FEDERAL ELECTION COMMISSION

In the matter of: MUR ___

Americans 4 Security Inc.

Matthew Karas, Treasurer, Americans 4 Security Inc.

in his official capacity as treasurer and in his personal capacity

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 Americans 4 Security Inc. and Matthew Karas for direct and serious violations of the Federal Election Campaign Act ("FECA").
- 2. Americans 4 Security Inc. is ostensibly a tax-exempt social welfare organization established in Wisconsin in 2020. There is reason to believe, however, that Americans 4 Security Inc. is actually a political committee in disguise. Despite representing itself as a social welfare organization, which allows it to spend money influencing elections while leaving the public in the dark about the sources of its funding, Americans 4 Security Inc. appears to have formed with an immediate objective to engage in federal political activity and should have registered with the FEC as a political committee in 2020 when it dedicated as much as 90% of its expenditures that year to contributions to federal political committees. Indeed, reportedly one day before it formed, the group transferred more than \$10,000 to a federal political committee, and within one week of the group's incorporation, it transferred more than \$100,000 to another federal political committee. That initial federal spending blitz alone accounted for a majority of the group's total spending for the year. That spending obliged Americans 4 Security Inc. to register and report as a political committee itself, but it has failed to do so despite never terminating its status with the FEC.

- 3. Although the group's 2020 spending is alone sufficient to subject it to reporting obligations, since 2020, Americans 4 Security Inc. has notably continued to primarily engage in political activity. While still dedicating some of its resources to federal elections, in 2022, Americans 4 Security Inc.'s spending primarily focused on state races, where it devoted more than 65% of its spending to supporting state-level political committees. The group's focus returned to the federal level in the 2024 cycle.
- 4. In 2024 so far, Americans 4 Security Inc. has provided more than \$3 million to federally-registered super PACs. It is likely the group's 2024 spending will mirror its 2020 spending, with a majority of its funds going to federal electioneering. Accordingly, even if the group had not independently qualified as a political committee in 2020, it will likely qualify this year.
- 5. Despite its heavy political spending, Americans 4 Security Inc. never registered as a political committee with the FEC and failed to file reports disclosing its contributors and expenditures. In doing so, Americans 4 Security Inc. violated the FECA. The FEC should investigate these allegations and take appropriate action to enforce the FECA.

Complainants

6. 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 and to ensuring the integrity of government officials. 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.

- 7. In furtherance of its mission, CREW seeks to expose unethical and illegal conduct of those involved in government. One way 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 office 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.
- 8. 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 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 campaign finance information in reports of receipts and disbursements required by the FECA.
- 9. 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

- Wisconsin on January 3, 2020, organized under section 501(c)(4) of the Internal Revenue Code.

 Articles of Incorporation of Americans 4 Security Inc, State of Wisconsin, Department of
 Financial Institutions, Jan. 3, 2020, https://bit.ly/3VRpLWk; Americans 4 Security Inc., 2022

 Form 990, https://bit.ly/4cyThWD. Brandon Rosner, who the Milwaukee Journal Sentinel has described as a "veteran Republican operative," is the secretary and principal officer of
 Americans 4 Security Inc. and has signed each of the organization's tax returns. Daniel Bice,
 Bice: Waukesha County GOP boss accused by predecessor of skirting campaign rules with
 WisRed PAC, Milwaukee Journal Sentinel, Sept. 25, 2023, https://archive.ph/NneR7; Americans
 4 Security Inc., 2022 Form 990, Part II and Part VII; Americans 4 Security Inc., 2021 Form 990,
 Part II and Part VII, https://bit.ly/3zdzv4r; Americans 4 Security Inc., 2020 Form 990, Part II and
 Part VII, https://bit.ly/3zdzv4r; Americans 4 Security Inc., 2020 Form 990, Part II and
 Part VII, https://bit.ly/3zdzv4r; Americans 4 Security Inc., 2020 Form 990, Part II and
 Part VII, https://bit.ly/3zdzv4r; Americans 4 Security Inc., 2020 Form 990, Part II and
 Part VII, https://bit.ly/3zdzv4r; Americans 4 Security Inc., 2020 Form 990, Part II and
- 11. As of the filing of this complaint, Americans 4 Security Inc. was not a registered political committee.
- 12. Matthew Karas is, and at all relevant times was, the treasurer of Americans 4
 Security Inc. Americans 4 Security Inc., 2022 Form 990, Part VII; Americans 4 Security Inc.,
 2021 Form 990, Part VII; Americans 4 Security Inc., 2020 Form 990, Part VII. Mr. Karas is also,
 and at all relevant times was, the treasurer of Americans 4 Security PAC, a federally registered
 independent expenditure-only committee ("super PAC") formed in January 2020. Americans 4
 Security PAC, FEC Form 1, Statement of Organization, Jan. 6, 2020, https://bit.ly/3zgXfVy;
 Americans 4 Security PAC, FEC Form 3X, 2024 Pre-Primary Report, June 3, 2024,
 https://bit.ly/4buyIK5. On its 2020 tax return, Americans 4 Security Inc. described money it

provided to Americans 4 Security PAC as "grants or assistance benefiting interested persons" because the two organizations shared "common officers," an apparent reference to at least Mr. Karas. Americans 4 Security Inc., 2020 Form 990, Schedule L, Part III, Line 2.

Factual allegations

- 13. On January 3, 2020, Americans 4 Security Inc.'s articles of incorporation were executed and delivered to the Wisconsin Department of Financial Institutions, registering the organization as a non-stock corporation in the state. Articles of Incorporation of Americans 4

 Security Inc., State of Wisconsin, Department of Financial Institutions, Jan. 3, 2020. In its articles of incorporation, Americans 4 Security Inc. stated that it was "organized and shall be operated to promote social welfare within the meaning of Code Section 501(c)(4)" and that it "shall not participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office to an extent that would disqualify it from tax exemption under Code Section 501(c)(4)." *Id* at 1.
- 14. Despite its representations, however, Americans 4 Security Inc. had already gifted, deposited, or distributed \$11,359.85 one day earlier, on January 2, 2020, to Seniors for Affordable Healthcare PAC, an independent expenditure-only committee that registered with the Commission on December 27, 2019. Seniors for Affordable Healthcare PAC, FEC Form 3X, 2020 Pre-Primary Report, Schedule A, Feb. 5, 2020, https://bit.ly/3xEB4I6; Seniors for Affordable Healthcare PAC, FEC Form 1, Statement of Organization, Dec. 27, 2019, https://bit.ly/3xwNL7V. The super PAC reported receiving Americans 4 Security Inc.'s funds as "contributions," Seniors for Affordable Health Care PAC, FEC Form 3X 2020 Pre-Primary Report, Schedule A gifts or other transfers of money made "for the purpose of influencing any election for Federal office," 52 U.S.C. § 30101(8)(A)(i) (definition of contribution).

