

FEDERAL ELECTION COMMISSION

In the matter of:

Sam Bankman-Fried
Unknown Respondents

MUR _____

COMPLAINT

1. Citizens for Responsibility and Ethics in Washington (“CREW”) brings this complaint before the Federal Election Commission (“FEC” or “Commission”) seeking an immediate investigation and enforcement action against Sam Bankman-Fried and Unknown Respondents for direct and serious violations of the Federal Election Campaign Act (“FECA”).

2. Mr. Bankman-Fried, who was, until recently, a crypto-currency billionaire and known top Democratic contributor, admitted during a recent public interview that he gave “dark” money contributions to support Republicans in federal elections in the past cycle. He admitted that if his dark money contributions were known, public records would show he gave about equally to Democrats and Republicans this past cycle, and that he would likely be the second or third largest Republican donor.

3. Taking him at his word, Mr. Bankman-Fried was therefore able to direct approximately \$37 million, and potentially much more, to influence federal elections while evading federal laws that require disclosure of the true source of contributions.

4. Typically, wealthy donors making secret political contributions are able to evade federal disclosure laws by feigning a lack of intent to influence federal elections. They maintain a plausible deniability that a donation to a nonprofit, or gift to a friend, or a transfer to an LLC is made for general charitable purposes and without any prediction about where those funds will ultimately go.

5. Mr. Bankman-Fried's admission, however, negates any such deniability here. He admits he transferred funds "to Republicans" to influence "primaries" because that's where "where the good candidates" are elevated "against bad candidates." He further admits that he intentionally structured his donations to evade public reporting by taking advantage of the United States Supreme Court decision, *Citizens United*, which permitted unions and corporations to make independent expenditures themselves, and further allowed them to make contributions to other entities that make independent expenditures. The case did not, however, permit organizations to act as pass-throughs for others' contributions, or to make independent expenditures while keeping secret their own contributors.

6. Mr. Bankman-Fried's frankness amounts to an admission that he, and other unknown persons, violated federal laws designed to ensure Americans have transparency into those funding elections.

Complainants

7. Complainant CREW is a non-profit corporation, organized under section 501(c)(3) of the Internal Revenue Code. CREW is committed to protecting the right of citizens to be informed about the activities of government officials, to ensuring the integrity of government officials, protecting our political system from corruption, and reducing the influence of money in politics. CREW is dedicated to empowering voters to have an influential voice in government decisions and in the governmental decision-making process. CREW uses a combination of research, litigation, and advocacy to advance its mission.

8. In furtherance of its mission, CREW seeks to expose unethical and illegal conduct of those involved in government. One way that CREW does this is by educating citizens

regarding the integrity of the electoral process and our system of government. Toward this end, CREW monitors the campaign finance activities of those who run for federal and state office and those who support or oppose such candidates and publicizes those who violate federal campaign finance laws through its website, press releases, and other methods of distribution. CREW also files complaints with the FEC when it discovers violations of the FECA. Publicizing campaign finance violators and filing complaints with the FEC serve CREW's mission of keeping the public informed about individuals and entities that violate campaign finance laws and deterring future violations of campaign finance law.

9. In order to assess whether an individual, candidate, political committee, or other regulated entity is complying with federal campaign finance law, CREW needs the information contained in receipts and disbursements reports that political committees and others must file pursuant to the FECA, 52 U.S.C. § 30104; 11 C.F.R. §§ 104.1–22, 109.10. CREW is hindered in its programmatic activity when an individual, candidate, political committee, or other regulated entity fails to disclose or provides false information in reports required by the FECA.

10. CREW relies on the FEC's proper administration of the FECA's reporting requirements because the FECA-mandated disclosure reports are the only source of information CREW can use to determine if an individual, candidate, political committee, or other regulated entity is complying with the FECA. The proper administration of the FECA's reporting requirements includes mandating that all disclosure reports required by the FECA are properly and timely filed with the FEC. CREW is hindered in its programmatic activity when the FEC fails to properly administer the FECA's reporting requirements.

