

**BEFORE THE UNITED STATES
FEDERAL ELECTION COMMISSION**

Rick Scott
PO Box 3791
Tallahassee, FL 32315;

Rick Scott for Florida
PO Box 3791
Tallahassee, FL 32315; and

MUR No. _____

New Republican PAC and Mori Hosseini, Treasurer
224 E. 6th Ave.
Tallahassee, FL 32303

COMPLAINT

This Complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) against Rick Scott, Rick Scott for Florida, New Republican PAC, and Mori Hosseini, Treasurer (collectively, “Respondents”) for multiple violations of the Federal Election Campaign Act of 1971, as amended (the “Act”). In short, Scott appears to be using the super PAC, New Republican PAC, of which he is the chair, to raise and spend soft money to support his candidacy for U.S. Senate.

I. FACTUAL BACKGROUND

New Republican PAC (the “Committee”) is an independent-expenditure only PAC that is registered with the Federal Election Commission. Though the Committee first registered in 2013, by late 2016/early 2017, its fundraising and spending had ground to a halt. In May 2017, Florida Governor and now-candidate for United States Senate Rick Scott was made the PAC’s chair.¹ According to press reports and the PAC’s filings with the Commission, Scott “revived” the PAC, raising almost \$1.2 million for the PAC in 2017, and \$275,000 in the first month of Scott’s leadership alone.² The PAC received large donations from donors who typically give in connection with Florida elections, not federal ones. This has included contributions from businesses that benefited under the Scott administration, including \$100,000 from The Villages,

¹ New Republican PAC, Press Release: Governor Scott to Chair “New Republican” Federal Super PAC (May 11, 2017), *available at* <https://newrepublican.org/governor-scott-chair-new-republican-federal-super-pac/>. A copy of the press release is attached as Exhibit A.

² Marc Caputo and Matt Dixon, Scott takes big step toward Florida Senate challenge, *Politico* (Feb. 1, 2018), *available at* <https://www.politico.com/story/2018/02/01/rick-scott-florida-senate-bill-nelson-midterms-381262>. A copy of the article is attached as Exhibit B.

a retirement community; \$50,000 from MCNA, a dental benefits administrator; and \$50,000 from Gulf Coast Health Care, a nursing home company.³

Under Scott's watch, the PAC hired Scott's core team of consultants from his prior gubernatorial campaigns. The PAC hired Scott's former chief of staff and campaign manager, Melissa Stone, as executive director.⁴ In 2017 alone, the PAC has paid Stone's firm, Cavalry Strategies LLC, the PAC's largest vendor, \$61,595.72, for "Political Strategy Consulting" and "Travel." It retained Scott's longtime fundraiser, Deborah Aleksander, and paid her firm \$18,750 in 2017 alone.⁵ And it has paid On Message, the firm of long-time Scott consultant Curt Anderson, \$47,921.00 in 2017 alone.⁶ The committee's treasurer is Mori Hosseini, a "top adviser" to Melissa Stone" who Scott appointed to the University of Florida Board of Trustees in 2016.⁷

Though Scott only formally declared his candidacy on April 9, 2018,⁸ he has long been preparing to run for the U.S. Senate. When Scott met with donors to raise funds for the PAC, it was reported that Scott was displaying "confidence" about a Senate run and "talked up his good polling numbers."⁹ In early March, Scott advisors and others reported to the press that they thought a Senate announcement was imminent.¹⁰ And taking the helm of the Committee has been one step Scott has taken towards that end. As far back as May 2017, political strategists from both parties saw the Committee as a vehicle for Scott to raise money in anticipation of his

³ *Id.*

⁴ Press Release, Exhibit A. Data collected from the Commission's website is attached as Exhibit C.

⁵ *Politico* (Feb. 1, 2018), Exhibit B. Data collected from the Commission's website is attached as Exhibit D.

