

June 21, 2016

Omar Ashmawy
Staff Director and Chief Counsel
Office of Congressional Ethics
1017 Longworth HOB
Washington, D.C. 20515

Re: Additional Information Regarding Request for Investigation into Rep. Duncan D. Hunter (R-CA)

Dear Mr. Ashmawy:

Citizens for Responsibility and Ethics in Washington (“CREW”) respectfully submits to the Office of Congressional Ethics (“OCE”) additional information regarding CREW’s request for an investigation into whether Rep. Duncan D. Hunter (R-CA) violated federal law and House rules by using campaign funds to pay personal expenditures unrelated to any campaign activities. In addition to the repeated personal uses of campaign funds described in CREW’s April 28, 2016 initial request for investigation and May 11, 2016 supplement, a recent news report provides further evidence that Rep. Hunter’s principal campaign committee, Duncan D. Hunter for Congress (“the Hunter Committee”), repeatedly used campaign funds for personal expenditures related to the Christian Unified Schools, the schools Rep. Duncan’s children attend.

As CREW explained in its initial request for audit, the Hunter Committee admitted that in 2015 it spent campaign funds on various personal uses. One of those expenditures was a \$1,650 disbursement to the Christian Unified Schools, which the committee described as a personal expense to be paid back.¹ In April 2016, the Federal Election Commission (“FEC”) noted several personal disbursements on the Hunter Committee’s 2015 Year-End report and sent the committee a request for additional information about the charges, instructing it to seek reimbursement for any personal use spending.² In response to the letter and press coverage of the questioned charges, the Hunter Committee amended several earlier reports to disclose additional personal and mistaken disbursements. These included the 2015 October Quarterly report, which disclosed another \$3,500 disbursement to the Christian Unified Schools.³ The original report described the expenditure as an “annual fundraising donation,” but the

¹ Duncan D. Hunter for Congress, FEC Form 3, 2015 Year-End Report, Jan. 31, 2015; Tom Jones and R. Stickney, Congressman Questioned About Campaign Funds Used on Video Games, Child’s School, 7 *San Diego*, Apr. 6, 2016, available at <http://www.nbcsandiego.com/news/politics/Congressman-Campaign-Funds-Credit-Card-Video-Games-374816191.html>; Olivia Nuzzi, Trump Co-Chair Paid for Kids’ School With Campaign Cash, *Daily Beast*, Apr. 6, 2016, available at <http://www.thedailybeast.com/articles/2016/04/06/trump-co-chair-paid-for-kids-tuition-with-campaign-cash.html>.

² Letter from Bradley Matheson to Duncan D. Hunter for Congress, Apr. 4, 2016, available at <http://docquery.fec.gov/pdf/712/201604040300040712/201604040300040712.pdf>.

³ Duncan D. Hunter for Congress, FEC Form 3, 2015 October Quarterly Report, Oct. 15, 2015, available at <http://docquery.fec.gov/pdf/512/201510159003083512/201510159003083512.pdf>.

amendment acknowledged it was a “mistaken transaction” and said it had been refunded.⁴ The Hunter Committee also disclosed on its 2015 Year End report making a \$1,000 expenditure to Christian Unified Schools on November 9, 2015, initially describing it as a “donation for local organization fundraiser.”⁵ The committee amended that report on April 15, 2016 to make other changes related to mistaken and personal expenditures, but did not recharacterize this entry.⁶ Only on June 20, 2016, after more public attention and another FEC letter, did the Hunter Committee amend the report a second time and acknowledge the expenditure was “mistaken” and had been repaid.⁷

Other disbursements to or related to Christian Unified Schools, however, have not been reimbursed. The Hunter Committee paid \$207.63 on August 20, 2015 to Educational Outfitters, calling the disbursement a “gift certificate for donation to local organization event.”⁸ Educational Outfitters is the company that supplies uniforms to Rep. Hunter’s children’s school,⁹ calling into question whether the expenditure was in fact for campaign or for personal purposes.

