

BEFORE THE FEDERAL ELECTION COMMISSION

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v.

MUR No. 7244

58th PRESIDENTIAL INAUGURAL COMMITTEE
301 Seventh Street SW, Room 2080
Washington, D.C. 20599

Doug Ammerman, Designated Officer
58th PRESIDENTIAL INAUGURAL COMMITTEE
301 Seventh Street SW, Room 2080
Washington, D.C. 20599

Sara Armstrong, Chief Executive Officer
58th PRESIDENTIAL INAUGURAL COMMITTEE
301 Seventh Street SW, Room 2080
Washington, D.C. 20599

COMPLAINT

1. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that the 58th Presidential Inaugural Committee (I.D. C00629584) (hereafter "Inaugural Committee") and its designated officer, Doug Ammerman, and Chief Executive Officer, Sara Armstrong may have violated provisions of the Federal Election Campaign Act ("FECA"), 52 U.S.C. § 30101, *et seq.*

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2. Specifically, based on published reports, there is reason to believe that the Inaugural Committee, Ammerman, and Armstrong violated the reporting requirements at 36 U.S.C. § 510(b) and 11 C.F.R. § 104.21(c)(6)(iii) by filing reports which they knew or should have known did not include required information and contained false information due to their reckless failure to request, obtain or review donor information for accuracy, and that Ammerman violated 11 C.F.R. § 104.21(c)(1) by falsely affirming that the report was true, correct, and complete.
3. “If the Commission, upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [the FECA] . . . [t]he Commission shall make an investigation of such alleged violation” 52 U.S.C. § 30109(a)(2); *see also* 11 C.F.R. § 111.4(a) (emphasis added).

FACTS

4. The Inaugural Committee is a tax-exempt entity created pursuant to 36 U.S.C. § 510 and incorporated under Section 501(c)(4) of the Internal Revenue Code to facilitate the inauguration of President Donald Trump, which took place on January 20, 2017. Its Chief Executive Officer is Sara Armstrong.¹
5. On April 18, 2017, the Inaugural Committee filed its post-inaugural report disclosing the name and address of all donors who had donated over \$200 to the Inaugural Committee since November 29, 2016.² The report was signed by Doug Ammerman, who certified that its contents were true, correct, and complete.³

¹ 58th Presidential Inaugural Committee, Statement of Organization (Nov. 23, 2016), <http://docquery.fec.gov/pdf/662/201612060300121662/201612060300121662.pdf>.

² *Id.*, Report of Donations Received for Inaugural Committee, FEC Form 13 (Apr. 18, 2017), <http://docquery.fec.gov/pdf/286/201704180300150286/201704180300150286.pdf>.

³ *Id.*

6. On April 25, 2017, Christina Wilkie at the *Huffington Post* reported that “Donald Trump’s Presidential Inaugural Committee acknowledged late Monday that a final report it filed with the Federal Election Commission this month was riddled with errors.”⁴
7. Dozens of entries on the Inaugural Committee’s report listed donors at apparently incorrect addresses, and sometimes at multiple incorrect addresses.⁵ For example, the report disclosed approximately eighty-three donations, under five different names, from the single address 425 2nd St NE in Washington D.C. (which is the address for the National Republic Senatorial Committee). It disclosed four separate donations over two days from Michelle Widmer-Eby at four different addresses, in three different states.⁶ There were four separate donations from Shelley Shelby, three on the same day, and at four different addresses.⁷ The *Huffington Post* reported:

The scores of mistakes contained in the more than 500-page FEC filing can largely be traced to a fundraising and ticketing system the Republican Party introduced this year, which provided special online access codes to Trump supporters.

The access codes, mailed out in early January, entitled recipients to buy tickets, at \$50 each, to the larger of Trump’s two inaugural balls. Within days, a secondary market for the access codes had sprung up, with some people asking their friends for codes, and others buying them on Ebay.

No two access codes were the same, and each code was good for a specific number of tickets, like rides at a carnival. Some codes were good for only two passes, while others were good for 100. But each code was tied to a specific address, meaning that if it was passed to someone else, that person’s name would be on the disclosure alongside the original code recipient’s address.⁸

⁴ Christina Wilkie, *Trump Inauguration Admits Errors, Vows To Correct Numerous Faulty Donor Records*, *Huffington Post* (Apr. 25, 2017), http://www.huffingtonpost.com/entry/trump-inauguration-fec_us_58fec92ae4b00fa7de170e73?&ncid=inblnkushpmg00000009.