- 15. On the same day it received the funds from Americans 4 Security Inc., Seniors for Affordable Healthcare PAC paid the exact same amount, \$11,359.85, to the Stoneridge Group for an independent expenditure supporting Jason Church in the WI-07 congressional race. Seniors for Affordable Healthcare PAC, FEC Form 3X, 2020 Pre-Primary Report, Schedule E, Feb. 5, 2020. The deposit from Americans 4 Security Inc. and the outgoing independent expenditure on the same day were the only activity Seniors for Affordable Healthcare PAC reported before terminating in July 2020. Seniors for Affordable Healthcare PAC, Financial Summary, 2019-2020, Federal Election Commission, https://bit.ly/3KSSnZ1; Letter from Michael Beckman, Federal Election Commission to Luke Thompson, July 21, 2020, https://bit.ly/3RzoWz5.
- 16. On January 6, 2020, Americans 4 Security PAC filed its statement of organization with the FEC, stating that it intended to make independent expenditures and raise funds in unlimited amounts. Americans 4 Security PAC, FEC Form 1, Statement of Organization, Jan. 6, 2020. On the same day, Americans 4 Security PAC paid \$50,000 to SRG for "mail and digital voter contact" supporting Jason Church in the WI-7 congressional race and \$50,000 to The Lukens Company for "mail and digital voter contact" supporting Church. Americans 4 Security PAC, FEC Form 3X, 2020 Pre-Primary Report, Amended, Mar. 11, 2020, https://bit.ly/45CUJ82. Both payments were reported as independent expenditures. *Id*.
- 17. Over the next three days, Americans 4 Security PAC received the funds to pay for its initial independent expenditures from Americans 4 Security Inc., which gifted, deposited, or distributed \$20,000 to the super PAC on January 7, 2020, \$35,000 on January 8, 2020, and \$50,000 on January 9, 2020. *Id.* Americans 4 Security PAC reported receiving Americans 4 Security Inc.'s funds as "contribution[s]," *id.*, and thus transfers to influence federal elections, 52

- U.S.C. § 30101(8). Americans 4 Security PAC also reported a \$10 receipt from Americans 4 Security Inc. on January 7, 2020 that it described as an "opening cash balance." Americans 4 Security PAC, FEC Form 3X, 2020 Pre-Primary Report, Amended, Mar. 11, 2020.
- \$51,020.45 to Americans 4 Security PAC in 2020, giving \$34,020.45 on January 31, 2020 and \$17,000 on February 17, 2020. Americans 4 Security PAC, FEC Form 3x, 2020 April Quarterly Report, Amended, May 19, 2020, https://bit.ly/4cwbLGZ. Americans 4 Security PAC again reported receiving Americans 4 Security Inc.'s funds as "contribution[s]." On the same day that Americans 4 Security Inc. provided Americans 4 Security PAC with \$34,020.45, the super PAC paid the same amount to SRG for an independent expenditure opposing Tom Tiffany in the WI-07 House race. *Id.* On the same day that Americans 4 Security Inc. provided Americans 4 Security PAC with \$17,000, the super PAC made a \$25,000 contribution to With Honor Fund Inc., a federally-registered independent expenditure-only committee that had previously given \$200,000 to Americans 4 Security PAC and was Americans 4 Security PAC's only donor other than Americans 4 Security Inc. in 2020. *Id.*; With Honor Fund, Inc., FEC Form 1, Statement of Organization, Amended, May 31, 2019, https://bit.ly/3VRygke; Americans 4 Security PAC, Receipts, 2019-2020, Federal Election Commission, https://bit.ly/3xxvTK5.
- 19. In total, Americans 4 Security Inc. gifted, deposited, or distributed a total of \$156,030.45 to American 4 Security PAC in 2020, amounting to almost half of the super PAC's total revenue in 2020, all within a month and a half of Americans 4 Security Inc.'s creation as a nonprofit corporate entity. Americans 4 Security PAC, Receipts, 2019-2020, Federal Election Commission; Articles of Incorporation of Americans 4 Security Inc, State of Wisconsin, Department of Financial Institutions, Jan. 3, 2020.

- 20 On its 2020 Internal Revenue Service Form 990, Americans 4 Security Inc. disclosed spending a total of \$185,464 in 2020. Americans 4 Security Inc., 2020 Form 990, Part 1, Line 18. Despite the organization's political contributions that were reported to the FEC, Americans 4 Security Inc. answered "no" to the question of whether the organization had engaged in "direct or indirect political campaign activities on behalf of or in opposition to candidates for public office" and failed to include the Schedule meant for reporting additional information about political campaign activities with its tax return. *Id.*, Part IV, Line 3; 2020 <u>Instructions for Schedule C</u> (Form 990 or 990-EZ), https://bit.ly/3VUecxJ. Americans 4 Security Inc. disclosed some of the money it gifted, deposited, or distributed to Americans 4 Security PAC in 2020 on the section of its tax return for grants and other assistance to organizations, governments and individuals in the United States. Americans 4 Security Inc., 2020 Form 990, Schedule I, Part II(a)(2). There, Americans 4 Security Inc. reported that it gave Americans 4 Security PAC \$122,000 for the claimed purpose of "issue advocacy," which is \$34,030.45 less than Americans 4 Security PAC reported receiving from the like-named nonprofit. *Id.*; Americans 4 Security PAC, Receipts, 2019-2020, Federal Election Commission. The sum that Americans 4 Security Inc. failed to disclose to the IRS is equal to the combination of the \$10 Americans 4 Security PAC reported receiving from Americans 4 Security Inc. as an "opening cash balance" on January 7, 2020 and the \$34,020.45 Americans 4 Security PAC reported as a contribution from Americans 4 Security Inc. on January 31, 2020. *Id.*
- 21. The \$105,010 that Americans 4 Security Inc. gifted, deposited, or distributed to Americans 4 Security PAC within a week of its creation alone accounts for 56.6% of the nonprofit's total spending in 2020. Including the \$11,359.85 Americans 4 Security Inc. reportedly gave to the Seniors for Affordable Healthcare PAC even before it was incorporated,

increases Americans 4 Security Inc.'s immediate political spending to 62.7% of the nonprofit's total 2020 spending reported to the IRS.¹ Considering Americans 4 Security Inc.'s total 2020 gifts, deposits, or distributions to political committees, \$167,390.30, amounts to 90.3% of the \$185,464 Americans 4 Security Inc.'s reported 2020 spending.² The full \$156,030.45 that Americans 4 Security PAC reported receiving from Americans 4 Security Inc. in 2020 alone accounts for 84.1% of Americans 4 Security Inc.'s total spending that year.³ Even considering only the \$122,000 the group reported to the IRS giving to Americans for Security PAC accounts for 65.8% of American 4 Security Inc.'s 2020 spending.⁴