Last week, a news report raised further questions about the Hunter Committee’s expenditures related to his children’s schools. As reported by the *San Diego Union-Tribune* and in a CREW blog post, the committee reported making 21 payments totaling more than \$1,300 to Ki’s Restaurant in 2015 and early 2016.¹⁰ The restaurant itself is located in Cardiff-by-the-Sea, “far afield” from Rep. Hunter’s district.¹¹ Ki’s, however, also provides school lunch delivery to the Christian United Schools.¹² Notably, all of the Hunter Committee’s disbursements to Ki’s occurred during the school year, with none during the summer.¹³ In addition, all of the expenditures were made through the campaign’s credit card, and Ki’s allows parents to put

⁴ *Id.*; Duncan D. Hunter for Congress, FEC Form 3, 2015 October Quarterly Report, Amended, Apr. 15, 2016, available at <http://docquery.fec.gov/pdf/723/201604169012567723/201604169012567723.pdf>.

⁵ Duncan D. Hunter for Congress, FEC Form 3, 2015 Year-End Report, Jan. 31, 2015.

⁶ Duncan D. Hunter for Congress, FEC Form 3, 2015 Year-End Report, Amended, Apr. 15, 2016, available at <http://docquery.fec.gov/pdf/096/201604159012567096/201604159012567096.pdf>.

⁷ Letter from Bradley Matheson to Duncan D. Hunter for Congress, June 12, 2016, available at <http://docquery.fec.gov/pdf/624/201606120300048624/201606120300048624.pdf>; Duncan D. Hunter for Congress, FEC Form 3, 2015 Year-End Report, Amended, June 20, 2016, available at <http://docquery.fec.gov/cgi-bin/forms/C00433524/1079195/sb/ALL>.

⁸ *Id.*

⁹ <http://sandiego.educationaloutfitters.com/find-my-school/christian-unified-schools/>.

¹⁰ Morgan Cook, Did Hunter Campaign Pay For His Kids’ School Lunches?, *San Diego Union-Tribune*, June 15, 2016 (attached as Exhibit A); Jordan Libowitz, What’s Duncan Hunter Drinking, *CREW*, June 14, 2016, available at <http://www.citizensforethics.org/blog/entry/whats-duncan-hunter-drinking>; Duncan D. Hunter for Congress, FEC Form 3, 2015 Year-End Report, Amended, Apr. 15, 2016; Duncan D. Hunter for Congress, FEC Form 3, 2016 April Quarterly Report, Apr. 15, 2016, available at <http://docquery.fec.gov/pdf/269/201604159012567269/201604159012567269.pdf>;

Duncan D. Hunter for Congress, FEC Form 3, 2015 July Quarterly Report, Amended, Apr. 15, 2016, available at <http://docquery.fec.gov/pdf/206/201604159012566206/201604159012566206.pdf>.

¹¹ Cook, *San Diego Union Tribune*, June 15, 2016.

¹² *Id.*; <http://www.christianunified.org/docs/default-source/default-document-library/christian-high-lunch-info-and-menu.pdf?sfvrsn=6>; <https://kis.naturallunches.com/>; <http://kisrestaurant.com/>.

¹³ Cook, *San Diego Union Tribune*, June 15, 2016; Duncan D. Hunter for Congress, FEC Form 3, 2015 Year-End Report, Amended, Apr. 15, 2016; Duncan D. Hunter for Congress, FEC Form 3, 2016 April Quarterly Report, Apr. 15, 2016; Duncan D. Hunter for Congress, FEC Form 3, 2015 July Quarterly Report, Amended, Apr. 15, 2016.

money in their children's accounts ahead of time using a credit card.¹⁴ Rep. Hunter's staff declined to explain the spending to the newspaper.¹⁵

House Rule 23, clause 6 prohibits members from converting campaign funds to personal use beyond "reimbursement for legitimate and verifiable campaign expenditures," prohibits the expenditure of funds from campaign accounts "that are not attributable to bona fide campaign or political purposes," and requires members to keep campaign funds separate from personal funds.¹⁶ The House Ethics Committee has interpreted this provision narrowly to allow campaign funds to be spent only in connection with *bona fide* campaign purposes.¹⁷ With regard to meals, campaign funds may only be used to pay for meals in circumstances in which there is a clear campaign purpose, such as meal expenses incurred when a member or campaign worker is traveling on campaign business, "a bona fide campaign fund raising event, and a meal incident to a bona fide meeting on campaign business."¹⁸ By contrast, a meal that has no apparent campaign purpose, such as a meal when the only individuals present are a member and his or her friends or family, "inherently raises concerns of conversion of campaign funds to personal use."¹⁹

