

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
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Conservative Solutions Project, Inc.;) MUR 6988
Robert Watkins, Treasurer; Pat)
Shortridge, President/Director;)
J. Warren Tompkins, Director; Joel)
McElhannon, Director)

**STATEMENT OF REASONS
OF COMMISSIONERS ANN M. RAVEL AND ELLEN L. WEINTRAUB**

For the second time in recent months,¹ the Federal Election Commission has failed to enforce clear law on the registration of political committees, deadlocking once again on a vote to investigate a 501(c)(4) organization that disclosed no information to the public, despite its zeal to elect a particular candidate. The dark money group in question this time: Conservative Solutions Project (“CSP”), a nonprofit sharing a name, address, and staff with Conservative Solutions PAC, the independent expenditures-only political committee that openly backed Sen. Marco Rubio’s 2016 presidential campaign.² By blocking any further investigation of CSP, our colleagues have allowed the proliferation of “single-candidate” 501(c)(4) organizations to continue unchecked³ and have prevented the Commission from revealing the sources of political activity.

Under the Federal Election Campaign Act, an organization is required to register and report as a federal political committee when it receives contributions or makes expenditures in excess of \$1,000⁴ and has as its major purpose the nomination or election of a federal candidate.⁵

¹ See Certification, MUR 6880 (Carolina Rising) (Oct. 21, 2016).

² See generally Filings of Conservative Solutions PAC, FEC.GOV, http://www.fec.gov/finance/disclosure/candcmte_info.shtml (disclosing more than \$55 million in independent expenditures supporting Rubio or opposing other candidates for the Republican presidential nomination); see also CONSERVATIVE SOLUTIONS PAC, www.conservativesolutionspac.com (“Conservative Solutions PAC is proud to have supported Marco Rubio for President.”).

³ See Statement of Reasons of Commissioners Ann M. Ravel and Ellen L. Weintraub, MUR 6880 (Carolina Rising) (Nov. 11, 2016).

⁴ 52 U.S.C. § 30101(4)(A).

⁵ *Buckley v. Valeo*, 424 U.S. 1, 79 (1976).

As noted by several articles cited in the Complaint, CSP surpassed the monetary threshold by fall 2015, spending millions on advertising to promote Rubio.⁶ The *New York Times* reported that by October 2015, CSP had spent \$5.5 million on television advertisements in support of Rubio,⁷ including \$680,000 in Iowa, \$835,000 in New Hampshire, and almost \$600,000 in South Carolina.⁸ Among the advertisements aired were two entitled “American Dream” and “Greatness,” respectively. Both ads featured prolonged footage of Rubio and audio of him delivering unmistakable campaign rhetoric, such as: “What we are called upon to do now is to ensure that the American dream does not just survive, but that it reaches more people and changes more lives than ever before” and “You and I were left by our parents and grandparents the greatest nation in the history of the world. It is our obligation to keep it that way.”⁹ In another ad, Rubio says, “What is standing in the way [of America’s greatness] are outdated leaders who refuse to let go of the past.”¹⁰

These words, the accompanying visuals, and the utter absence of any other message plainly give us reason to believe CSP engaged in express advocacy of Rubio’s nomination as the 2016 Republican presidential candidate. The advertisements prominently feature Rubio (to the exclusion of all other candidates and officeholders) and promote his priorities, while Rubio personally exhorts viewers to replace “outdated leaders” and support his vision of the American Dream. The clear implication, of course, is that Rubio is the leader who will achieve that goal. What is more, these advertisements were not shared broadly across the country, but targeted specifically at early presidential primary states, further belying CSP’s assertions it intended them only to promote its policy agenda. Were the organization’s intent not clear enough, CSP’s filings with the Federal Communications Commission show that it *self-described* at least one ad as supporting Rubio for U.S. President.¹¹ No reasonable person could conclude that the ads were intended as anything other than advocacy on behalf of Rubio’s election.¹²

In addition, CSP has demonstrated its major purpose of electing Rubio with single-minded determination. The Commission has affirmed that the major purpose inquiry is a fact-

⁶ Compl. at 2 (citing Jonathan Martin & Nicholas Confessore, *Nonprofits Mask Source of Ads Backing Rubio*, N.Y. TIMES (Oct. 11, 2015), <http://www.nytimes.com/2015/10/12/us/politics/nonprofit-masks-dark-money-ads-backing-marco-rubio.html>; Julie Bykovicz, *Rubio’s Presidential Bid Boosted by Secret-Money Commercials*, ASSOCIATED PRESS (Oct. 8, 2015), 12:11 PM), <http://bigstory.ap.org/article/5926406673b047a7a34f1177e01014da/anonymous-donors-send-millions-pro-rubio-group>.)