Respondents

11. Sam Bankman-Fried is a United States citizen currently residing in the Bahamas. See Greater Opportunities for Leadership PAC, FEC Form 3X, Pre-General Election Report, Sched. A, Oct. 25, 2022, <https://perma.cc/5X9L-HVAM>. He is the founder of FTX exchange and Alameda Research trading firm, which firms specialize in crypto currency. Sam Bankman-Fried, *Forbes*, <https://perma.cc/N54Y-ENA7> (last visited Dec. 6, 2022). He was a billionaire and significant contributor in federal elections until his firms recently collapsed, and he is now the target of investigations by the Securities and Exchange Commission and the Department of Justice. Taylor Giorno, Megadonor no more: Sam Bankman-Fried spent his way into the good graces of Washington then lost it all, *OpensSecrets.org*, Nov. 15, 2022, <https://perma.cc/H4RN-84JH>; David Yaffe-Bellany, How Sam Bankman-Fried's Crypto Empire Collapsed, *NY Times*, Nov. 14, 2022, <https://perma.cc/S62Q-XGLT>.

12. Unknown Respondents are those persons, corporate or natural, who participated in Mr. Bankman-Fried's scheme to hide reportable contributions to influence federal elections. In particular, Unknown Respondents include those persons who received contributions for which Mr. Bankman-Fried is the true source but did not report Mr. Bankman-Fried as the source, those persons who permitted their names to be used to effect a contribution in the name of another by permitting their names to be falsely identified as the source of a contribution for which Mr. Bankman-Fried is the true source, and those persons who received contributions from Mr. Bankman-Fried and made independent expenditures but failed to report Mr. Bankman-Fried as a contributor, in violation of the FECA.

Factual Allegations

13. On November 16, 2022, Sam Bankman-Fried was interviewed by Tiffany Fong, who posted a recording of the interview to her YouTube Channel. Full First Interview w/ Sam Bankman-Fried – Backdoor, FTT, Ch 11, Donations to Democrats, Hack, Tiffany Fong, YouTube, Nov. 29, 2022, <https://perma.cc/HHA3-YA3N>. During that interview, Mr. Bankman-Fried addressed his history of contributions to candidates and political entities. Specifically, he said:

I donated to both parties. I donated about the same amount to both parties this year. That was not generally known, because despite Citizens United being literally the highest profile Supreme Court case of the decade and the thing everyone talks about when they talk about campaign finance, for some reason, in practice, no one could possibly fathom the idea that someone in practice actually gave dark. So, I don't know. All my Republican donations were dark. The reason was not the regulatory reason. It's because reporters freak the fuck out if you donate to a Republican because they're all super liberal. And I didn't want to have that fight. So, I made all the Republican ones dark. But, whatever, [indiscernible] the second or third biggest Republican donor this year as well. Also, it's all for the primary. I didn't give anything to the general election because I don't give a shit about the general election. It's all that matters. Like, it's the primaries where the good candidates against bad candidates.

Id. at 12:59 – 13:55.

14. Based on FEC records, OpenSecrets reported that Mr. Bankman-Fried is the source of over \$39,884,256 in federal contributions in the 2022 election cycle. Who are the Biggest Donors?, *OpenSecrets.org*, <https://perma.cc/7GTV-ELJV> (last visited Dec. 6, 2022). Of that, OpenSecrets attributes \$36,846,356 to contributions he made to Democratic-aligned outside groups, and only \$240,200 to contributions to Republican-aligned outside groups. *Id.* Further, OpenSecrets reports that Mr. Bankman-Fried's contributions to Democratic candidates and parties during the 2022 cycle amounted to approximately \$921,956, while his contributions to

Republicans in the same cycle amounted to \$80,200. Who are the Biggest Donors, *OpenSecrets.org*, <https://perma.cc/M538-W5V3> (last visited Dec. 6, 2022).

15. Consequently, based on available data, Mr. Bankman-Fried is the disclosed source of approximately \$37,768,312 in contributions to Democratic candidates, parties, and aligned outside organizations in the 2022 cycle. In contrast, Mr. Bankman-Fried is the disclosed source of approximately \$320,400 in contributions to Republican candidates, parties, and aligned outside organizations in the 2022 cycle.