Under FEC regulations, certain types of purchases, including meal expenses, are evaluated on a case-by-case basis to determine whether they constitute personal use.²⁰ The FEC's guide for congressional candidates and committees clearly states that while "campaign funds may be used to pay for meals during face-to-face fundraising events . . . a candidate may not use campaign funds to take his or her family out to dinner."²¹

As a result, if the Hunter Committee's payments to Ki's were used for Rep. Hunter's children's school lunches, they would be a prohibited personal use under House rules, the FECA, and FEC regulations.

FEC regulations also provide that charitable contributions generally are not personal use,²² but "the amount donated must have been used for purposes that do not personally benefit the candidate."²³ The House Ethics Manual similarly provides that campaign funds generally may be used to support a *bona fide* charitable project in a member's district, and points to FEC rulings for guidance.²⁴ The Hunter Committee has admitted that it made numerous personal and mistaken expenditures, including several to Christian United Schools, calling into question

¹⁴ See <https://kis.naturallunches.com/index.php?page=faq>.

¹⁵ Cook, *San Diego Union Tribune*, June 15, 2016.

¹⁶ House Rule 23, cl. 6; House Comm. on Standards of Official Conduct, *House Ethics Manual*, at 153, 167, 171 & n.97 (110th Cong., 2d Sess., 2008 ed.).

¹⁷ See generally *id.* at 163-165.

¹⁸ *Id.* at 159.

¹⁹ *Id.* at 169.

²⁰ 11 C.F.R. § 113.1(g)(1)(ii).

²¹ Federal Election Commission Campaign Guide, Congressional Candidates and Committees, June 2014, at 55, available at <http://www.fec.gov/pdf/candgui.pdf>.

²² 11 C.F.R. § 113.1(g)(2).

²³ Federal Election Commission Campaign Guide, Congressional Candidates and Committees, June 2014, at 53.

²⁴ *House Ethics Manual*, at 155-56.

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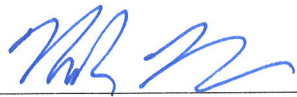
whether the disbursements to Rep. Hunter's children's school the committee identified as charitable donations are valid. Further, even if the expenditures were charitable, if they provided a personal benefit to Rep. Hunter or his family or were not used for a *bona fide* charitable project, they may be a prohibited personal use.

Accordingly, CREW requests OCE expand its investigation of Rep. Hunter to include these potential violations of House rules and federal law.

Thank you for your prompt attention to this matter.

I am aware that the False Statements Act, 18 U.S.C. § 1001, applies to information submitted to the Office of Congressional Ethics.

Sincerely,



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Encl.

Exhibit A

Did Hunter campaign pay for his kids' school lunches?

Congressman has opposed increases in federal spending on school nutrition for the poor



[\(/staff/morgan-cook/\)](#)

By [Morgan Cook \(/staff/morgan-cook/\)](#) | 3:30 p.m. June 15, 2016

His office won't confirm it, but unexplained expenses from Rep. Duncan Hunter's campaign account may have gone to buy lunches for his children at their private school in El Cajon.

Hunter campaign reports filed several weeks back listed \$1,300 spent with Ki's restaurant in Cardiff-by-the-Sea in 2015 and early 2016 — 21 separate transactions that seemed far afield from his East County base.

This week, in following up on an ongoing Federal Election Commission review of Hunter's campaign accounts, U-T Watchdog came up with a possible explanation for the charges.

Ki's provides school lunch delivery to Christian Unified Schools, where Hunter's three children attend. And on the schools' website, visitors who click "lunch info and menu" are taken to a Ki's fact sheet.

