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Federal Election Commission
1050 First Street NE Washington, DC 20463

VIA E-MAIL: cela@fec.gov

Re: MUR 8111: Response for Congressman Cory Mills

We write on behalf of Congressman Cory Mills (“Respondent”) in response to a complaint (the “Complaint”) filed by Michael Don Johnson (the “Complainant”) on February 23, 2023. This Complaint’s lack of coherence makes it difficult to discern the speculative allegations, but the Complaint includes a series of conspiracy theories, legal conclusions without facts, and allegations outside the scope of the Federal Election Commission’s (the “Commission” or “FEC”) jurisdiction. The Commission should promptly dismiss this complaint because it fails to provide the facts necessary to meet the threshold standard to warrant an investigation.

I. The Personal Loans to the Campaign were from the Respondent’s Assets

The Complaint appears to question the “true” source of funds for the loans the Respondent made to his campaign by alleging a conspiracy where the funds came from somewhere other than the Respondent’s personal assets. The only “support” for this allegation is the Complainant’s vivid imagination. To be clear, the source of the Respondent’s loans to his campaign was his personal assets, and the loans were properly disclosed in accordance with Commission regulations.

The Complaint provides zero evidentiary support for its conspiracy theory that the Respondents violated campaign finance law. The only even potentially supporting information the Complainant has provided is a convoluted listing of publically available information related to the Respondent’s financials. This information is nothing but filler, as none of the information provides any factual support for the theory that the Respondent’s loans to his campaign were from any source other than his own assets. Further bolstering this point, the Complainant effectively concedes to not possessing any actual evidence or personal knowledge of a violation of the law by consistently making statements such as “unknown individuals or corporations *may*

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have illegally funneled money” to the campaign and insinuating that an audit of the Respondent and associated business entities would prove its theory.

As the Commission has long made clear, “[t]he Commission may find ‘reason to believe’ only if a complaint sets forth sufficient specific facts, which, if proven true, would constitute a violation of the FECA.”¹ Additionally, “complaints not based upon personal knowledge must identify a source of information that reasonably gives rise to a belief in the truth of the allegations presented.”² Unwarranted legal conclusions from asserted facts or mere speculation will not be accepted as true.³ Given that the Complainant provides zero specific facts to support its speculative worst-case allegations, the Commission should not waste its limited resources investigating this conspiracy theory.

II. The Payments to Derick Agustin were Reimbursements for Campaign Expenses

The Complainant includes a series of speculative and convoluted claims alleging the Respondent used campaign funds for personal use. From what we can discern, the Complaint hypothesizes that the Respondent used campaign funds to pay rent for an apartment. Of course, using campaign funds for personal use would have prohibited. 52 U.S.C. § 30114(b). Typically, the Commission will apply the “irrespective test” to differentiate legitimate campaign and officeholder expenses from personal expenses. 11 CFR 113.1(g). Here, the test is unnecessary because the underlying personal expenses do not exist. The expenditures referenced in the Complaint to Derick Agustin, a campaign staffer, were for reimbursements of typical campaign expenses and were properly reported. It appears the Complainant’s vivid imagination in conjunction with a misunderstanding of the Commission’s reporting requirements are the only evidence to substantiate this allegation. The Commission should dismiss this allegation because the Complaint fails to meet the standard needed to be a valid complaint and provides zero evidentiary support or personal knowledge to substantiate its conspiracy theory that the Respondents violated campaign finance law.

This section of the Complaint fails to contain a “clear and concise recitation of the facts” describing a violation of campaign finance laws. While speculating that campaign expenditures to Derick Agustin were for rent payments for the Respondent, the Complaint then contradicts this allegation by claiming the Respondent “pretended” to live there and was actually living somewhere else. Reading these two contradictory allegation together, it is unclear what law the Respondent allegedly violated. These convoluted and contradictory allegations demonstrate the Complaint fails to meet the standards needed to be a valid complaint.

¹ MUR 4960 (Hillary Rodham Clinton For U.S. Senate Exploratory Committee, Inc.), Statement of Reasons of Commissioners David M. Mason, Karl J. Sandstrom, Bradley A. Smith, and Scott E. Thomas at 1.

² *Id.*

³ *Id.*

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The Complaint also provides zero evidentiary support or personal knowledge to substantiate its conspiracy theory that the Respondents violated campaign finance law. The Complainant concedes this by using phrases such as it “appears” and it is “likely” there was a violation. The only “evidence” of a violation provided is quickly dispelled with a brief review of the Respondent’s FEC reports.

To substantiate his conspiracy theory, the Complainant relies on his misunderstanding of the Commission’s reporting requirements and guidance. The Complainant cites a series of campaign expenditures paid to a campaign staffer named Derick Agustin. According to the Complainant, these expenditures were for rent payments. Additionally, the Complainant alleges these expenditures “appear” to be “deliberately falsified” because the description of these expenditures is “SEE MEMO ITEMS.” As the Commission is well aware, the use of memo entries are used in an effort to increase reporting clarity and gives entities the ability to provide supplemental or explanatory information of the dollar amounts not included in the line item total. These entries are commonly used to report reimbursements, credit card payments, and other complex transactions. A quick review of the disbursements at issue quickly dispels the Complaint’s conspiracy theory. The reporting statements clearly show that the Derick Agustin was reimbursed for typical campaign expenses that are listed as memo items following the “SEE MEMO ENTRIES” entries.⁴ In compliance with the law, Derick Agustin was reimbursed for some typical campaign expenses that are not listed as memo entries because they were under the \$200 reporting threshold; however, none of the unlisted reimbursements were for rent payments.

III. Conclusion

The Commission should promptly dismiss this complaint because it fails to provide the facts necessary to meet the standard needed to warrant an investigation. . Reason to believe is “no rubber stamp”⁵— complaints based on mere speculation or conclusory statements have not, and should not, be the basis for an investigation. The Complainant provides no evidence to show that the Respondent knowingly accepted a contribution that was in the name of another or used campaign funds for personal use. Therefore, we respectfully ask the Commission to find no reason-to-believe and close the file on this matter.

⁴ See generally Cory Mills for Congress, Disbursements, (Last accessed April 6, 2023), <https://www.fec.gov/data/committee/C00774943/?tab=spending>.

⁵ Statement of Reasons by Vice Chairman Allen Dickerson and Commission James “Trey” Trainor III at 3, MURs 7427, 7497, 7524, 7553, 7560, 7621, 7654, 7660 and 7558 (NRA, et. al).

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charlie Spies". The signature is fluid and cursive, with the first name "Charlie" being more prominent than the last name "Spies".

Charlie Spies
Benjamin Mehr
Counsel to Congressman Cory Mills