⁷ Martin & Confessore, *Nonprofit Masks Source of Ads Backing Rubio*.

⁸ Compl. at 3 (citing Brett LoGiurato, *The Shadowy Nonprofit Backing Marco Rubio Has Spent a Surprising Amount of Money*, BUS. INSIDER (Oct. 12, 2015, 11:59 AM), <http://www.businessinsider.com/marco-rubio-nonprofit-spending-2015-10>).

⁹ Conservative Solutions Project, *American Dream* (Oct. 5, 2015), https://www.youtube.com/watch?v=F_yciQ06HNk.

¹⁰ Conservative Solutions Project, *Greatness* (Sept. 28, 2015), https://www.youtube.com/watch?v=gm_xOtDmzc0.

¹¹ Robert Maguire and Anna Massoglia, *New Tax Forms Show Strong Ties Between Pro-Rubio Group and Campaign*, OPENSECRETS.ORG (May 24, 2016), <https://www.opensecrets.org/news/2016/05/new-tax-forms-rubio-dark-money-legacy-even-darker/>.

¹² 11 C.F.R. § 100.22(b).

intensive analysis that may consider a number of elements, including whether an organization's independent spending has become "so extensive that the organization's major purpose may be regarded as campaign activity."¹³

Here, in addition to spending millions (that we know of) on Rubio-promoting advertisements, CSP's latest tax filings show that it has also been doling out considerable sums to consultants connected to Rubio and his campaign. A tangled web of expenditures mapped by the Center for Responsive Politics shows just how interconnected CSP is with Rubio's political entities.¹⁴ Notably, in February 2015, CSP paid nearly \$95,000 to a consulting firm whose owner received nearly \$140,000 in the months that followed from Rubio's joint fundraising committee, leadership PAC, and presidential campaign.¹⁵ In addition, CSP is run in part by J. Warren Tompkins, a consultant and former business partner of Rubio's presidential campaign manager. The tax document shows that Tompkins received \$137,500 in "management fees" from CSP through a consulting firm, which was paid an additional \$170,696 from a "super PAC" supporting Rubio, Conservative Solutions PAC.¹⁶ Finally, more than \$1.4 million of CSP's total \$3.7 million raised went toward commissioning a 270-page political research document on early-state primary voters, which CSP then published on its website for anyone—including the Rubio campaign—to access for free. Unsurprisingly, the firm that conducted the research has been on Rubio's payroll since 2013, with 93 percent of the payments reported to the firm in FEC disclosure reports—a total of \$1.2 million—coming from either the Rubio campaign or Rubio's leadership PAC.¹⁷ Taken together with its pro-Rubio advertisements, CSP's extensive expenditures toward Rubio consultants provide an ample basis to further investigate whether CSP has a major purpose of influencing federal elections.

By failing to further investigate CSP, the Commission has again done nothing to address dark money. However, it has tacitly permitted the proliferation of groups that exist for political purposes yet are not transparent, as the law requires.

1/12/17
Date

Ann M. Ravel
Ann M. Ravel
Commissioner

1/12/17
Date

Ellen L. Weintraub
Ellen L. Weintraub
Commissioner

¹³ *Political Committee Status*, 72 Fed. Reg. 5595, 5601. (Feb. 7, 2007) (Supplemental Explanation and Justification) (citing *Massachusetts Citizens for Life v. FEC*, 479 U.S. 197, 262 (1982)).