⁶ *Politico* (Feb. 1, 2018), Exhibit B. Data collected from the Commission's website is attached as Exhibit E.

⁷ Matt Dixon and Marc Caputo, Trump's New Year's resolution: Getting Scott to run for Senate in Florida, *Politico* (Dec. 31, 2017), available at <https://www.politico.com/states/florida/story/2017/12/31/scott-to-meet-dine-with-trump-at-mar-a-lago-165109>. A copy of the article is attached as Exhibit F.

⁸ See Maegan Vazquez and Eric Bradner, Florida Gov. Rick Scott formally announces run for Senate, challenging Bill Nelson, CNN (April 9, 2018), available at <https://www.cnn.com/2018/04/09/politics/rick-scott-running-senator/index.html>. A copy of the article is attached as Exhibit G.

⁹ *Politico* (Feb. 1, 2018), Exhibit B.

¹⁰ Sean Sullivan, Florida Gov. Rick Scott to put in face time with GOP donors ahead of possible Senate run, *Washington Post* (March 3, 2018), available at https://www.washingtonpost.com/news/powerpost/wp/2018/03/03/florida-gov-rick-scott-to-put-in-face-time-with-gop-donors-ahead-of-possible-senate-run/?utm_term=.df119126c096. A copy of the article is attached as Exhibit H.

Senate candidacy.¹¹ And two Republican officials told the *New York Times* that Scott’s advisors’ work on the PAC was “an indication that he intends to challenge Senator Bill Nelson.”¹²

On April 9, 2018, the same day that Scott declared his candidacy for Senate, the Committee revamped its website and mission. Though the PAC’s website previously indicated that its purpose was to support President Trump, Committee transformed overnight into “an Independent Expenditure Only PAC (i.e., a Super PAC) focused on the election of Rick Scott in the race for Florida United States Senate.”¹³ The Committee’s website now is solely focused on supporting Scott, containing pages such as “About Rick,” and pages detailing Scott’s position on various issues. It does not appear as if Scott has relinquished his role as Chair of the Committee since declaring his federal candidacy.

II. LEGAL BACKGROUND AND ANALYSIS

A. Scott May Have Used Soft Money to Support His Senate Candidacy

Under the Act, a “candidate is “an individual who seeks nomination for election, or election, to Federal office” who “has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000” or has “given his or her consent to another person to receive contributions or make expenditures on behalf of such individual ... in excess of \$5,000.”¹⁴ Commission rules provide for a limited exception to this rule: under the “testing the waters” exception, an individual may raise and spend funds “solely for the purpose of determining whether an individual should become a candidate.”¹⁵ However, “[o]nly funds permissible under the Act may be used for such activities.”¹⁶

It appears as if Scott has violated this prohibition by using the Committee to support his federal candidacy. Even though he did not declare his federal candidacy until April 9, he has been using the Committee to advance his election. Since May 2017, he has used the Committee to pay his core team of consultants, in anticipation of his federal candidacy. Press reports indicate that he

¹¹ Gary Rohrer, Gov. Scott forms new PAC ahead of likely U.S. Senate run, *Orlando Sentinel* (May 22, 2017), available at <http://www.orlandosentinel.com/news/politics/political-pulse/os-gov-scott-political-committee-20170518-story.html>. A copy of the article is attached as Exhibit I.

¹² Jonathan Martin, Trump Should Get Behind Romney’s Candidacy, McConnell Says, *New York Times* (Feb. 17, 2018), available at <https://www.nytimes.com/2018/02/17/us/politics/mitch-mccconnell-midterms.html>. A copy of the article is attached as Exhibit J.

¹³ New Republican PAC Website, Who We Are, at <https://newrepublican.org/who-we-are/> (last visited April 9, 2018). A copy of this website is attached as Exhibit K.

¹⁴ 52 U.S.C. § 30101(2).

¹⁵ 11 C.F.R. §§ 110.72(a), 110.131(a).

