



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

August 2, 2018

Ms. Lisa J. Stevenson
Acting General Counsel
Office of the General Counsel
Federal Election Commission
1050 First Street, NE
Washington, D.C. 20463

RE: Additional Evidence for KAIRC PAC Complaint

Dear Ms. Stevenson:

The Foundation for Accountability and Civic Trust (FACT) submitted a complaint dated July 25, 2018, seeking an immediate investigation into Keeping America in Republican Control (KAIRC PAC) and its Executive Director, former congressional candidate Russell Taub.

As that complaint outlines, according to KARIC PAC's own statements it has raised \$1.5 million to influence federal elections and spent funds on federal candidates. Yet, it has failed to register as a political committee, disclose the sources and amounts of contributions, and disclose its disbursements in violation of federal campaign finance law. Additionally, KARIC PAC has not made a single contribution to any federal candidates or committees. In addition to its failure to comply with the reporting and disclosure requirement of federal law, the FEC must investigate what happened to the \$1.5 million raised by KAIRC PAC whether KAIRC PAC is a scam PAC.

In response to FACT's complaint, Politico contacted Taub and reported:

In response to a request for comment, Taub said in an email that the group will be registering with the FEC and that KAIRC PAC is “a new formed group of volunteer activists who raise money individually not through a PAC for candidates, the federal PAC component is brand new idea hence why we [didn’t] file with the FEC yet.”

The KAIRC website and link for donations, which Taub said was a “test run,” was taken down on Tuesday after POLITICO requested comment.

The volunteer activists and the PAC “will be creating two separate websites,” Taub said.¹

Taub’s response is an admission he violated federal law. There is no exception that permits a PAC to ignore the law for a “test run.” Additionally, the evidence indicates this was not a “test run”—the PAC has been active since 2016 and claims it has raised over \$1.5 million.

Contrary to the article’s statement the website and link for donations “was taken down,” the donation links remained active after the story was published and continue to be active today.² In fact, KAIRC PAC sent several emails with links for donations, one of which was attached to FACT’s complaint and two more of which are attached to this letter as Exhibit B and C.³ The number of fundraising emails sent by KARIC PAC are unknown, but KAIRC PAC may be continuing to accept donations through those emails.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kendra".

Kendra Arnold
Executive Director, Foundation for Accountability & Civic Trust

¹ Maggie Severns, Watchdog Filed FEC Complaint Against ‘Scam PAC’ Operated by Former Candidate, Politico, July 25, 2018 (Exhibit D).

² KAIRC PAC Donation Page, available at:
<https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/KAIRC> (accessed August 2, 2018); Drew Wilson, Ethics Group Files Complaint Against Pro-Rick Scott PAC, Florida Politics, July 26, 2018 (Exhibit E).

³ Exhibit B (donation link at <https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/ted-cruz>); Exhibit C (donation link at <https://secure.piryx.com/donate/AX5fY8pK/Keeping-America-in-Republican-Control/ted-cruz>).

FWD: FW: Urgent Alert- Ted Cruz needs backup - New Public Poll Numbers 41%-36%

klma@factdc.org [klma@factdc.org]

Sent: 7/26/2018 9:46 AM

To: klma@factdc.org

From: Secretary of the Navy Middendorf <keepamericanrepublicancontrol@gmail.com>
Subject: Urgent Alert- Ted Cruz needs backup - New Public Poll Numbers 41%-36%

Date: July 9, 2018 at 8:02:45 AM EDT

To:

Reply-To: keepamericanrepublicancontrol@gmail.com

UT/TT POLL

Your vote today for U.S. Senate?



Following

@BetoORourke thinks moving the embassy to Israel's capital, Jerusalem, caused violent terrorists to do violent terrorist things. This kind of far-left, sophomoric thinking is divorced from the values of Texans, and they'll let him know in November.



O'Rourke: U.S. Moving Embassy to Jerusalem Was 'Provoc...

Democratic Texas Senate hopeful Beto O'Rourke called the move of the U.S. embassy in Israel "provocative," saying it provided "incitement to violence."

freebeacon.com

Dear Friend,

Please Consider Helping Ted Cruz for the U.S. Senate

Thank you so much for supporting important causes to ensure the future of our country. Look at what we did last year with your financial help.