16. According to Mr. Bankman-Fried, however, he contributed “about the same amount to both parties this year” but made his contributions to Republican candidates, parties, and aligned outside organizations “dark.” Full First Interview w/ Sam Bankman-Fried, Fong. “Dark” in this context refers to contributions made to influence federal elections, but which are structured to evade disclosure. Dark Money Basics, *OpenSecrets.org*, <https://perma.cc/7STV-GFJ2> (last visited Dec. 6, 2022). He explained his ability to make “dark” contributions was grounded in the decision *Citizens United v. FEC*, 558 U.S. 310 (2010), which permitted unions and corporations to make independent expenditures themselves, and further allowed them to make contributions to other entities that make independent expenditures. He further admitted that if his contributions were disclosed, he would be the “second or third biggest Republican donor this year.” Full First Interview w/ Sam Bankman-Fried, Fong. Finally, he emphasized that the purpose of his contributions was to influence federal elections by stating they were mostly given to influence “primaries” where “good candidates” are elevated over “bad candidates.” *Id.*

17. Federal law generally requires anyone who gives money to influence federal elections to be disclosed to the public through various reporting regimes. Wealthy donors making

secret political contributions attempt to evade those regimes—they may make “dark” contributions—while still ensuring the funds fulfill their purpose of influencing a federal election through at least two mechanisms.

18. First, a contributor may route contributions through an intermediary person or organization that is not required to identify the source of its donations before ultimately being deposited with a candidate, party, or political committee. Federal laws against straw contributions, however, prohibit such schemes where the original contributor intends their funds to influence elections and routes the money through intermediaries to the recipient who then fails to disclose the original source.

19. Second, a contributor may also give money to a person or organization who is not required to report as a political committee but who uses the funds to make independent expenditures to influence an election. The independent expenditure maker then reports their independent expenditure to the FEC, but may fail to disclose the source of the funds they received. Federal law, however, requires any person making independent expenditures to disclose the source of any contributions aggregating over \$200 a year that they receive that are intended to influence federal elections.

20. The difference between Mr. Bankman-Fried’s disclosed 2022-cycle contributions to Democratic candidates, parties, and outside groups and his disclosed 2022-cycle contributions to Republican candidates, parties, and outside groups is approximately \$37,447,912.

21. Additionally, according to OpenSecrets.org, the largest Republican contributors in the 2022 cycle were Richard Uihlein, who gave more than \$80,692,168 to support Republicans, Kenneth Griffin, who gave more than \$68,671,500 to support Republicans, and Jeffrey S. &

Janine Yass, who gave more than \$44,075,100 to support Republicans. Who are the Biggest Donors, OpenSecrets.org. To qualify as the “second or third biggest Republican donor,” Mr. Bankman-Fried would have had to contribute more than \$44 million and potentially as much as \$80 million to support Republicans this cycle.

Count I

22. The FECA and FEC regulations prohibit making a contribution in the name of another person. 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b). A contribution is any transfer, with limited exceptions not applicable here, made “for the purpose of influencing any election for Federal office.” 52 U.S.C. § 30101(8); 11 C.F.R. § 100.52(a).

23. There is reason to believe Mr. Bankman-Fried violated this law by making “dark” contributions to evade being identified as the true source of approximately \$37 million in contributions, and potentially much more.

24. A “reason to believe” exists where a complaint “credibly alleges” a violation of the FECA “may have occurred.” Federal Election Commission, Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12545, Mar. 16, 2007. “Reason to believe” is a threshold standard under federal law that does not establish by itself that a violation has occurred. The Commission has stated that it “will find ‘reason to believe’ in cases where the available evidence in the matter is at least sufficient to warrant conducting an investigation, and where the seriousness of the alleged violation warrants either further investigation or immediate conciliation.” *Id.*

25. As detailed above, Mr. Bankman-Fried admitted in an interview that he gave “about the same” to both parties this cycle, and that if those contributions were disclosed, he would be the “second or third biggest Republican donor this year.”

26. To give “about the same” to Republicans in the 2022 cycle as he is reported to have given to Democrats, Mr. Bankman-Fried would have had to contribute approximately \$37 million more to Republicans than he reportedly gave.

27. To be “second or third biggest Republican donor this year,” Mr. Bankman-Fried would have had to be the source of more than \$44 million in contributions to support Republicans, and potentially the source of as much as \$80 million to support Republicans. Mr. Bankman-Fried, however, is the reported source of only about \$320,400 in contributions to support Republicans this cycle.