¹⁶ *Id.*

was using the Committee to promote his candidacy, discussing his plans with donors at Committee fundraising events.¹⁷ And while Scott has been preparing for a Senate bid for months, he does not appear to have registered a 527 organization to pay for any testing-the-waters expenses.

Most significantly, the very same day that Scott declared his federal candidacy, the Committee revamped its website, suddenly transforming itself from a committee dedicated to supporting President Trump to one dedicated to supporting Scott. This timing cannot be mere coincidence; instead, Scott and the Committee plainly prearranged this transition. Thus it appears as if Scott consented to the Committee spending funds on behalf of his candidacy, triggering candidacy for Scott on a date earlier than the one he declared. But regardless of when he triggered candidacy, it appears as if he has been using the Committee to improperly pay for expenses associated with his exploratory activities and his candidacy for Senate.

B. The Committee Has Raised and Spent Soft Money in Violation of the Act

Regardless of whether the Committee aided Scott's campaign before he formally declared his candidacy, now that Scott is a federal candidate, the Committee is prohibited from raising or spending funds outside of the federal limits in connection with any federal election. The Act's soft money prohibition prohibits not only candidates, but entities that have been "directly or indirectly established, financed, maintained or controlled" by a federal candidates, from soliciting, receiving, directing, transferring, or spending funds in connection with an election that fall outside of the federal limits and source prohibitions.¹⁸ Since May 2017, the Committee has unquestionably been controlled by Scott; by all accounts, he has controlled the committee's hiring and firing, installing his own campaign advisors into the key roles of the Committee, and has been responsible for raising the bulk of the Committee's funds.¹⁹ Accordingly, the Committee may not spend funds that were raised in excess of the limits or from federally impermissible sources, nor may it raise such funds. Right now, the Committee is actively soliciting funds in unlimited amounts from individuals and corporations, in clear violation of the Act.²⁰

This analysis is not changed by the fact that Scott was not a federal candidate when he first took over as Chair of the Committee. In past advisory opinions addressing nonfederal committees of newly elected federal officeholders, the FEC has treated those committees as "established" by

¹⁷ See *Politico* (Feb. 1, 2018), Exhibit B; www.fec.gov.

¹⁸ 52 U.S.C. § 30125(e).

¹⁹ See 11 C.F.R. 300.2(c)(2)(ii), (viii).

²⁰ See New Republican PAC Website, Donation Page at https://secure.anedot.com/new-republican/new_rep_website ("New Republican PAC may accept unlimited contributions from individuals, corporations, and other business entities"). A copy of this web page is attached as Exhibit L.

federal candidates for purposes of the soft money ban.²¹ Moreover, Commission rules recognize that permitting an individual to establish an organization pre-candidacy would permit circumvention of the Act, and prohibit this very conduct. Such an organization must sever all ties with the federal candidate or officeholder for two full years before the organization may raise or spend soft money.²²

Accordingly, even if the Commission concludes that Scott did not use the Committee to support his federal candidacy, it must find that, to the extent that the Committee has raised and spent nonfederal funds after Scott became a candidate date, it has violated the Act.

III. CONCLUSION

As described above, there is compelling evidence that Rick Scott has violated the Act by raising and spending soft money to advance his federal candidacy. The Commission should investigate this matter promptly to determine whether such a violation occurred. If it does, the Commission must find reason to believe that Respondents have violated the Act, impose the maximum civil penalty permitted by law, enjoin respondents from any and all future violations, and impose such additional remedies as it finds necessary and appropriate.

Respectfully Submitted,

End Citizens United by,
Matt Burgess
P.O. Box 66005
Washington, DC 20035

Sworn to and subscribed before me this ___ day of April, 2018

Notary Public

²¹ Adv. Op. 2009-06 (Risch); Adv. Op. 2007-01 (McCaskill).

²² 11 C.F.R. § 300.2(c)(4)(ii).