- We helped over 85 candidates
- Scheduled multiple fundraisers to help candidates in 2018
 - Raised over \$1.5 million as of -June 30, 2018
- Brought and Hosted 21 of them in Rhode Island, New York, Washington DC, Connecticut , Michigan, California, and Florida
 - Educated Voters
- Launched 11 support Ads to help our candidates

KAIRC-PAC supports candidates and advocates for issues that will protect liberty, ensure prosperity, and keep our country and allies like Israel secure. Our priorities are to grow our economy, protect American culture, and keep our citizens safe mentally and physically!

The Democrats want to send a message that President Trump's agenda is not popular. We need your help now to make sure we keep and turn more seats Republican. I hope you can join me by supporting KAIRC PAC. 100 percent of your donation goes to help KEEP our majorities because we are all volunteers.

Thank you for supporting KAIRC PAC,

Amb. J. William Middendorf II

Former Secretary of the U.S. Navy

DONATE

KAIRC PAC | 22 Oaklawn Ave Unit 310, Cranston, RI 02920

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Sent by keepamericanrepublicancontrol@gmail.com in collaboration with



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FWD: FW: Never stop fighting - Join me in the fight for John James and Ted Cruz

Exhibit C

klma@factdc.org [klma@factdc.org]

Sent: 7/26/2018 9:52 AM

To: klma@factdc.org

From: Kris "Tanto" Paronto- Benghazi Survivor <keepamericanrepublicancontrol@gmail.com>

Date: May 31, 2018 at 8:02:07 AM EDT

To:

Subject: Never stop fighting - Join me in the fight for John James and Ted Cruz

Reply-To: keepamericanrepublicancontrol@gmail.com



Dear Friend,

Please Consider Helping John James for the U.S. Senate

&

Ted Cruz for the U.S. Senate

Thank you so much for supporting important causes to ensure the future of our country. Look at what we did last year with your financial help.

- We helped over 54 candidates
- Scheduled multiple fundraisers to help candidates in 2018

- Raised over \$990,000.00 as of -March 30, 2018
- Brought and Hosted 17 of them in Rhode Island, New York, Washington DC, Connecticut , Michigan, and Florida
- Educated Voters
- Launched 9 support Ads to help our candidates

KAIRC-PAC supports candidates and advocates for issues that will protect liberty, ensure prosperity, and keep our country and allies like Israel secure. Our priorities are to grow our economy, protect American culture, and keep our citizens safe mentally and physically!

The Democrats want to send a message that President Trump's agenda is not popular. We need your help now to make sure we keep and turn more seats Republican. I hope you can join me by supporting KAIRC PAC. 100 percent of your donation goes to help KEEP our majorities because we are all volunteers.

Thank you for supporting KAIRC PAC,

Amb. J. William Middendorf II

Former Secretary of the U.S. Navy

JOHN JAMES DONATION LINK

TED CRUZ DONATION LINK

KAIRC PAC | 22 Oaklawn Ave Unit 310, Cranston, RI 02920

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Watchdog files FEC complaint against 'scam PAC' operated by former candidate

POLITICO

By Maggie Severns

July 25, 2018 – 5:01AM

<https://subscriber.politicopro.com/campaigns/whiteboard/2018/07/watchdog-files-fec-complaint-against-scam-pac-operated-by-former-candidate-1647858>

A conservative watchdog group is calling for the FEC to investigate a PAC operated by a former Republican congressional candidate, claiming that the group has raised \$1.5 million as an unregistered "scam PAC."

The [FEC complaint](#), filed by the Foundation for Accountability and Civic Trust, concerns the Keeping America in Republican Control PAC, which says on its website that it will "help keep, support, re-elect Republicans in control both in the state and federal government."

A KAIRC PAC fundraising email sent out this July, which was obtained by FACT and submitted to the FEC, said that the group "helped over 85 candidates" and "raised over \$1.5 million as of June 30, 2018."

But KAIRC PAC doesn't appear to be registered with the FEC, the FACT complaint says, among several other potential violations of election law.

"KAIRC PAC has failed to share *any* information about its political activities with the Commission," the FACT complaint says. Additionally, the FEC website does not show any candidates who have reported receiving money from the group.

The PAC is operated by Russell Taub, who ran for Congress in Rhode Island's 1st Congressional District in 2016, the complaint says. Taub received 35 percent of the vote, losing to Democratic Rep. [David Cicilline](#).