Americans 4 Security Inc. continued spending heavily on political activity during the 2022 election. While most of the nonprofit's political spending that year was focused on the state-level, where it gave \$1.425 million combined to two independent expenditure committees registered with the Wisconsin Ethics Commission in 2022, Americans 4 Security Inc. also continued to fund Americans 4 Security PAC's federal election spending. Speak Free or Die, Campaign Registration Statement, State of Wisconsin, https://bit.ly/45C9Q1y; Speak Free or Die, Campaign Finance Report, July Continuing 2022, State of Wisconsin, https://bit.ly/3XBb2A6; Speak Free or Die, Campaign Finance Report, September Report 2022, State of Wisconsin, https://bit.ly/45GH53W; Sunrise in America Political Fund, Campaign Registration Statement, State of Wisconsin, https://bit.ly/4cuBMq8; Sunrise in America Political

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¹ Americans 4 Security Inc.'s 2020 tax filing covered from January 4, 2020 to the end of the year, Americans 4 Security Inc., 2020 Form 990 at 1, and thus it is currently unknown if the total reported spending includes the \$11,359.85 it gave to Seniors for Affordable Healthcare PAC, which the super PAC reported receiving from Americans 4 Security on January 2, 2020. If the \$11,359.85 also needed to be added to Americans 4 Security Inc.'s total expenses, Americans 4 Security Inc.'s immediate political spending would amount to 59.1% of the group's total 2020 spending.

² 85% if the \$11,359.85 is added to Americans 4 Security Inc's total expenses.

³ 79% if the \$11,359.85 is added to Americans 4 Security Inc's total expenses.

⁴ 62% if the \$11,359.85 is added to Americans 4 Security Inc's total expenses.

⁵ In 2021, Americans 4 Security Inc. also gave \$1,500 to the Waukesha County Republican Party. Waukesha County Republican Party, <u>Campaign Finance Report</u>, <u>January Continuing 2022</u>, <u>State of Wisconsin</u>, <u>https://bit.ly/3VBzVci</u>.

Fund, Campaign Finance Report, Fall Pre-Election 2022, State of Wisconsin,

https://bit.ly/3zggimJ; Sunrise in America Political Fund, Campaign Finance Report, January

Continuing 2023, State of Wisconsin, https://bit.ly/3xjYhzu. On June 1, 2022, Americans 4

Security Inc. gifted, deposited, or distributed \$50,000 to the federal Americans 4 Security super

PAC. Americans 4 Security PAC, FEC Form 3X, July 2022 Quarterly Report, July 11, 2022,

https://bit.ly/45Eh9Ws. Americans 4 Security PAC used the \$50,000 it received from Americans 4 Security Inc., which was the only money the super PAC reported raising during the 2022 election cycle, to pay \$50,000 to Revolution Media Group for independent expenditure digital ads supporting Johnny Teehee in the OK-02 House race. Id..

- \$2,171,364. Americans 4 Security Inc., 2022 Form 990, Part I, Line 18. As in 2020, American 4 Security Inc. answered "no" to the question of whether the organization had engaged in "direct or indirect political campaign activities on behalf of or in opposition to candidates for public office" and failed to include the Schedule meant for reporting additional information about political campaign activities with its tax return. *Id.*, Part IV, Line 3. The \$1.475 million that Americans 4 Security Inc. provided to political committees in 2022 accounted for 67.9% of its total spending that year, further indicating funding political activity is the organization's purpose. In addition, Americans 4 Security Inc. reported spending \$25,500 on "advertising and promotion" as well as \$341,892 on "consulting: media," which both, as detailed below, appear to refer to the organization's spending on ads promoting Rep. Tom Cole (R-OK). *Id.*, Part IX, Line 12 and Schedule O.
- 24. During the 2022 cycle, Americans 4 Security Inc. also began laying the groundwork for the significant increase in federal political activity in support of Rep. Cole's

election that would emerge from the group in 2024. On March 16, 2021, the URL okconservativeaction.com was registered using GoDaddy.com. Whois, okconservativeaction.com, https://bit.ly/3zq3B4I (accessed June 25, 2024). At least as early as October 11, 2021, when the OK Conservative Action website was first captured by the Internet Archive's Wayback Machine, the website began promoting and praising Rep. Cole as a "conservative champion" who "is a tireless advocate for Oklahoma values, taxpayers and businesses." Internet Archive Wayback Machine, okconservativeaction.com, Oct. 11, 2021, https://bit.ly/3xA0VRz. The bottom of the webpage carried, and still carries as of this writing, a disclaimer stating that it was "Paid for by Americans 4 Security, Inc." *Id.*; *See* https://okconservativeaction.com/ (accessed June 25, 2024).

25. On March 27, 2021, Americans 4 Security Inc. created its Facebook page and soon after began posting pro-Cole content. Americans 4 Security Inc, About, Page Transparency, Facebook, https://bit.ly/3xtXvzV; Americans 4 Security Inc, Posts, Facebook, Apr. 8, 2021, https://bit.ly/4eEgEzJ. Within weeks, Americans 4 Security Inc, began spending thousands of dollars for ads through Meta, which owns Facebook and Instagram, praising Rep. Cole while avoiding the use of express advocacy language. Americans 4 Security Inc, Meta Ad Apr. 13, 2021–May 5, 2021, ID: 280471650370697, https://bit.ly/4c8ALV7; Americans 4 Security Inc, Meta Ad Apr. 13, 2021–May 5, 2021, ID: 468680121216674, https://bit.ly/4bMBbQc.

Americans 4 Security Inc.'s initial ads, which cost between \$6,000 and \$7,500 to place, praised Rep. Cole's positions on border issues and encouraged viewers to "thank Tom Cole for making the safety and security of Americans and our border a top priority." *Id*. Over the next few years, Americans 4 Security Inc. regularly paid for Meta ads that praised and promoted Rep. Cole on disparate issues, including taxes, China, military jobs, and the border. *See* Americans 4 Security

Inc, Meta Ad May 6, 2021–June 3, 2021, ID: 179513430699452, https://bit.ly/4eDOwwl; Americans 4 Security Inc, Meta Ad Feb. 16, 2022–Feb. 23, 2022, ID: 426743962581567, https://bit.ly/3xBLW90; Americans 4 Security Inc, Meta Ad Mar. 16, 2022–Mar. 31, 2022, ID: 1115131982655572, https://bit.ly/3vJnoUe; Americans 4 Security Inc, Meta Ad Feb. 7, 2024–Feb. 29, 2024, ID: 3792323337668123, https://bit.ly/3ztl.4V9. According to an analysis by CREW, Americans 4 Security Inc. spent between \$45,200 and \$58,189 to place Meta ads praising and promoting Rep. Cole between April 13, 2021 and June 19, 2024. Meta Ad Library, Americans for Security Inc, Page ID: 113946217450620, https://bit.ly/40qM08g. Twenty-eight of the 34 Meta ads paid for by Americans 4 Security Inc. praised and promoted Rep. Cole. Id. The other six ads in the Meta Ad Library categorized as having been paid for by Americans 4 Security Inc., which cost between \$1,800 and \$2,396 to place and ran under the banner of Americans 4 Security PAC, expressly advocated for congressional candidate Johnny Teehee's 2022 campaign. Id.

