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March 4, 2022

VIA EMAIL

Ms. Abigail Capps Federal Election Commission, Reports Analysis Division 1050 First Street, NE Washington, DC 20463

Re: Reclaiming Freedom PAC (C00521427); request for administrative

termination

Dear Ms. Capps:

On behalf of our client Reclaiming Freedom PAC (C00521427) (the "Committee"), we are requesting administrative termination of this Committee by the Federal Election Commission ("FEC") pursuant to 11 C.F.R. § 102.4.

Reclaiming Freedom PAC is a defunct independent expenditure-only committee. For several years now, it has received no contributions, made no expenditures, had no cash on hand, and has filed reports with the FEC disclosing no activity whatsoever. Reclaiming Freedom PAC is essentially a "zombie PAC" that merits administrative termination, as the FEC has done for dozens of other such committees.<sup>1</sup>

The only reason the Committee continues to be registered and filing reports with the FEC is because it has outstanding disputed debts totaling \$21,000 to Craft DC, a vendor, related to services the vendor performed approximately eight years ago.

As the Committee has noted repeatedly in memo entries on its FEC reports, the Committee does not agree with the amount the vendor claims is owed. Nonetheless, the

<sup>&</sup>lt;sup>1</sup> See, e.g., Dave Levinthal, Zombie super PACs face termination, THE CENTER FOR PUBLIC INTEGRITY (Feb. 27, 2014), at <a href="https://publicintegrity.org/politics/zombie-super-pacs-face-termination/">https://publicintegrity.org/politics/zombie-super-pacs-face-termination/</a>.

Committee entered into a settlement agreement with the vendor at one point. However, the Committee was never able to raise any money to pay the debt.

To reiterate: The Committee has no money left. It has no plans to conduct any activities ever again. The Craft DC personnel who were involved in the work for the Committee, and who could provide information about the nature of the disputed debt, are no longer at the firm. Similarly, the individuals involved in running the Committee have all left.

In light of these circumstances, the Committee is requesting administrative termination. The Committee meets all of the relevant criteria under 11 C.F.R. § 102.4(a):

- (1) The Committee's aggregate reported financial activity per year is \$0 (i.e., less than \$5,000);
- (2) The Committee's reports disclose no receipt of contributions for the previous year;
- (3) The Committee's last report disclosed no expenditures;
- (4) The Committee's primary purpose for filing its reports has been to disclose outstanding debts and obligations;
- (5) The fifth criterion (failing to file reports for the previous year) is inapplicable here—it would be contrary to the public interest and FEC policy for the Committee to deliberately fail to file reports to trigger administrative termination;
- (6) The Committee's last report disclosed that the Committee's outstanding debts and obligations do not appear to present a possible violation of the source prohibitions and amount limitations.
  - On this point, the FEC specifically has recognized that, because corporations are permitted to make unlimited contributions to independent expenditure-only committees and have no separate reporting requirements of their own, a vendor may extend credit of any amount and in any manner to such a committee without making a prohibited or excessive contribution. *See* MUR 7343 (Highway 31), Factual and Legal Analysis to Bully Pulpit Interactive *et al.* at 9.
- (7) The Committee's last report disclosed that the Committee does not have substantial outstanding accounts receivable; and
- (8) The Committee's outstanding debts and obligations exceed the total of the Committee's reported cash on hand balance.

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Note that pursuing the FEC's typical "debt settlement procedures," see 11 C.F.R. § 102.4(c)(1), in this case would not be fruitful. As explained above, there is no longer any personnel remaining at Craft DC who is familiar with the disputed debt at issue here. Nor is such a debt settlement plan required under the FEC's rules. See id. § 102.4(c) (providing that the FEC "shall administratively terminate" a committee if "either" (i.e., any of) the criteria set forth in (c)(1)-(3) are satisfied) (emphasis added). Here, because administratively terminating the Committee will not result in a prohibited corporate contribution from the vendor to the independent expenditure-only Committee, MUR 7343 (Highway 31), Factual and Legal Analysis to Bully Pulpit Interactive et al. at 9, the FEC's regulations require it to administratively terminate the Committee, see 11 C.F.R. § 102.4(c)(3).

Accordingly, we ask that the FEC administratively terminate Reclaiming Freedom PAC as soon as possible.

Please do not hesitate to contact us or the Committee's treasurer (copied on this request) if you have any questions about this matter.

Sincerely,

Eric Wang

Attorney for Reclaiming Freedom PAC

cc: Debbie Chacona, Assistant Staff Director, Reports Analysis Division Brian J. Wise, Treasurer, Reclaiming Freedom PAC

## Via E-Mail

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