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FEDERAL ELECTION COMMISSION

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OFFICE OF GENERAL COUNSEL

**BEFORE THE
FEDERAL ELECTION COMMISSION**

Tiffany Muller
End Citizens United
PO Box 66005
Washington, DC 20035

MUR 8183

Complainant,

v.

Sam Brown
PO Box 750844
Las Vegas, NV 89136

Sam Brown for Nevada
PO Box 750844
Las Vegas, NV 89136

Chrisse Hastie, Treasurer
PO Box 750844
Las Vegas, NV 89136

Duty First PAC
3275 N Fort Apache
Suite 150
Las Vegas, NV 89129

Chrissie Hastie, Treasurer
3275 N Fort Apache
Suite 150
Las Vegas, NV 89129

Respondents.

COMPLAINT

This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) against Sam Brown; Sam Brown for Nevada; Duty First PAC; and Chrissie Hastie, Treasurer of Sam Brown for Nevada and of Duty First PAC (together, “*Respondents*”) for apparent violations of the Federal Election Campaign Act of 1971, as amended (the “*Act*”) and Federal Election Commission (“*FEC*” or

“*Commission*”) regulations. The Act strictly regulates how federal candidates can raise funds to retire debt incurred while running for office. Respondent Sam Brown incurred substantial debt in connection with a failed run for U.S. Senate in 2022 in Nevada. Instead of following the usual protocol of retiring that debt through his existing campaign committee, Mr. Brown opened a new political action committee claiming he wanted to help elect Republicans to the U.S. Congress. He then transferred his old campaign debt to the new PAC and appears to be using that PAC almost exclusively to retire debt. The PAC appears to be retiring his old campaign debt in violation of the Act’s debt retirement disclosure requirements and contribution limits. The Commission should immediately investigate and take action to protect the public from deception and to prevent further violations of the law.

FACTUAL BACKGROUND

Sam Brown is a 2024 Republican primary candidate for U.S. Senate in Nevada.¹ Mr. Brown ran unsuccessfully in the 2022 Republican primary election for Senate in Nevada.² Sam Brown for Nevada (two separate entities with the same name) are the principal campaign committees of his 2022 and 2024 campaigns.³

Following the June 2022 primary election in Nevada, Sam Brown for Nevada had \$344,432.59 in primary election debt.⁴ Instead of retiring that debt through the campaign committee, Mr. Brown executed the following complicated maneuver:

¹ FEC, Form 2, Statement of Candidacy, Sam Brown (Aug. 16, 2023),

<https://docquery.fec.gov/pdf/853/202308169596572853/202308169596572853.pdf>.

² See FEC, Form 1, Statement of Organization, Sam Brown for Nevada (July 7, 2021), <https://docquery.fec.gov/cgi-bin/forms/C00783936/1523063/>; Nevada U.S. Senate Primary Election Results, NY TIMES (June 15, 2022), <https://www.nytimes.com/interactive/2022/06/14/us/elections/results-nevada-us-senate.html>.

³ FEC, Form 1, Statement of Organization, Sam Brown for Nevada (July 7, 2021), <https://docquery.fec.gov/cgi-bin/forms/C00783936/1523063/>; FEC, Form 1, Statement of Organization, Sam Brown for Nevada (Aug. 16, 2023), <https://docquery.fec.gov/pdf/848/202308169596572848/202308169596572848.pdf>.

⁴ FEC, Form 3, Sam Brown for Nevada (July 15, 2022),

<https://docquery.fec.gov/pdf/131/202207159521390131/202207159521390131.pdf>.

- Mr. Brown formed a new multicandidate political committee and registered it with the FEC on July 5, 2022, called Duty First PAC (“*Duty First*”).⁵ Brown personally announced the creation of Duty First as “a committee that will work to help Republicans take back Congress.”⁶
- On August 18, 2022, Sam Brown for Nevada changed its name to Sam Brown PAC and converted to a political action committee, making it affiliated with Duty First.⁷
- Sam Brown PAC transferred its 2022 primary election debt to Duty First.⁸

Despite the claim that the mission of Duty First was to elect Republicans to Congress, the actual primary purpose of Duty First thus far appears to be to retire Mr. Brown’s old campaign debt. Duty First’s online contribution form allows contributions up to \$5,000 per person per calendar year.⁹ Nothing in the form mentions that any of the money contributed will go to retire Mr. Brown’s 2022 primary election campaign debt. Yet, in Duty First’s first quarterly report, it reported \$232,707.26 in debt.¹⁰ Public reporting noted that “most of [Duty First’s] funds were spent paying down debt from [Sam Brown’s] failed previous campaign.”¹¹ Since its announcement, Duty First has raised \$91,500 and used \$55,000 to repay debt from Brown’s 2022 Senate campaign.¹² As of its 2023 mid-year filing, Duty First is attempting to dispute

⁵ FEC, Form 1, Statement of Organization, Duty First PAC (July 5, 2022), <https://docquery.fec.gov/pdf/771/202207059517790771/202207059517790771.pdf>.