⁵ *Id.*

⁶ 58th Presidential Inaugural Committee, *Report of Donations Received*, *supra* note 2, at 17, 67, 233, 251.

⁷ *Id.* at 81, 279, 335, 348, 389

⁸ Wilkie, *supra* note 4.

8. Purchases of inauguration tickets on the Inaugural Committee website were then treated as donations to the Inaugural Committee.⁹ According to the *Huffington Post*, one Trump supporter said that she used “four different access codes — each belonging to a different friend — to purchase \$400 worth of ball tickets” on the website, noting that “The inauguration website did not request my street address when I purchased the tickets, even though I paid for the tickets using my credit card.”¹⁰
9. Additionally, it was reported that although the ticket purchaser said that she “listed the individual name of each ticket holder and their email address for delivery of their ball tickets” when purchasing the tickets, “none of those names was submitted to the FEC as a Trump inauguration donor. Instead, the final report submitted by the 58th Presidential Inaugural Committee this month said the original donor made eight donations of \$50 each, using four different addresses.”¹¹
10. The Inaugural Committee report also included a \$25,000 donation made in the name of Katherine Johnson, whose address is listed at NASA’s Langley, Virginia Research Center.¹² Katherine Johnson is the name of a former NASA mathematician who was depicted in the biopic “Hidden Figures.”¹³ Johnson’s family denied that she had made such a donation.¹⁴ According to the *Huffington Post*, a spokesperson for the Inaugural Committee stated that “an error was made that wrongly attributed a donation to the

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² 58th Presidential Inaugural Committee, Report of Donations Received, *supra* note 2, at 500.

¹³ See Lee Fang, *Trump Inaugural Committee Lists Big Donation from 'Hidden Figures' Hero*, THE INTERCEPT (Apr. 20, 2017) <https://theintercept.com/2017/04/20/donald-trumps-inauguration/>.

¹⁴ *Id.*

committee to someone with a NASA address instead of the donor's true address, which was in California."¹⁵

11. The *Huffington Post* further reported that a \$400,000 donation listed as coming from "Isabel T. John" at an address at an empty lot located at 111 Sylvan Ave. in Englewood, New Jersey, was also erroneous."¹⁶ The *Huffington Post* reported that, according to the Inaugural Committee, "Isabel and John Tonelli are the real donors," and that the empty lot address on the report was not the donors' home address, but the address used by the bank to facilitate the wire transfer.¹⁷
12. The 508 page Inaugural Committee report includes other questionable entries, including potential straw donations. For example, the report reflected:
 - i. \$1 million in total donations made through four LLCs—BV-2 LLC,¹⁸ Dunson Cornerstone LLC,¹⁹ Buena Vista Investments LLC,²⁰ and Dunson Investments LLC²¹—on the same day, and all reported at the same address (3425 Southwest Brentwood Drive in Portland, Oregon). According to public records, hotel executive Gordon Sondland is the registered agent for each of these LLCs, none of which are located at the address described on the Inaugural Committee's report

¹⁵ Wilkie, *supra* note 4.

¹⁶ *Id.*; see also 58th Presidential Inaugural Committee, Report of Donations Received, *supra* note 2, at 195.

¹⁷ Wilkie, *supra* note 4. ("The donation was made by wire transfer from Citibank which used the address of 111 Sylvan Ave. in Englewood, New Jersey, to facilitate the transfer").

¹⁸ 58th Presidential Inaugural Committee, Report of Donations Received, *supra* note 2, at 136.

¹⁹ *Id.* at 152.

²⁰ *Id.* at 201.

²¹ *Id.* at 340.

filed with the Commission.²² Instead, the address reported to the Commission for the four LLCs is the address of a home owned by Sondland.²³

- ii. A \$25,000 donation on December 23, 2016 from “Jan Castle LLC,”²⁴ a Georgia entity with no public presence that was created just three months prior, on September 13, 2016, according to Georgia records.²⁵
- iii. Two donations from a “Charles Warren” in Fort Myers, Florida, whose street address on both entries is listed as “Charles Warren.”²⁶
- iv. Eight donations from a “James Matthews” in Pinson, Alabama, whose street address on all eight entries is “Lawn Guard.”²⁷

SUMMARY OF THE LAW

13. 36 U.S.C. § 510 provides that an Inaugural Committee must file a report with the Commission, within 90 days of the Presidential inaugural ceremony, disclosing the name and address of any person who makes a donation of money or anything of value that exceeds an aggregate of \$200, and the amount and date of such donation. 36 U.S.C. § 510(b)(1)-(2). An Inaugural Committee also shall not accept any donation from a foreign national. *Id.* § 510(c).