26. Americans 4 Security Inc. also appears to have paid for Cole-focused television ads in both 2021 and 2022. In 2021, for instance, Americans 4 Security Inc. paid for at least three separate ad flights, together costing more than \$51,000 to air, targeting DirecTV subscribers in Oklahoma viewing a wide array of television networks. D2 Media Sales, Billed Political

Campaign, Americans 4 Security, Inc., Completed, Deal ID: D25103, Apr. 16, 2021–May 2, 2021, https://bit.ly/4bENspx; D2 Media Sales, Billed Political Campaign, Americans 4 Security, Inc., Completed, Deal ID: D25121, May 10, 2021–June 6, 2021, https://bit.ly/4bEwDLq; D2

Media Sales, Billed Political Campaign, Americans 4 Security, Inc., Completed, Deal ID: 18425, Sept. 20, 2021–Oct. 10, 2021, https://bit.ly/3S62FsN; see https://www.d2mediasales.com/.

Advertising agreement forms signed by the nonprofit's ad buyers, as well as file names for the

documents posted on the Federal Communications Commission's (FCC) website, indicate that they referred to Rep. Cole and addressed issues related to border security and taxes, which may indicate that the ads were substantively similar, if not identical, to the Meta ads that Americans 4 Security Inc. was paying to run around the same time. <u>Issue (Non-candidate) Advertisement</u> Agreement Form with DirecTV, Apr. 12, 2021, https://bit.lv/3v1WkaX; Issue (Non-candidate) Advertisement Agreement Form with DirecTV, May 6, 2021, https://bit.ly/4cAiIap; Issue (Non-candidate) Advertisement Agreement Form with DirecTV, Sept. 17, 2021, https://bit.ly/3xKpLyg; Americans 4 Security Inc, Meta Ad Apr. 13, 2021–May 5, 2021, ID: 280471650370697; Americans 4 Security Inc, Meta Ad May 6, 2021–June 4, 2021, ID: 800127617606736, https://bit.lv/4cSsrcF. In 2022, Americans 4 Security Inc. continued to pay at least \$32,000 to place ads on DirecTV in Oklahoma that focused on Rep. Cole. D2 Media Sales, Billed Political Campaign, Americans 4 Security, Inc., Completed, Deal ID: 19868, Feb. 11, 2022-Apr. 3, 2022, https://bit.ly/4bOoWCI; Issue (Non-candidate) Advertisement Agreement Form with DirecTV, Feb. 8, 2022, https://bit.ly/3xU5V3E; Issue (Non-candidate) Advertisement Agreement Form with DirecTV, Feb. 23, 2022, https://bit.lv/3xX2SHX; Issue (Non-candidate) Advertisement Agreement Form with DirecTV, Mar. 9, 2022, https://bit.ly/4cAWfKF. CREW was able to identify these examples of Americans 4 Security Inc.'s DirecTV ad spending by searching the FCC's Public Files website, but they do not necessarily account for all of the nonprofit's broadcast, satellite, or digital ad spending, particularly as Americans 4 Security Inc. reported on its 2021 tax return that it spent a combined \$922,903 on "advertising and promotion" and "consulting: media affairs" and on its 2022 tax return that it spent a combined \$367,392 on "advertising and promotion" and "consulting: media." Americans 4 Security Inc., 2021 Form 990, Part IX, Line 12 and Schedule O; Americans 4 Security Inc., 2022 Form 990, Part IX, Line

12 and Schedule O.

- 27. Americans 4 Security Inc.'s Meta advertising highlights the organization's essentially interchangeable relationship with Americans 4 Security PAC. Americans 4 Security Inc.'s Facebook page, which uses the URL facebook.com/am4sec, has the page ID 113946217450620, and currently operates under the name "Americans for Security Inc," states that Americans 4 Security Inc. is "a 501C4 advocating for economic and national security" and that Americans 4 Security Inc. is "responsible" for the page. Americans 4 Security Inc. Facebook, https://bit.lv/3XDNmes. But some of the page's ads have run under the banner of Americans 4 Security PAC, though they still contained a disclaimer stating that they were "Paid for by Americans 4 Security Inc" as Facebook's parent company Meta requires ads about social issues, elections or politics to "[a]ccurately represent the name of the entity or person responsible for the ad." Meta, Meta Business Help Center, How disclaimers work for ads about social issues, elections or politics, https://bit.ly/4cEi63c (accessed Oct. 30, 2024). For example, between February 23, 2022 and March 1, 2022, Americans 4 Security Inc. paid for a pro-Cole Facebook and Instagram ad under the banner of Americans for Security PAC that featured a video about the border along with text stating that "The left wants to play nice with communist China. But China's ultimate goal is no secret: military & economic dominance." Americans 4 Security Inc. Meta Ad Feb. 23, 2022–Mar. 1, 2022, ID: 242117871468234, https://bit.ly/3RK19Pt. Between March 1, 2022 and March 15, 2022, Americans 4 Security Inc. paid for a substantially similar version of the same ad, complete with the same text and video, that ran under the banner of Americans 4 Security Inc. Americans 4 Security Inc, Meta Ad Mar. 1, 2022–Mar. 15, 2022, ID: 1418924628527050, https://bit.ly/3zs42eQ.
 - 28. In June 2022, Americans 4 Security Inc.'s Facebook page was also responsible for

Facebook and Instagram ads explicitly endorsing Johnny Teehee for Congress, which ran under the banner of Americans 4 Security PAC and featured video ads that contained a disclaimer within them saying they were "paid for by Americans 4 Security PAC" while the ads themselves said they were "paid for by Americans 4 Security Inc." Americans 4 Security Inc., Meta Ad June 9, 2022 – June 23, 2022, ID: 309335884741384, https://bit.ly/3L24B1w; Americans 4 Security Inc., Meta Ad June 9, 2022 – June 23, 2022, ID: 1683957478632306, https://bit.ly/4cEqOhU. The timing of the pro-Teehee ads lines up with the "Digital Ads – 6/9 thru 6/22" independent expenditure supporting Teehee that Americans 4 Security PAC reported making on June 9, 2022 with \$50,000 it received from Americans 4 Security Inc. on June 1, 2022. Americans 4 Security PAC, FEC Form 3X, July 2022 Quarterly Report, July 11, 2022. According to the "History" section of Americans 4 Security Inc.'s Facebook page transparency, accessed by clicking "see all," the Americans 4 Security Inc. Facebook page changed its name to "Americans for Security PAC" on June 2, 2022 before changing it back to "Americans for Security Inc" on October 3, 2023. Americans 4 Security Inc., Facebook, About, Page Transparency.