In response to a request for comment, Taub said in an email that the group will be registering with the FEC and that KAIRC PAC is "a new formed group of volunteer activists who raise money individually not through a PAC for candidates, the federal PAC component is brand new idea hence why we [didn't] file with the FEC yet."

The KAIRC website and link for donations, which Taub said was a "test run," was taken down on Tuesday after POLITICO requested comment. The volunteer activists and the PAC "will be creating two separate websites," Taub said.

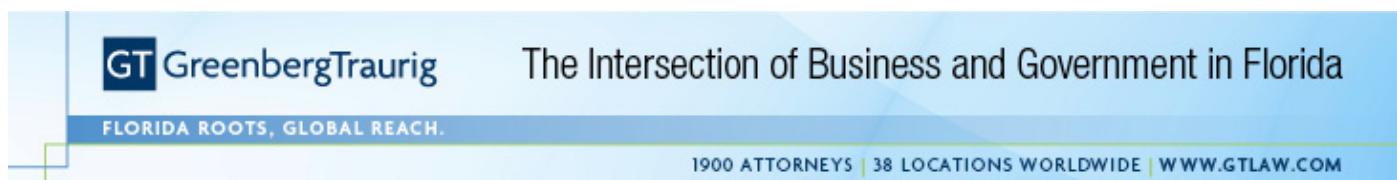
"Based on KAIRC PAC's own admission to having raised over \$1.5 million, it is clear that the PAC has either kept all of this money or spent it on activities that are not reportable to the Commission," the FACT complaint says.

Ethics group files complaint against pro-Rick Scott PAC

[Drew Wilson](#) 1 day ago

A Washington-based ethics group says there's something rotten with a political committee supporting Gov. **Rick Scott**'s bid for U.S. Senate.

[**The Foundation for Accountability and Civic Trust**](#), or FACT, said a "scam PAC" known as [**Keeping America in Republican Control**](#) has touted raising more than \$1.5 million to influence elections but it hasn't filed the legally required paperwork with the [**Federal Elections Commission**](#) to operate as a political committee.



It was a fundraising email in support of Scott that tipped FACT off to KAIRC's questionable nature.

The email, sent July 10, boasts that KAIRC has "helped over 85 candidates, scheduled multiple fundraisers to help candidates in 2018, raised over \$1.5 million as of June 30, 2018 and launched 9 support ads to help our candidates."

Additionally, a cached version 1 website which has been taken offline in the past 48 hours shows the committee [**pitched itself**](#) as a fundraising vehicle to "help keep, support, and re-elect Republicans in control both in the state and federal government." A [**donation page**](#) for the committee is still online.

For an organization to collect contributions and influence elections, it would need to be registered as a political committee. FACT cited the relevant section of election regulations in a complaint filed with the FEC:



“(It) plainly requires political committees to file a Statement of Organization (Form 1) within 10 days of becoming a political committee. According to the U.S. Code of Federal Regulations, ‘any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 or which makes expenditures aggregating in excess of \$1,000 during a calendar year is a political committee.’”

A search of the FEC database, which houses campaign finance information on federal candidates and committees, backs up FACT’s allegations — there are no records of a committee by the name of Keeping America in Republican Control or KAIRC PAC.

A search of KAIRC director **Russell Taub**, however, shows the Rhode Islander gave more than \$500,000 in contributions to Republican candidates and committees this cycle to date — a steep climb from the less than \$10,000 he gave during the 2016 election cycle.

“There is no doubt KAIRC PAC and Russell Taub are engaged in nefarious and potentially criminal behavior,” FACT director **Kendra Arnold** said in a statement.

“How an organization can claim to raise over \$1.5 million and spend it with no public accounting or paper trail of any kind leads to just two conclusions. Either KAIRC PAC didn’t actually raise the money it claims it raised, or it is

being spent on non-political activities. Either way, an investigation is needed immediately.”

In the **complaint**, FACT calls on the FEC to open an investigation into the PAC and Taub “for failing to comply with the basic filing and reporting requirements of federal campaign finance law.”

FACT, it should be noted, is not a left-leaning group seeking to persecute a Republican-leaning organization.

The watchdog group, while non-partisan, is bent conservative and has gone after U.S. Rep. **Debbie Wasserman Schultz**, worked against the confirmation of one-time Supreme Court nominee **Merrick Garland**, and **filed an FEC complaint** against Democratic voter data firm **Catalist**.