²² See Oregon Secretary of State corporate registry, “BV-2 LLC,” https://www.sos.wa.gov/corps/search_detail.aspx?ubi=601729230; Washington Corps, “Dunson Cornerstone, Inc.,” <http://www.washingtoncorps.com/corp/864413.html>; *id.*, “Buena Vista Investments LLC,” <http://www.washingtoncorps.com/corp/788190.html>; *id.*, “Dunson Investments LLC,” <http://www.washingtoncorps.com/corp/449218.html>.

²³ See Lee Fang, *Portland Executive Covertly Donates \$1 Million to Inauguration After Being Shamed Over Trump Support*, THE INTERCEPT (Apr. 21, 2017), <https://theintercept.com/2017/04/21/portland-executive-covertly-donates-1-million-to-inauguration-after-being-shamed-over-trump-support/>.

²⁴ Inaugural Committee Report of Donations Received, *supra* note 2, at 161.

²⁵ See Georgia Corporations Division, “Jan Castle LLC,” <https://ecorp.sos.ga.gov/BusinessSearch/BusinessInformation?businessId=2260361&businessType=Domestic%20Limited%20Liability%20Company>.

²⁶ 58th Presidential Inaugural Committee, Report of Donations Received, *supra* note 2, at 366, 381.

²⁷ *Id.* at 62, 82, 89, 236, 295, 370, 390, 497.

14. Commission regulations implementing this statute similarly require that an Inaugural Committee itemize donations that aggregate \$200 or more, and collect and report the full name of each donor, each donor's address, the amount of each such donation from each donor, and the date of receipt. 11 C.F.R. § 104.21(c)(6)(iii)(A)-(D).²⁸
15. The inaugural committee's chair or other designated official must sign the report and certify that its contents are true, correct, and complete. 11 C.F.R. § 104.21(c)(1). The form that inaugural committees use to submit the report, FEC Form 13, states that "Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of" what is now 52 U.S.C. § 30109 (formerly 2 U.S.C. §437g).²⁹

CAUSES OF ACTION

I. The Inaugural Committee and its Officers Failed to Comply with Federal Reporting Requirements by Filing Reports With the Commission Which They Knew or Should Have Known Contained False Information

16. Based on published reports, there is reason to believe that the Inaugural Committee, Ammerman, and Armstrong showed a reckless disregard for their duty to collect the statutorily required information from each donor who gave over \$200, such as the address of each donor, and to accurately report such information to the Commission, and therefore violated the reporting requirements at 36 U.S.C. § 510(b) and 11 C.F.R. § 104.21(c)(6)(iii), and that Ammerman violated 11 C.F.R. § 104.21(c)(1) by wrongfully certifying that the contents of the Inaugural Committee's reports were true, correct, and complete.

²⁸ The Commission has authority to enforce the rules for inaugural committees. See *Explanation and Justification, Presidential Inaugural Committee Reporting and Prohibition on Accepting Donations From Foreign Nationals*, 69 Fed. Reg. 59778-79 (Oct. 6, 2004), <https://www.gpo.gov/fdsys/pkg/FR-2004-10-06/pdf/04-22393.pdf>.

²⁹ See, e.g. 58th Presidential Inaugural Committee, Report of Donations Received, *supra* note 2, at 1.

17. Published reports indicate that the Inaugural Committee did not ask each donor for their address, as required by federal law. In some instances, the Inaugural Committee instead relied upon a pre-filled address associated with an “access code.”³⁰ The Inaugural Committee’s system of raising donations through individual “codes” was not designed or intended to ensure the collection of the information required to be reported to the Commission or to ensure the information reported to the Commission was correct and resulted in multiple false entries on its report filed with the Commission.³¹ Dozens of individuals were listed on the report multiple times under different addresses, and other entries showed different names under the same address.³²
18. The Inaugural Committee’s failure to collect and report accurate donor information was not isolated to donations made through online ticket sales. Its reports filed with the Commission indicate it failed to collect address information from some donors,³³ failed to verify apparently false addresses (such as street addresses like “Charles Warren” or “Lawn Guard”),³⁴ and failed to accurately report other addresses (such as listing Katherine Johnson’s address at a NASA facility in Virginia rather than at a home in California).³⁵
19. Published reports also indicate that the Inaugural Committee reported false addresses for donors who gave through wire transfers: for example, the address reported for Isabel and John Tonelli (who together donated \$400,000) was not the donors’ home address, but

³⁰ *Id.*

³¹ *See Wilkie, supra* note 4.