⁶ Duty First PAC, *Captain Sam Brown launches Duty First PAC to defeat democrats and hold republicans accountable* (July 26, 2022), <https://us6.campaign-archive.com/?u=355843640d8f53f7ab22dda34&id=0c63076a9d>.

⁷ FEC, Form 1, Statement of Organization, Sam Brown PAC (Aug. 18, 2022), <https://docquery.fec.gov/pdf/742/202208189525533742/202208189525533742.pdf>.

⁸ *Id.*

⁹ Duty First PAC, Donation (last accessed Aug. 22, 2023).

¹⁰ FEC Form 3X, Duty First PAC, 2022 October Quarterly Report (Feb. 16, 2023), <https://docquery.fec.gov/pdf/637/202302169578646637/202302169578646637.pdf>.

¹¹ Abby Turner & Andrew Kaczynski, *Nevada GOP Senate candidate raised money to help other candidates – the funds mostly paid down his old campaign’s debt instead*, CNN (Aug. 12, 2022), <https://www.cnn.com/2023/08/12/politics/sam-brown-pac-debt-payments-kfile/index.html>.

¹² *Id.*

\$80,485.21 in vendor debt.¹³ Duty First has only contributed \$6,000 to candidates' committees.¹⁴ According to a CNN analysis, "fewer than 2% of [Duty First's] funds went towards candidates in 2022."¹⁵ At least ten contributors gave more than a combined \$2,900 to Duty First and Sam Brown's 2022 Senate campaign.¹⁶

LEGAL ANALYSIS

Commission regulations allow a principal campaign committee with net debts outstanding after an election to accept contributions to retire the debt, subject to very specific restrictions.¹⁷ A committee may accept contributions after an election to retire debts if (1) the contribution is designated for that election; (2) the contribution does not exceed the contributor's limit for the designated election; and (3) the committee has net debts outstanding for the designated election on the day it receives the contribution.¹⁸ As part of these requirements, the committee must include a specific disclosure when raising contributions to retire debts in order to properly designate the contribution for the prior election's debt retirement.¹⁹

Under existing FEC rules, Duty First could either (1) assume Brown's campaign debt, subject to his 2022 Senate campaign's debt retirement restrictions; or (2) not assume Brown's campaign debt and solicit the same campaign donors without restriction. Since Duty First assumed Brown's campaign debt, Duty First should be subject to the same debt restrictions that would otherwise have applied to Brown's 2022 Senate campaign. Put differently, because donors

¹³ FEC Form 3X, Duty First PAC, 2023 Mid-Year Report (July 31, 2023), <https://docquery.fec.gov/pdf/780/202307319588921780/202307319588921780.pdf>.

¹⁴ Abby Turner & Andrew Kaczynski, *Nevada GOP Senate candidate raised money to help other candidates – the funds mostly paid down his old campaign's debt instead*, CNN (Aug. 12, 2022), <https://www.cnn.com/2023/08/12/politics/sam-brown-pac-debt-payments-kfile/index.html>.

¹⁵ *Id.*

¹⁶ *See* Exhibit A

¹⁷ 11 C.F.R. § 110.1(b)(3).

¹⁸ *Id.*

¹⁹ *See id.*

to the 2022 Senate campaign contributed at a time when the campaign had no debt, those donors should not be permitted to give in excess of \$2,900 to an entity that has assumed the campaign's debt, because that would result in an excessive contribution. Allowing Duty First to *both* assume the campaign's debt *and* solicit campaign donors in excess of limits creates a significant loophole that undermines the Commission's clear rules on debt retirement.

Sam Brown appeared to establish Duty First to (1) allow Duty First to retire his campaign debt and give his donors the opportunity to re-contribute (in excess of campaign limits) via Duty First; and (2) avoid the requisite solicitation disclosure requirements that make it clear that contributions will go to retire campaign debt, which can make a solicitation much less desirable to donors. Duty First and Brown's 2022 Senate campaign likely violated the restrictions on retiring the \$232,707.26 in primary campaign debt.²⁰ Duty First reported the debt that it assumed from Brown's 2022 Senate campaign.²¹ Since the debt was associated with Brown's 2022 primary election, Duty First can only accept funds from a donor for debt retirement that do not exceed their original 2022 primary contribution limit.²² In other words, \$2,900 minus any amount an individual donor previously gave to Mr. Brown's 2022 primary campaign. Duty First is prohibited from accepting contributions for debt retirement from persons who have already contributed the maximum amount to Brown's 2022 primary Senate campaign.²³

Yet, Duty First and Brown's 2022 campaign accepted contributions from at least ten contributors in excess of the applicable limits.²⁴ Effectively, this disregard of federal campaign

²⁰ See FEC Form 3X, Duty First PAC, 2022 October Quarterly Report (Feb. 16, 2023), <https://docquery.fec.gov/pdf/637/202302169578646637/202302169578646637.pdf>.

