure requirements.

Complainants allege that, taken together, the documents in the cache provide "reason to believe" that one or more unknown respondents "knowingly made contributions in the name of another" to five federal political committees. Importantly, however, the Complaint provides no evidence or other indication that any supposed "true source" provided funds to Messrs. Alexander and Anderson, whether personally or through one or more organizations that they controlled, with the request, suggestion, instruction or direction that they should use the funds to make a contribution to any candidate or committee. The Complaint provides no evidence or other indication that Messrs. Alexander and Anderson accepted funds from any true source subject to a request, suggestion, instruction or direction that they would use the funds to make a contribution to any candidate or committee, whether personally or through one or more organizations that they controlled. And the Complaint provides no evidence or other indication that Messrs. Alexander and Anderson made a contribution to any candidate or committee, whether personally or through one or more organizations that they controlled, using funds obtained from any true source subject to a request, suggestion, instruction or direction that they should use the funds to make a contribution to any candidate or committee.

Analysis

Federal campaign finance law provides that "[n]o person shall make a contribution in the name of another or knowingly permit his name to be used to effect such a contribution." 52 U.S.C. § 30122. Commission regulations also provide that "[n]o person shall . . . [k]nowingly help or assist any person in making a contribution in the name of another." 11 C.F.R. § 110.4(b)(1)(iii).

A violation of the Section 30122 prohibition against making a contribution in the name of another "occur[s] when a person gives money to straw donors, or conduits, for the purpose of having the conduits pass the funds on to a specific federal candidate as their own contribution." Richard C. Pilger, U.S. Department of Justice, Federal Prosecution of Election Offenses (8th ed.) at 141 (emphasis added). When a "true source" of funds "exercises direction or control" over an intermediary's further contribution of the funds to an ultimate recipient, Section 30122 is violated. MUR 6485 (W Spann LLC) First Gen'l Counsel's Rpt. at 6 (citing United States v. O'Donnell, 608 F.2d 546, 550 n.2 (9th Cir. 2010)); see also 52 U.S.C. § 30116(a)(8) ("[A]ll contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate."); MUR 7965 (Iho Araise LLC), First Gen'l Counsel's Rpt. at 6 (citing O'Donnell) (name of another liability on falls on intermediary who "merely transmitted [a] campaign gift").



Conversely, when “an intermediary exercises direction or control over a gift,” the contribution is not made in the name of another and Section 30122 is not violated. MUR 6485, First Gen’l Counsel’s Rpt. at 6.

Therefore, in a recent MUR, the Office of General Counsel determined that a “true source” of funds violated the name of another prohibition when he formed and funded a limited liability company “for the sole purpose of making a donation” to a particular federal political committee, exercised direction and control over the LLC’s funds, and in fact contributed the funds to the political committee. MUR 6485 (W Spann LLC), First Gen’l Counsel’s Rpt. at 4, 7. In another MUR, however, the Commission did not find reason to believe that two 501(c)(4) social welfare organizations acted as so-called “straw donors” in violation of Section 30122 when neither the timing nor the amounts of their contributions, nor any other circumstances, suggested that any “true source” directed or controlled their giving. MUR 7754 (Pacific Atlantic Action Coalition), Statement of Reasons of Vice-Chair Dickerson and Comm’rs Cooksey & Trainor at 6-7.

In this matter, the Complaint does not provide any evidence or other indication that any “true source” of funds directed and controlled funds through the five social welfare organizations associated with Messrs. Alexander and Anderson to one or more specific federal candidates or committees, and that the organizations “merely transmit[ted]” the funds in the form of contributions to the ultimate recipients according to the true source’s direction. At most, the Complaint alleges that a donor may have contributed funds to one or more nonprofit organizations as part of a broader political engagement strategy, and did so with knowledge of the types of expenditures such organizations can make and the associated donor disclosure requirements. Contributing funds to an organization informed by knowledge of what the organization can or might do—as opposed to with the intent to direct and control the funds through the organization to one or more ultimate recipients—is not a contribution in the name of another and does not violate Section 30122.

For all these reasons, I urge the Commission to dismiss Richard Alexander and Sean Jason Anderson from this Matter Under Review.

Sincerely,

Chris Ashby