³² *Id.*

³³ *See, e.g.* sources cited *supra* ¶ 11

³⁴ *Id.* ¶ 12 (iii-iv).

³⁵ *Id.* ¶ 10.

instead the address used by Citibank to facilitate the transfer.³⁶ It does not appear that the Inaugural Committee asked the Tonellis for their own address, but instead copied-and-pasted a bank address, an act of negligence that caused a false report to be filed with the Commission.


20. Additionally, the \$400,000 donation from the Tonellis failed to comply with federal reporting requirements in other ways. The original report listed the donation under the false name "Isabel T. John." Even if this error were inadvertent, a \$400,000 donation from two people should never have been reported as a single entry in the first place; instead, it should have been reported as two entries, along with the proportion of the donation attributable to each person and the address for each person. *See* 36 U.S.C. § 510(b)(2), 11 C.F.R. § 104.21(c)(6)(iii)(A)-(D); *see also id.* § 110.1(k) (describing reporting requirements for joint contributions).
21. The Inaugural Committee's failure to ask donors for the required information about their name and address—regardless of whether they were donating through the Inaugural Committee website, via wire transfer, or through other means—and then to file reports with erroneous and false information showed a reckless disregard for the law's most basic reporting requirements and resulted in predictable errors that the Inaugural Committee apparently made no effort to verify, and that it only pledged to partially correct after being criticized in the press.

³⁶ Wilkie, *supra* note 4 ("The donation was made by wire transfer from Citibank which used the address of 111 Sylvan Ave. in Englewood, New Jersey, to facilitate the transfer.")


PRAYER FOR RELIEF

- II. Wherefore, the Commission should find reason to believe that the 58th Presidential Inaugural Committee, Doug Ammerman, and Sara Armstrong have violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
- III. Further, the Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations and an injunction prohibiting the respondents from any and all violations in the future, and should seek such additional remedies as are necessary and appropriate to ensure compliance with the FECA.


Respectfully submitted,



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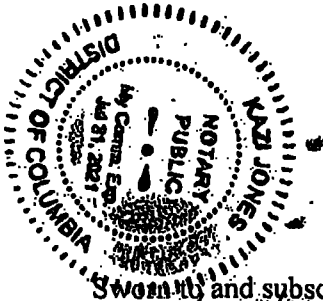
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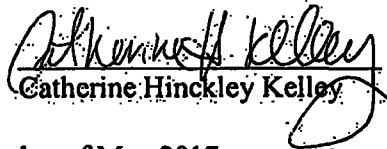
VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

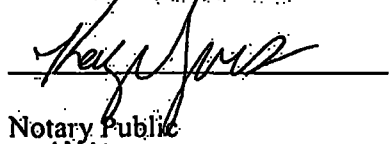
Sworn pursuant to 18 U.S.C. § 1001.

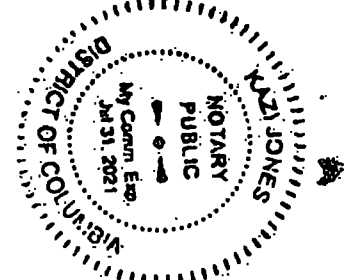


For Complainant Catherine Hinckley Kelley


Catherine Hinckley Kelley

Sworn to and subscribed before me this 2 day of May 2017.


Notary Public



For Complainant Campaign Legal Center


Lawrence M. Noble

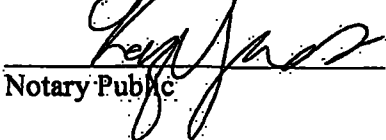
Sworn to and subscribed before me this 2 day of May 2017.


Notary Public

For Complainant Democracy 21


Fred Wertheimer

Sworn to and subscribed before me this 2 day of May 2017.


Notary Public