29. In late 2023, Americans 4 Security Inc. began paying tens of thousands for pro-Cole radio ads that continued into 2024. Issue (Non-candidate) Advertisement Agreement Form with KTOK-AM, Nov. 2, 2023, https://bit.ly/3zhqLKP; Invoice No: 5320796903, KTOK-AM, Nov. 26, 2023, https://bit.ly/3RLwyOT; Invoice No: 5321158596, KTOK-AM, Mar. 7, 2024, https://bit.ly/3XzHZNw; Invoice No: 5321120920, KTOK-AM, Feb. 25, 2024, https://bit.ly/4chVZ2K. On November 9, 2023, Americans 4 Security Inc. posted the audio of a radio ad on Facebook that featured 34 uninterrupted seconds of Rep. Cole speaking about immigration and border security before encouraging listeners to call Rep. Cole and thank him

"for putting America's safety first." Americans 4 Security Inc, Facebook, Nov. 9, 2023, https://bit.ly/3VKc7TI. On November 28, 2023, Americans 4 Security Inc. posted the audio of its "new radio ad about conservative Tom Cole fighting to secure the border," which encouraged listeners to "thank Congressman Tom Cole, a trusted conservative leader, for making the safety and security of Americans his top priority." Americans 4 Security Inc, Facebook, Nov. 28, 2023, https://bit.ly/4cyANVW. In December 2023, Americans 4 Security Inc. resumed paying for Facebook and Instagram ads praising and promoting Rep. Cole. Americans 4 Security Inc, Meta Ad Dec. 18, 2023–Jan. 11, 2024, ID: 733226562045601, https://bit.ly/3XMKr34. CREW was unable to identify any advertising, either in Federal Communications Commission's public files or in social media databases, by Americans 4 Security Inc. in 2023 or 2024 that did not promote Rep. Cole, the congressman whose election the nonprofit would shift to expressly supporting in May 2024 with six-figure monetary transfers to the similarly-named super PAC with whom it shares a treasurer.

30. On May 6, 2024, Americans 4 Security Inc. gifted, deposited, or distributed \$250,000 to Americans 4 Security PAC, which the super PAC reported as a "contribution." Americans 4 Security PAC, FEC Form 3X, 2024 Pre-Primary Report, June 3, 2024. Americans 4 Security Inc. followed that by gifting, depositing, or distributing \$522,500 on May 13, 2024, \$425,000 on May 16, 2024, \$250,000 on May 21, 2024, and \$250,000 on June 3, 2024, bringing the nonprofit's total contributions to the closely-related super PAC through June 30, 2024 to \$1,697,500. *Id.*; Americans 4 Security PAC, FEC Form 3X, July Quarterly Report, June 30, 2024, https://bit.ly/4bCXHec. The funds from Americans 4 Security Inc. accounted for 51.3% of the \$3,309,500 Americans 4 Security PAC raised through June 30, 2024. *Id.* As a result, Americans 4 Security Inc. was the primary funder of the \$3,090,375 the super PAC spent on

independent expenditures supporting Rep. Cole or opposing his OK-04 House primary challenger Paul Bondar, during this period.. *Id.*; Americans 4 Security PAC, Independent Expenditures, 2023-2024, Federal Election Commission, https://bit.ly/4cSMIDN; Sean Murphy, U.S. Rep. Tom Cole Wins GOP Primary Outright Against Well-Funded Challenger, 3 Others, *Associated Press*, June 18, 2024, bit.ly/3NYYNaw. A former Cole aide turned lobbyist reportedly helped run Americans 4 Security PAC in 2024. Aidan Quigley, Cole, taking no chances, readies for primary 'bar fight', *Roll Call*, May 31, 2024, https://bit.ly/3VWATBs; Caitlin Oprysko, A brief guide to the new Approps chair's alumni on K Street, *Politico*, Apr. 15, 2024, https://bit.ly/3W0GfLO.

- At the same time Americans 4 Security Inc. was acting as the primary funder of Americans 4 Security PAC's express advocacy benefiting Rep. Cole's candidacy, the nonprofit organization also continued to pay for digital ads promoting Rep. Cole that avoided using express advocacy language. Between April 30, 2024 and June 19, 2024—the day after Rep. Cole's primary election—Americans 4 Security Inc. paid more than \$2,000 to run a Meta ad that touted "conservative Tom Cole is fighting to reinstate Trump enforcement policies" and asked viewers to thank him for "standing up to Biden's liberal madness and putting America's safety first." Americans 4 Security Inc, Meta Ad Apr. 30, 2024—June 19, 2024, ID: 1778810535940235, https://bit.ly/3xqJpPO. Americans 4 Security Inc. also paid \$900 to place Google text ads targeting Oklahoma between May 15, 2024 and June 19, 2024 that promoted Cole as a "conservative champion." Google Ads Transparency Center, Americans 4 Security Inc, https://bit.ly/3VZu1Dk.
- 32. On August 27, 2024, Americans 4 Security Inc. gifted, deposited, or distributed \$355,000 to Americans 4 Security PAC, which the super PAC reported as a "contribution."