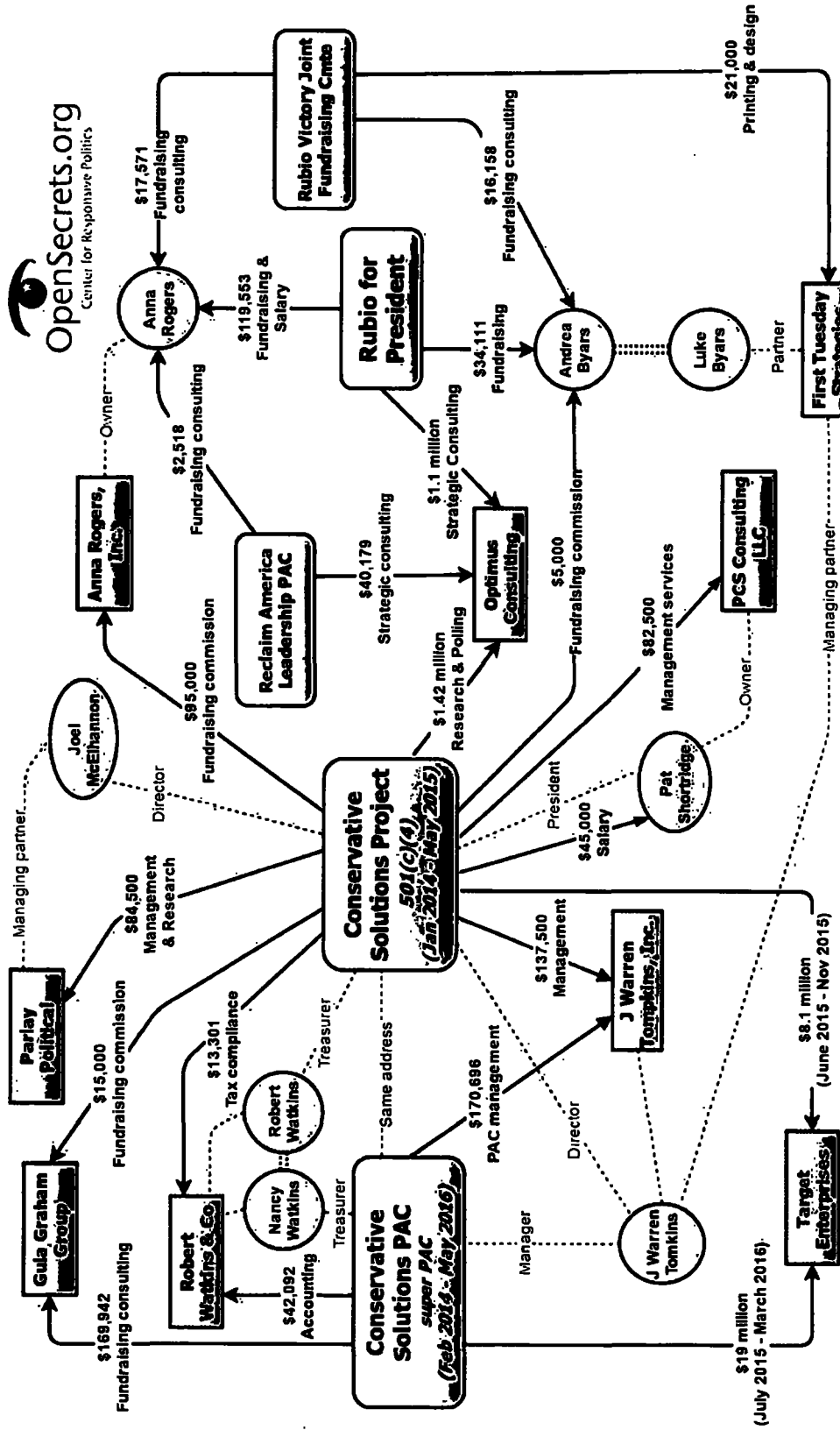
¹⁴ *See infra*, Attachment.

¹⁵ Maguire & Massoglia, *New Tax Forms Show Strong Ties Between Pro-Rubio Group and Campaign*.

¹⁶ *Id.*; see also Martin & Confessore, *Nonprofit Masks Source of Ads Backing Rubio*.

¹⁷ *Id.*

Conservative Solutions Project overlap with Team Rubio



Source: Robert Maguire and Anna Massaglia, *New Tax Forms Show Strong Ties Between Pro-Rubio Group and Campaign*, OPENSECRETS.ORG (May 24, 2016), <https://www.opensecrets.org/news/2016/05/new-tax-forms-show-strong-ties-between-pro-rubio-group-and-campaign>