28. Mr. Bankman-Fried admitted the purpose of these transfers was to influence federal elections, and that he was able to direct the funds to that ultimate purpose. In the interview, he said his transfers were predominantly designed to influence “primaries,” where “good candidates” can be elevated over “bad candidates.” Further, he confirmed that these transfers ultimately went “to Republicans” and he equated them to transfers he made to Democratic candidates, parties, and aligned groups that were reported as contributions to the FEC. Accordingly, the transfers to which Mr. Bankman-Fried referred constitute contributions within the meaning of the FECA.

29. Mr. Bankman-Fried said he structured his contributions to support Republicans to be “dark.” In other words, Mr. Bankman-Fried admitted he intentionally structured his contributions to evade public disclosure laws. He identified as a basis for his ability to make

such contributions the United States Supreme Court decision *Citizens United*, which permitted unions and corporations to make independent expenditures themselves, and further allowed them to make contributions to other entities that make independent expenditures. Accordingly, Mr. Bankman-Fried admitted that he was using corporations as intermediaries to then make contributions to other entities for the purposes of evading disclosure. While a corporation could not lawfully be used to make a pass-through contribution to a candidate, party, or regular political committee, because federal law continues to prohibit corporate contributions to these entities, Mr. Bankman-Fried could use a natural person as straw donor to these entities and evade public disclosure.

30. Giving funds directly to Republican candidates, parties, or political committees, would have required Mr. Bankman-Fried to be publicly disclosed as the source of the contributions. Routing funds through an intermediary, however, would facilitate Mr. Bankman-Fried's desire to support Republicans while evading public disclosure laws.

31. Federal law, however, prohibits making contributions using intermediaries that are to be falsely identified as the source of the contribution in place of the true source. *See* 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b).

32. Accordingly, there is reason to believe Mr. Bankman-Fried made contributions in the name of another in violation of 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b). If these violations were knowing and willful, they are also subject to criminal penalties and referral to the Department of Justice. 52 U.S.C. §§ 30109(a)(5)(C), (d)(1).

Count II

33. The FECA and FEC regulations prohibit knowingly accepting a contribution made by one person in the name of another. 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b). The FECA and FEC regulations further require political committees to report the identity of the true source of contributions, as well as anyone who acted as a conduit for a contribution. 52 U.S.C. § 30104(b)(2); 11 C.F.R. § 104.3(a), (j) (political committees must report “earmarked contributions”); *see also Instructions for FEC Form 3X and related Schedules* at 11 (revised May 2016), <https://bit.ly/2F19VxP> (any political committee receiving an earmarked contribution through conduit entities must “report each conduit through which the earmarked contribution passed, including the name and address of the conduit, and whether the contribution was passed on in cash, by the contributor’s check, or by the conduit’s check”); 52 U.S.C. § 30107(a)(8) (FEC forms have force of law).

34. There is reason to believe Unknown Respondents knowingly accepted contributions from Mr. Bankman-Fried but failed to report Mr. Bankman-Fried as the true source, in violation of their obligations to disclose the true source of any contribution. Further, to the extent such entities falsely reported Mr. Bankman-Fried’s contributions as originating from a separate entity, these entities violated the FECA’s prohibition on accepting contributions in the name of another.

35. As detailed above, Mr. Bankman-Fried has admitted to being the source of approximately \$37 million, and potentially as much as \$80 million, in contributions to support Republicans in the 2022 federal election. Public records, however, do not disclose the recipient or recipients of these funds, and entities that filed with the FEC did not report Mr. Bankman-

Fried as the source of these funds. The size of Mr. Bankman-Fried's unreported contributions supports the conclusion that any entity receiving the funds would do so knowing the true source.

36. Accordingly, there is reason to believe Unknown Respondents knowingly received contributions from Mr. Bankman-Fried and failed to identify him as the true source of those contributions or falsely identified another as the source of the contributions, in violation of 52 U.S.C. §§ 30104, 30122; 11 C.F.R. §§ 110.4(b), 104.3. If these violations were knowing and willful, they are also subject to criminal penalties and referral to the Department of Justice. 52 U.S.C. §§ 30109(a)(5)(C), (d)(1).

Count III

37. The FECA and FEC regulations prohibit knowingly permitting one's name to be used to effect a contribution in the name of another person. 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b).