Americans 4 Security PAC, FEC Form 3X, 2024 October Quarterly Report, Oct. 7, 2024, https://bit.ly/4dOUtFf. Americans 4 Security PAC used the funds it received from Americans 4 Security Inc. in August to pay for independent expenditures opposing Will Rollins in a California congressional race. *Id.* On November 1, 2024, Americans 4 Security Inc. gifted, deposited, or distributed \$70,000 to Americans 4 Security PAC, which the super PAC reported as a "contribution." Americans 4 Security PAC, FEC Form 3X, 2024 Pre-General Report, Nov. 25, 2024, https://bit.ly/3D4ZQUs. Americans 4 Security Inc.'s August and November 2024 transfers increased its total contributions to Americans 4 Security PAC in 2024 to \$2,122,500, as of the date of the filing of this complaint. Americans 4 Security PAC, Receipts, 2023-2024, Federal Election Commission, https://bit.ly/3YpIud0.

funding from Americans 4 Security Inc. in 2024. On March 27, 2024, Speak Free or Die PAC, which uses nearly the same name as one of the Wisconsin state-level independent expenditure committees that Americans 4 Security Inc. funded in 2022, filed a statement of organization with the Commission. Speak Free or Die PAC, FEC Form 1, Statement of Organization, Mar. 27, 2024, https://bit.ly/4cV7q0F; Speak Free or Die, Campaign Finance Report, July Continuing 2022, State of Wisconsin. In its initial statement of organization, Speak Free or Die PAC listed Americans 4 Security Inc.'s principal officer, Mr. Rosner, as its treasurer and custodian of records. Speak Free or Die PAC, FEC Form 1, Statement of Organization, Mar. 27, 2024. Two months later, Speak Free or Die PAC amended its statement of organization, removing Mr. Rosner and replacing him with Jesse Chase as its treasurer and custodian of records. Speak Free or Die PAC, FEC Form 1, Statement of Organization, Amended, May 30, 2024, https://bit.ly/4dd510x. Mr. Chase is also the treasurer of the Speak Free or Die independent

expenditure committee registered with the state of Wisconsin that Americans 4 Security Inc. funded in 2022. Speak Free or Die, <u>Campaign Finance Report</u>, <u>July Continuing 2022</u>, State of Wisconsin.

- 34. On July 1, 2024, Americans 4 Security Inc. gifted, deposited, or distributed \$250,000 to Speak Free or Die PAC, which the super PAC reported as a "contribution." Speak Free or Die PAC, FEC Form 3X, 2024 Pre-Primary Report, July 25, 2024, https://bit.ly/3A2mHOP. On July 22, 2024, Americans 4 Security Inc. gifted, deposited, or distributed \$180,000 to Speak Free or Die PAC, which the super PAC reported as a "contribution." *Id.* On the same day, Speak Free or Die PAC also reported receiving \$100,000 from Americans 4 Security PAC. Id. On July 31, 2024, Americans 4 Security Inc. gifted, deposited, or distributed \$360,000 to Speak Free or Die PAC, which the super PAC reported as a "contribution." Speak Free or Die PAC, <u>FEC Form 3X, 2024 October Quarterly Report</u>, Oct. 7, 2024, https://bit.ly/3zTcjt2. On August 1, 2024, Americans 4 Security Inc. gifted, deposited, or distributed \$150,000 to Speak Free or Die PAC, which the super PAC reported as a "contribution." *Id.* Americans 4 Security Inc. provided the vast majority of the funds Speak Free or Die PAC has reported receiving in 2024. Speak Free or Die PAC, Receipts, 2023-2024, Federal Election Commission, https://bit.ly/48rT9Y7. Speak Free or Die PAC used the funds it received from Americans 4 Security Inc. to pay for independent expenditures supporting Roger Roth and opposing Tony Wied and Andre Jacque in the WI-08 congressional primary. Speak Free or Die PAC, FEC Form 3X, 2024 October Quarterly Report, Oct. 7, 2024; Speak Free or Die PAC, FEC Form 3X, 2024 Pre-Primary Report, July 25, 2024.
- 35. Americans 4 Security Inc.'s gifts, deposits, or distributions to Speak Free or Die PAC increased the organization's total contributions to federally-registered super PACs in 2024

to \$3,062,500, as of the date of the filing of this complaint.

- 36. Americans 4 Security Inc.'s known federal political activity in 2024 more than doubles its known state-level spending during the same period. Americans 4 Security Inc. has made three contributions so far in 2024 to Wisconsin state-level political committees, totaling \$731,027.81. The organization gave \$269,027.81 to Wisconsinites for Liberty Fund, an independent expenditure committee that also lists Mr. Karas as its treasurer, on January 22, 2024; \$12,000 to the Waukesha County Republican Party on May 7, 2024; and \$450,000 to the Stronger Wisconsin Fund, an independent expenditure committee, on July 5, 2024. Wisconsinites for Liberty Fund, Campaign Registration Statement, State of Wisconsin, https://bit.ly/3Ssm1c2; Wisconsinites for Liberty Fund, Campaign Finance Report, July Continuing 2024, State of Wisconsin, https://bit.ly/4ddnWJu; Waukesha County Republican Party, Campaign Finance Report, July Continuing 2024, State of Wisconsin, https://bit.ly/3Acnrkp; Stronger Wisconsin Fund, Campaign Registration Statement, State of Wisconsin, https://bit.ly/3YuxtaP; Stronger Wisconsin Fund, Campaign Finance Report, Fall Pre-Primary 2024, State of Wisconsin, https://bit.ly/4dAYOUZ.
- 37. Americans 4 Security Inc. has not yet filed its tax return for 2024, which is not due until May 15, 2025 and can be filed as late as November 15, 2025 if Americans 4 Security Inc. seeks an extension. Internal Revenue Service, Return Due Dates for Exempt Organizations: Annual Return, https://bit.ly/45L1qF8. As a result, neither Americans 4 Security Inc.'s total spending in 2024, nor the percentage of that spending that is accounted for by its extensive federal political activity so far in 2024 is known. Based on Americans 4 Security Inc.'s track record of dedicating more than a majority of its resources to funding political activity in election years, it is likely that federal political activity as demonstrated by more than \$3 million

Americans 4 Security Inc. has gifted, deposited, or distributed to Americans 4 Security PAC and Speak Free or Die PAC will again constitute a majority of the organization's spending for the year and likely constitutes a majority of Americans 4 Security Inc.'s current spending.

Accounting for the additional sums Americans 4 Security Inc. has spent to support or promote Rep. Cole through radio and internet communications likely ensures a majority of the group's 2024 spending, both as it stands now and will stand at the end of the year, is to influence federal elections.

Count I

- 38. Americans 4 Security Inc. was a political committee starting in 2020 and continues to be one, but failed and continues to fail to register as one with the FEC.
- 39. The FECA and FEC regulations define a "political committee" as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 52 U.S.C. § 30101(4)(A); 11 C.F.R. § 100.5(a). An "expenditure" includes "any. . . payment...deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(9)(A)(i); 11 C.F.R. § 100.111(a). A "contribution" includes "any gift . . . or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(8)(A)(i); 11 C.F.R. § 100.52(a).
- 40. The Commission has previously concluded that organizations could trigger the \$1,000 expenditure threshold by making contributions to other political committees. *See*Advisory Op. 1996-18 (Int'l Ass'n of Fire Fighters), https://bit.ly/3XBJFGh (finding that a conduit organization that accepted funds from individual donors and then exercised control over

the funds by contributing the funds to political committees would itself become a political committee because these contributions are appropriately considered "expenditures"); *see also Akins v. FEC*, 101 F.3d 731, 734, 744 (D.C. Cir. 1996) (en banc) (organization qualified as political committee because it "made campaign contributions exceeding the \$1,000 threshold"), *vacated on other grounds*, 524 U.S. 11.