Hunter's staff has declined to discuss specific expenses, so there's no way to know yet whether the expenses are school lunches.

The Ki's charges by Hunter's campaign were all during the school year, and none during the summer. The most recent ones reported were Feb. 26 and March 21 of this year, for \$68.90 and \$45.50.

The restaurant allows parents to load up an account ahead of time, or pay by the meal. The Hunter campaign transactions in 2015 ranged from \$9.40 on Sept. 24 to \$336.15 on April 15.

In Congress in 2010, Hunter opposed legislation that would increase spending on school lunch programs for the poor, saying "it spends too much and expands the influence of government (<https://hunter.house.gov/july-2010>)."

This year, he backs a Republican effort to loosen some school food health standards (<http://www.sandiegouniontribune.com/news/2016/may/17/school-lunch-nutrition-bill/all/>), such as allowing more processed foods. The effort is opposed by the American Academy of Pediatrics and the PTA.

Ki's meals for Christian Unified students are billed as all-natural, "free of preservatives, hormones, antibiotics and fillers."

Federal law prohibits office-holders from using campaign funds for personal expenses, to keep donors — many of them defense contractors, in Hunter's case — from obtaining undue influence by covering such costs. Hunter sits on the House Armed Services Committee.

Hunter's campaign funds have been under public scrutiny since April 4, when the FEC sent a letter questioning \$1,300 in video game expenses.

Hunter's office initially provided U-T Watchdog with explanations for certain expenses — for instance, he said his son paid for the online video games with the campaign credit card by mistake, and then the family was the victim of fraudulent charges.

Hunter said he has repaid \$12,000 in mistaken or personal expenses, including \$1,200 paid to a garage door company, \$811 for oral or facial surgery and \$361 for a Coronado surf shop.

As the FEC probe has continued, the office has stopped explaining individual charges.

"The Union-Tribune has been told no less than a dozen times, maybe more, that Rep. Hunter is conducting an independent audit for all of 2015, and will act on its recommendations," spokesman Joe Kasper said this week. "All anybody of integrity can do is take responsibility and resolve the problem."

He did not say when the audit would be completed, or made public.

Several of the problem expenses have centered on Christian Unified. For instance, Hunter repaid his campaign for \$1,650 that was applied to school tuition, although he said the funds were intended as a charitable donation, which is an allowable campaign expense.

The campaign also spent \$208 on August 20, 2015, at Educational Outfitters, which provides uniforms to families of Christian Unified. The expense was listed as "gift certificate for donation." That expense is not among those so far reported as reimbursed by Hunter to the campaign.

Other food expenses have also drawn scrutiny. According to the FEC's campaign guide, contributed funds may be used "to pay for meals during face-to-face fundraising events. By contrast, a candidate may not use campaign funds to take his or her family out to dinner."

The San Diego Union-Tribune previously reported that the campaign spent \$297 on 16 trips to Jack in the Box — not the typical campaign wining and dining. The committee also reported spending \$216 on "food and beverages" at a jewelry store in Italy, which told the U-T it has no food offerings.

The campaign also spent money at Disneyland — \$229 at the Star Trader gift shop in Tomorrowland for "food/beverages." A spokesman for the park told the Union-Tribune the only edible items the store sells are Pez candy and a Star Wars-themed Rice Krispy treat.

The campaign last month also reported that Hunter had reimbursed the committee for an undisclosed amount spent at Legoland. Although the repayment was noted, the original expense does not appear on financial reports.

Hunter's campaign reports also show spending at Sea World, including \$708 for "fundraiser venue" on Jan. 19 and 20 of this year. On July 31, 2015, the campaign made two payments totaling \$72 to Sea World for "food/beverages," and another two payments totaling \$182 for "educational meeting event venue," reports show.

The FEC probe of Hunter's campaign is continuing, most recently with a letter the agency sent to Hunter's campaign on Monday. It requests an explanation of why some of the numbers on the report covering the last three months in 2015 don't add up correctly.

Hunter's campaign manager and wife, Margaret Hunter, used to have one of two campaign credit cards. Hunter told the Watchdog in April that he now has the only card.

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