38. There is reason to believe Unknown Respondents permitted their names to be used to effect a contribution in the name of another, by permitting their names to be falsely identified as the source of a contribution that originated with Mr. Bankman-Fried.

39. As detailed above, Mr. Bankman-Fried has admitted to being the source of approximately \$37 million, and potentially as much as \$80 million, in contributions to support Republicans in the 2022 federal election. Public records, however, do not disclose the recipient or recipients of these funds, and entities that filed with the FEC did not report Mr. Bankman-Fried as the source of these funds. Rather, except for approximately \$320,400 in contributions, reporting entities that supported Republicans disclosed other persons as the source of their

contributions. The size of Mr. Bankman-Fried's unreported contributions supports the conclusion that any entity acting as an intermediary would do so knowingly.

40. Accordingly, there is reason to believe Unknown Respondents knowingly permitted their names to be used to effect a contribution in the name of another, and thus permit Mr. Bankman-Fried to evade disclosure, in violation of 52 U.S.C. § 30122; 11 C.F.R. § 110.4(b). If Unknown Respondents' violations were knowing and willful, they also are subject to criminal penalties and referral to the Department of Justice. 52 U.S.C. §§ 30109(a)(5)(C), (d)(1).

Count IV

41. The FECA requires persons or organizations making more than \$250 in independent expenditures but who are not otherwise subject to political committee reporting to disclose the source of any contribution from a source who contributed over \$200 to them that calendar year. 52 U.S.C. §§ 30104(b)(3)(A), 30104(c)(1). A reportable contribution is any transfer, with limited exceptions not applicable here, made "for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(8); 11 C.F.R. § 100.52(a).

42. There is reason to believe Unknown Respondents accepted contributions of more than \$200 from Mr. Bankman-Fried and then made qualifying independent expenditures in the same year, but failed to disclose Mr. Bankman-Fried as a contributor, in violation of the FECA.

43. As detailed above, Mr. Bankman-Fried has admitted to being the source of approximately \$37 million, and potentially as much as \$80 million, in contributions to support Republicans in the 2022 federal election. Public records, however, do not disclose the recipient of these funds, and entities that filed with the FEC did not report Mr. Bankman-Fried as the source of these funds.

44. Mr. Bankman-Fried admitted that he structured the contributions to be “dark” and was able to do so because of *Citizens United*. That decision permitted unions and corporations to make independent expenditures, but federal law still requires these entities to report the identity of those from whom they receive contributions of more than \$200 that year.

45. One way donors evade this disclosure obligation is to donate funds to an entity making independent expenditures, but for both entities to then feign ignorance about the purpose of the transfer.

46. Mr. Bankman-Fried, however, admitted that his undisclosed donations were intended to influence federal elections; specifically, to support Republicans and elevate “good candidates” over bad ones.

47. Accordingly, there is reason to believe Unknown Respondents that received more than \$200 from Mr. Bankman-Fried and made more than \$250 in independent expenditures in the same year failed to disclose Mr. Bankman-Fried as a contributor, in violation of 52 U.S.C. §§ 30104(b)(3)(A), 30104(c)(1). If Unknown Respondents’ violations were knowing and willful, they also are subject to criminal penalties and referral to the Department of Justice. 52 U.S.C. §§ 30109(a)(5)(C), (d)(1).

Conclusion

48. WHEREFORE, Citizens for Responsibility and Ethics in Washington requests that the FEC conduct an investigation into these allegations; declare the respondents to have violated the FECA and applicable FEC regulations; and order respondents to correct these violations by filing public reports identifying Mr. Bankman-Fried as the true source of the contributions. In addition, the complainants request that the FEC impose sanctions appropriate to


these violations, and take such further action as may be appropriate, including referring this matter to the Department of Justice for criminal prosecution.



ON BEHALF OF COMPLAINANT
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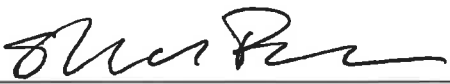
Verification

Citizens for Responsibility and Ethics in Washington hereby verifies that the statements made in the attached Complaint are, upon information and belief, true. Sworn pursuant to 18 U.S.C. § 1001.



Stuart McPhail

Sworn to and subscribed before me this 7th day of December 2022



Notary Public Shaila Bornstein