- 41. Americans 4 Security Inc. made expenditures in excess of \$1,000 in 2020, 2022, and 2024, and accepted contributions in excess of \$1,000 in each of those years.
- 42. In 2020, Americans 4 Security Inc. gifted, deposited, or distributed \$11,359.85 to Seniors for Affordable Healthcare PAC and \$156,030.45 to Americans 4 Security PAC, both of which are federally registered super PACs. In 2022, Americans 4 Security Inc. gifted, deposited, or distributed \$50,000 to Americans 4 Security PAC. In 2024 so far, Americans 4 Security Inc. has gifted, deposited, or distributed \$2,122,500 to Americans 4 Security PAC and \$940,000 to Speak Free or Die PAC. As federal super PACs, Seniors for Affordable Healthcare PAC, Americans 4 Security PAC, and Speak Free or Die PAC made independent expenditures in federal races. SpeechNow.org v. FEC, 599 F.3d 686, 694 (D.C. Cir. 2010); see also, e.g., AO 2010-11 (Commonsense Ten) (authorizing organization that "intends to make only independent expenditures"). PACs registered with the FEC and their expenditures are, "by definition, campaign related." Buckley v. Valeo, 424 U.S. 1, 79 (1976). Further, the super PACs reported the transfers from Americans 4 Security Inc. as "contributions," meaning they were provided "for the purpose of influencing [an] election for Federal office," 52 U.S.C. § 30101(8)(A)(i); 11 C.F.R. § 100.25(a). Americans 4 Security Inc.'s gifts, deposits, or distributions to Seniors for Affordable Healthcare PAC, Americans 4 Security PAC, and Speak Free or Die PAC were transfers made for the purpose of influencing an election for federal office, and therefore qualify

as expenditures under the FECA.

- 43. In order to finance its expenditures, Americans 4 Security Inc. also accepted contributions in excess of \$1,000. *See* Americans 4 Security Inc., 2020 Form 990. The speed with which Americans 4 Security Inc. converted contributions it received to contributions to Seniors for Affordable Healthcare PAC and Americans 4 Security PAC and the close association between Americans 4 Security Inc. and Americans 4 Security PAC provide reason to believe the purpose of the transfers to Americans 4 Security Inc. was to influence federal elections. *See* Factual and Legal Analysis MUR 7464 (LZP LLC), https://bit.ly/3VYnZ4K (finding that the "temporal proximity" between an organization's formation and its first contribution to a political committee may support a "reasonable inference" about why an organization was "provided funds" as well as a "conclusion" about why the organization was "likely created").
- candidates can be "political committees." *Buckley*, 424 U.S. at 79. The FEC conducts a fact-intensive, case-by-case analysis of an organization to determine if its major purpose is the nomination or election of federal candidates. FEC, Political Committee Status, Supplemental Explanation and Justification, 72 Fed. Reg. 5595-02, 5601 (Feb. 7, 2007) ("Supplemental E&J"). An organization can exhibit a qualifying major purpose through its organizational planning documents, *id.*, or through sufficiently extensive spending on federal campaign activity. *See FEC v. Massachusetts Citizens for Life, Inc.*, 479 U.S. 238, 262 (1986); Supplemental E&J, 72 Fed. Reg. at 5601. Independent expenditures, electioneering communications, and gifts, deposits, or distributions to political committees are qualifying federal campaign activity. Further, under the FECA, an organization's political committee status is determined by viewing the activities and spending of the organization in the relevant "calendar year." 52 U.S.C. § 30101(4)(A).

Accordingly, an organization's major purpose must be evaluated on the same time frame. It is not proper to determine major purpose by looking at the lifetime activities of the organization, as the purpose of an organization can change over time. *See CREW v. FEC*, 209 F. Supp. 3d 77, 94 (D.D.C. 2016).

- 45. In 2020, Americans 4 Security Inc. gifted, deposited, or distributed funds to a federally-registered super PAC before the organization even filed its articles of incorporation, demonstrating that from the very beginning of its existence Americans 4 Security Inc.'s organizational purpose was to elect or nominate candidates for federal office. Seniors for Affordable Healthcare PAC, FEC Form 3X, 2020 Pre-Primary Report, Feb. 5, 2020; Articles of Incorporation of Americans 4 Security Inc., State of Wisconsin, Department of Financial Institutions, Jan. 3, 2020. This foundational organizational purpose is further demonstrated by the fact that Americans 4 Security Inc. gifted, deposited, or distributed more than \$100,000 to another federally-registered super PAC that is closely-related and shares nearly the exact same name within one week of its registration as a corporate entity, which ultimately accounted for more than half of the group's total spending in its first year existence.
- 46. Furthermore, in 2020, Americans 4 Security Inc,'s gifts, deposits, or distributions to federally-registered super PACs amounted to at least 85% of the organizations spending that year. That spending is sufficiently "extensive" to conclude the organization's major purpose was to elect or nominate federal candidates. Supplemental E&J, 72 Fed. Reg. at 5605 (noting group devoting at least "50-75%" of spending to campaign activity in a calendar year qualified as political committee); *see also* Factual and Legal Analysis MUR 7465, July 31, 2019 (Freedom Vote, Inc.), https://bit.ly/3S5A9rj (finding that an organization dedicating more than 61% of its

total spending in a single year to federal campaign activity indicated that its "major purpose may be the nomination or election of federal candidates").

- 47. Americans 4 Security Inc. met both the statutory and major purpose tests for political committee status in 2020. Accordingly, Americans 4 Security Inc. became a political committee in 2020.
- 48. Although it is sufficient to establish that Americans 4 Security Inc. qualified as a political committee in 2020, Americans 4 Security Inc.'s subsequent behavior indicates it has continued to have a significant focus on federal elections. As alleged above and incorporated herein, Americans 4 Security Inc. spent significant funds in subsequent years to influence federal elections through either direct communications or contributions to federally registered political committees. Such spending demonstrates that Americans 4 Security Inc.'s purpose did not change.
- 49. Moreover, there is reason to believe Americans 4 Security Inc.'s spending independently qualifies the group as a political committee in 2024. As alleged above and incorporated herein, Americans 4 Security Inc. made expenditures in 2024 in excess of \$1,000 by making gifts, deposits, or distributions to federally registered political committees. There is also reason to believe Americans 4 Security Inc. accepted contributions in excess of \$1,000 this year to finance its transactions with the political committees.
- 50. Americans 4 Security Inc.'s 2024 reported spending to influence elections already amounts to more than \$3 million in the form of gifts, deposits, or distributions to Americans 4 Security PAC and Speak Free or Die PAC. In addition, Americans 4 Security Inc. has spent unknown sums on radio and internet communications promoting or supporting a federal candidate. Whether one compares that spending to Americans 4 Security Inc.'s current 2024

spending, or against its eventual year-end 2024 spending, there is reason to believe a majority of American 4 Security Inc.'s expenditures are to influence federal elections. Accordingly, there is reason to believe Americans 4 Security Inc. is exhibiting a major purpose in 2024 to influence federal elections.

