



May 22, 2019

Neven F. Stipanovic, Esq.
Acting Associate General Counsel
Federal Election Commission
1050 First St. NE
Washington, DC 20463

Re: REG 2018-02, Rulemaking Petition to Revise and Amend Regulations
Relating to the Personal Use of Leadership PAC Funds

Dear Mr. Stipanovic,

The Campaign Legal Center (“CLC”), Issue One, and former United States Representatives Rod Chandler (R-WA), Larry LaRocco (D-ID), Peter Smith (R-VT), Claudine Schneider (R-RI), and John Tanner (D-TN) (collectively “Petitioners”) write to respectfully urge the Commission to take action on REG 2018-02, the Federal Election Commission’s proposed rulemaking to revise and amend 11 C.F.R. § 113.1(g) to clarify that the prohibition on the personal use of campaign funds applies to so-called “Leadership PACs.”

As we noted in our original petition, Congress has prohibited “any contribution accepted by a candidate” and “any other donation received by an individual as support for activities of the individual as a holder of Federal office” from being converted to the “personal use” of the candidate or any other person. 52 U.S.C. §§ 30114(a), 30114(b)(1). A leadership PAC is a committee established, financed, maintained or controlled by a candidate. 52 U.S.C. § 30104(i)(8)(B); 11 C.F.R. § 100.5(e)(6). The Commission allowed officeholders to establish leadership PACs to support their duties as officeholders—specifically, so that an officeholder may “support other candidates' campaigns”¹ in order “to gain support when the officeholder seeks a leadership position in Congress.”² Thus, by its very terms, the statutory personal use prohibition is applicable to any contribution received by a candidate’s leadership PAC, and Commission rules should reflect this clear statutory mandate.

Our original July 24, 2018 petition was accompanied by a report, *All Expenses Paid: How Leadership PACs Became Politicians’ Preferred Ticket to Luxury Living*, documenting how politicians from both parties have spent millions of dollars from leadership PAC funds for

¹ Notice of Proposed Rulemaking on Prohibited and Excessive Contributions; Non-Federal Funds or Soft Money, 67 FR 35654, 35672 (May 20, 2002).

² 67 FR at 78754.

potential personal use over the preceding five years—while on average devoting only a minority of spending towards contributions to other candidates or committees.

Our November 16, 2018 comments on the Commission’s notice of availability demonstrated that those trends continued through the second and third quarters of 2018, with politicians spending thousands of dollars of leadership PAC funds on golf clubs, resorts, NFL games, and international travel, while at the same time directing only a small portion of their leadership PAC spending towards contributions.

CLC and Issue One’s review of subsequent leadership PAC reports, attached to this letter, shows that these abuses have continued unabated.

In sum, the evidence demonstrates that the Commission’s failure to clarify that the statutory personal use ban applies to contributions received by federal candidates’ and officeholders’ leadership PACs has resulted in members of both parties illegally using them as slush funds.

We therefore reiterate our request that the Commission initiate a rulemaking on this matter. Because the ban on personal use of leadership PAC funds is commanded by statute, the Commission’s continued failure to address this matter may constitute “agency action unlawfully withheld or unreasonably delayed,” in violation of 5 U.S.C. § 706(1).

Thank you for considering this submission.

Sincerely,

_____/s/_____

Campaign Legal Center, by
Adav Noti
1411 K Street, NW, Suite 1400
Washington, DC 20005

_____/s/_____

Issue One, by
Meredith McGehee
1401 K Street, NW, Suite 350
Washington, DC 20005

_____/s/_____

Rep. Larry LaRocco (D-ID)

_____/s/_____

Rep. Peter Smith (R-VT)

_____/s/_____

Rep. Rod Chandler (R-WA)

_____/s/_____

Rep. Claudine Schneider (R-RI)

_____/s/_____

Rep. John Tanner (D-TN)