²¹ FEC Form 3X, Duty First PAC, 2022 October Quarterly Report (Feb. 16, 2023), <https://docquery.fec.gov/pdf/637/202302169578646637/202302169578646637.pdf>.

²² See 11 C.F.R. § 110.1(b)(3).

²³ See *id.*

²⁴ See 11 C.F.R. § 110.1(b)(3); Exhibit A.

finance law allowed Duty First to subsidize Brown's 2022 Senate campaign by accepting contributions in excess of the legal limits.

Equally important, Duty First appears to be raising funds without disclosing that the donor's funds will go towards debt retirement. The default contribution link for Duty First makes no mention whatsoever of debt retirement and public news reporting indicates a lack of such a disclosure in general. Yet, Duty First has used a significant portion of its contributions to retire debt from Brown's 2022 Senate campaign.²⁵ Indeed, fewer than 2% of Duty First's funds went towards Duty First's stated purpose in 2022.²⁶ In an apparent violation of FEC regulations, there is no evidence that Duty First's solicitations are informing contributors that their contributions will be used to retire Sam Brown's 2022 Senate campaign debt.²⁷ FEC regulations require this disclosure for a specific reason - to protect members of the public from being misled about the use of their contributions. The apparent violation of these rules by Duty First PAC is even more alarming where the campaign took the unprecedented step of transferring the debt out of the campaign into a PAC with an expressly stated purpose of electing *other Republican* candidates.

REQUESTED ACTION

The debt retirement regulations serve an important public policy of protecting the public from being misled about the use of their contributions. The Commission should further investigate this matter, require Respondents to refund excess of the contribution limits, and require Respondents to follow Commission regulations in its subsequent solicitations for debt retirement.

²⁵ Abby Turner & Andrew Kaczynski, *Nevada GOP Senate candidate raised money to help other candidates - the funds mostly paid down his old campaign's debt instead*, CNN (Aug. 12, 2022), <https://www.cnn.com/2023/08/12/politics/sam-brown-pac-debt-payments-kfile/index.html>.

²⁶ *Id.*

²⁷ See Duty First PAC, Donation (last accessed Aug. 22, 2023), <https://secure.anedot.com/duty-first-pac/donate>.

Sincerely,



Tiffany Muller
End Citizens United
PO Box 66005
Washington, DC 20035

SUBSCRIBED AND SWORN to before me this 25th day of October, 2023.



Notary Public

MARK ANDREWS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 14, 2024



Exhibit A

NET CONTRIBUTIONS TO SAM BROWN PAC AND DUTY FIRST PAC BY SELECTED INDIVIDUALS²⁸			
NAME	TOTAL RECEIPTS	TOTAL DISBURSEMENTS	NET RECEIPTS
Brown, Michael	\$10,800	\$2,900	\$7,900
Muzzy, Jan	\$8,950	\$3,150	\$5,800
Di Loreto, Patricia	\$8,700	\$2,900	\$5,800
Muzzy, Lynn	\$8,700	\$2,900	\$5,800
Arlen, Roger	\$8,300	\$2,900	\$5,400
Hampton, Mary	\$6,800	\$2,900	\$3,900
Oliphant, Don	\$6,800	\$2,900	\$3,900
Laird, Thaddeus	\$6,050	\$2,900	\$3,150
Bossie, Margaret	\$7,100	\$2,100	\$5,000
Mullen, John	\$6,000	\$2,100	\$3,900

²⁸ FEC, Contributors, (last accessed Sept. 11, 2023), https://www.fec.gov/data/receipts/individual-contributions/?committee_id=C00783936&committee_id=C00819888&contributor_name=Arlen%2C+Roger&contributor_name=Bossie%2C+Margaret&contributor_name=Brown%2C+Michael&contributor_name=Di%27Loreto%2C+Patricia&contributor_name=Hampton%2C+Mary&contributor_name=Laird%2C+Thaddeus&contributor_name=Mullen%2C+John&contributor_name=Muzzy%2C+Jan&contributor_name=Muzzy%2C+Lynn&contributor_name=Oliphant%2C+Don&max_date=12%2F31%2F2024; FEC, Disbursements, (last accessed Sept. 11, 2023), https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00783936&committee_id=C00819888&recipient_name=Arlen%2C+Roger&recipient_name=Brown%2C+Michael&recipient_name=Di%27Loreto+Patricia&recipient_name=Hampton%2C+Mary&recipient_name=Muzzy%2C+Jan&recipient_name=Muzzy%2C+Lynn&recipient_name=bossie%2C+margaret&recipient_name=laird%2C+thaddeus&recipient_name=mullen%2C+john&recipient_name=oliphant%2C+don&max_date=12%2F31%2F2024.