- 51. FECA and FEC regulations require all political committees to register with the FEC within 10 days of becoming a political committee. 52 U.S.C. § 30103(a); 11 C.F.R. § 102.1(d).
- 52. Americans 4 Security Inc. is not, and has never been, registered, and continues to fail to register, as a political committee with the FEC.
- 53. Americans 4 Security Inc has not terminated its political committee status with the FEC.
- 54. By failing to register as a political committee, Americans 4 Security Inc. violated and is continuing to violate 52 U.S.C. § 30103(a) and 11 C.F.R. § 102.1(d).
- 55. If this violation was knowing and willful, it is subject to criminal penalties and should be referred to the Department of Justice for investigation. 52 U.S.C. §§ 30109(a)(5)(C), 30109(d)(1).

Count II

56. As a political committee, Americans 4 Security Inc. was and is required to file periodic reports with the FEC that, among other things: (1) identified all individuals who contributed an aggregate of more than \$200 in a year to Americans 4 Security Inc., the amount each individual contributed, and the date of the contribution; (2) identified all political committees that made a contribution to Americans 4 Security Inc., the amount each committee contributed, and the date of the contribution; (3) detailed Americans 4 Security Inc.'s outstanding

debts and obligations; and (4) listed all of Americans 4 Security Inc.'s expenditures. 52 U.S.C. § 30104(a)(4); 52 U.S.C. § 30104(b); 11 C.F.R. §§ 104.1(a), 104.8.

- 57. A political committee is also under a continuous obligation to report any information the committee was previously required to report, but which it did not. FEC, Filing Amendments, https://bit.ly/2EbVUkU ("The committee must file an amended report if it: [d]iscovers that an earlier report contained erroneous information, [or] [d]oes not obtain all of the required information concerning a particular transaction"); see also FEC, AO 1999-33 at 3 (MediaOne PAC) (Jan. 28, 2000) (political committee "must amend" prior erroneous reports that omitted contributor information).
- 58. As alleged above and incorporated herein, Americans 4 Security Inc. became a political committee by January 2, 2020, and no later than February 17, 2020. Further, although a group that qualifies as a political committee need not qualify again to be subject to continuing reporting obligations, as alleged above and incorporated herein, there is reason to believe Americans 4 Security Inc. independently qualified as a political committee in subsequent years. Americans 4 Security Inc. has not terminated its political committee status with the FEC.
- 59. Accordingly, starting as early as 2020 and continuing through today and into the future, FECA obligated and continues to obligate Americans 4 Security Inc. to file the required disclosure reports.
- 60. Americans 4 Security Inc. failed to file any of these reports with the FEC and continues to fail to file these reports with the FEC. By failing to file these reports, Americans 4 Security Inc. violated and continues to violate 52 U.S.C. § 30104(a)(4), 52 U.S.C. § 30104(b), and 11 C.F.R. §§ 104.1(a), 104.8.

61. If this violation was knowing and willful, it is subject to criminal penalties and should be referred to the Department of Justice for investigation. 52 U.S.C. §§ 30109(a)(5)(C), 30109(d)(1).

Count III

- 62. Since its incorporation on January 3, 2020, Americans 4 Security Inc. has listed Matthew Karas as its treasurer. *See* Americans 4 Security Inc., 2020 Form 990, Part VII; Americans 4 Security Inc., 2021 Form 990, Part VII; Americans 4 Security Inc., 2022 Form 990, Part VII.
- 63. As the treasurer of Americans 4 Security Inc. since 2020, Mr. Karas has the authority and responsibility at Americans 4 Security Inc. to sign filings with government agencies on behalf of Americans 4 Security Inc. *Id*.
- 64. As alleged above and incorporated herein, Americans 4 Security Inc. qualified as a political committee as early as 2020 and has not terminated that status.
- 65. For the purposes of FECA, therefore, Mr. Karas was, is, and continues to be treasurer of Americans 4 Security Inc. since 2020. *See* 52 U.S.C. § 30102(a), (c).
- 66. Under the FECA, treasurers of political committees like Americans 4 Security Inc. are responsible for registering them with the FEC and filing disclosure reports as required. 52 U.S.C. § 30104(a); FEC, <u>Treasurer's liability</u>, <u>https://bit.ly/3xDCd2J</u>.
- 67. A political committee treasurer is personally liable for a failure by the political committee to file required reports. *Id.*; FEC, Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings, 70 Fed. Reg. 3, 5 (Jan. 3, 2005).
- 68. Mr. Karas is aware of his responsibilities as treasurer and the possibility of personal liability for his failures to carry out his duty. He has served, and continues to serve, as

treasurer to at least one political committee registered with the FEC. *See* FEC, Committees, https://bit.ly/3xxe65T (last visited June 27, 2024) (searching for "Karas, Matthew" as treasurer).

- 69. By failing to cause Americans 4 Security Inc. to register with the FEC, Mr. Karas personally violated and continues to violate 52 U.S.C. § 30103(a) and 11 C.F.R. § 102.1(d).
- 70. By failing to cause Americans 4 Security Inc. to file disclosure reports as required by the FECA, Mr. Karas personally violated and continues to violate 52 U.S.C. § 30104(a)(4), (b), and 11 C.F.R. §§ 104.1(a), 104.8.
- 71. On information and belief, Mr. Karas's violations of the FECA were knowing and willful, or he recklessly failed to fulfill duties specifically imposed on treasurers by the Act, or he has intentionally deprived himself of the operative facts giving rise to the violation.
- 72. If the violations were knowing and willful, they are subject to criminal penalties and should be referred to the Department of Justice for investigation. 52 U.S.C. §§ 30109(a)(5)(C), 30109(d)(1).

Conclusion

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 disclosure reports for Americans 4 Security Inc. required of political committees that, among other things, identify and make public each person who made contributions aggregating more than \$200. 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.

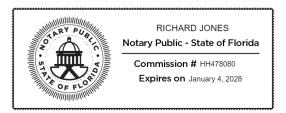
MARK

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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.

Adam Rappaport



County of Orange | State of Florida

Sworn to and subscribed before me this 17thday of December 2024

Notary Public Richard Jones

Notarized remotely online using communication technology via Proof.