

BEFORE THE FEDERAL ELECTION COMMISSION

CAMPAIGN LEGAL CENTER
SOPHIA GONSALVES-BROWN
1101 14th Street NW, Suite 400
Washington, DC 20005

END CITIZENS UNITED
100 M Street SE, Suite 1050
Washington, DC 20003

v. MUR No. _____

SEN. RAFAEL EDWARD TED CRUZ
P.O. Box 25376
Houston, TX 77265

TRUTH AND COURAGE PAC
and KRIS OZANUS in his official
capacity as treasurer
P.O. Box 341027
Austin, TX 78734

COMPLAINT

1. Senator Ted Cruz hosts a podcast, “Verdict with Ted Cruz,” which since 2022 has been paid for, marketed, and distributed by iHeartMedia, Inc. (“iHeartMedia”), a corporation that has contributed over \$630,000 to Truth and Courage PAC (“TCP”), a super PAC supporting Cruz’s 2024 reelection campaign. TCP has reported these receipts not as contributions but as “Other Receipts,” while iHeartMedia has acknowledged that the money is “associated with ad sales” generated by Cruz’s podcast. Because the overall facts support the conclusion that iHeartMedia is sending this ad-based “digital revenue” to TCP at the request or direction of Cruz, there is reason to believe Cruz has violated federal campaign finance laws that prohibit federal candidates and officeholders from soliciting or directing “soft money”—including money from corporations, which are

categorically prohibited from contributing to candidates—in connection with his 2024 reelection efforts.

2. For over twenty years, the Federal Election Campaign Act (“FECA”) has prohibited federal candidates and officeholders, as well as their agents, from soliciting, directing, transferring, or spending “soft money” in connection with a federal election. By soliciting or directing \$630,850.09 of iHeartMedia’s corporate funds to or on behalf of TCP in connection with his 2024 election, Cruz appears to have brazenly violated these federal campaign finance laws, which are crucial to preventing real and apparent corruption in our federal elections, as well as promoting voters’ right to having a meaningful electoral voice through the democratic process.
3. For its part, TCP appears to have misreported the money it received from iHeartMedia as “Other Federal Receipts (Dividends, Interest, etc.)” rather than as contributions, in violation of FECA’s requirement that political committees accurately report information about their finances.
4. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Cruz and TCP have violated FECA, 52 U.S.C. § 30101, *et seq.* If the Federal Election Commission (“Commission” or “FEC”), “upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [FECA] . . . [t]he Commission *shall make an investigation* of such alleged violation.”¹

¹ 52 U.S.C. § 30109(a)(2) (emphasis added); *see also* 11 C.F.R. § 111.4(a).

FACTUAL BACKGROUND

5. Ted Cruz was first elected to the U.S. Senate in 2012, and he is a 2024 candidate for reelection to the U.S. Senate in Texas.² Cruz’s authorized campaign committee is Ted Cruz for Senate.³
6. Cruz began hosting “Verdict with Ted Cruz” in 2020, and reportedly entered into a production and distribution agreement with iHeartMedia, the terms of which were not made public, in October 2022.⁴ In response to an ethics complaint filed by Campaign Legal Center (CLC),⁵ Cruz’s representatives publicly asserted that Cruz receives no financial benefit from the podcast and argued, “There is no difference between Sen. Cruz appearing on a network television show, a cable news show or a podcast airing on

² Rafael Edward Ted Cruz, Amend. Statement of Candidacy at 1 (Jul. 6, 2023), <https://docquery.fec.gov/pdf/126/202307069582440126/202307069582440126.pdf>.

³ Ted Cruz for Senate, Amend. Statement of Org. at 1 (Jul. 6, 2023), <https://docquery.fec.gov/pdf/062/202307069582440062/202307069582440062.pdf>.

⁴ See Jared Gans, *Cruz picks up corporate partner for podcast*, The Hill (Oct. 12, 2022) <https://thehill.com/homenews/senate/3684482-cruz-picks-up-corporate-partner-for-podcast/> (“Cruz described iHeartRadio as a ‘monster’ that has 850 stations across the country. He said they were not looking for the partnership, but iHeartRadio saw the podcast and said they want to take it to ‘the next level,’ promoting it on their radio stations and podcasts.”); see also Todd J. Gilman, *Texas Sen. Ted Cruz partners with iHeartRadio, expands to three podcasts a week*, Dallas Morning News (Oct. 10, 2022), <https://www.dallasnews.com/news/politics/2022/10/10/texas-sen-ted-cruz-partners-with-iheartradio-expands-to-three-podcasts-a-week/> (“Cruz aides and iHeart executives didn’t provide details of the deal, including how much Cruz will be paid for rights to the podcast, which is available on the popular iHeartRadio app.”).

⁵ CLC’s ethics complaint alleged that by entering into their agreement, Cruz and iHeartMedia—a registered lobbyist that spent over \$3.4 million lobbying Congress in 2022 alone—violated Senate ethics rules and the lobbyist gift ban of the Honest Leadership and Open Government Act (“HLOGA”), which help ensure that members of Congress remain impartial in the discharge of their official duties by prohibiting senators from knowingly accepting gifts—including gifts of services—from registered lobbyists. As CLC pointed out, concern about Cruz’s partiality toward iHeartMedia’s interests in light of the podcast deal was “not a hypothetical concern,” because at the same time the podcast deal was finalized, iHeartMedia was lobbying on two bills before the U.S. Senate Committee on Commerce, Science, and Transportation, on which Cruz serves as the Ranking Member. See Danielle Caputo, *CLC Seeks Investigation into Senator Cruz Podcast Deal with iHeartMedia*, Campaign L. Ctr. (Dec. 1, 2022), <https://campaignlegal.org/update/clc-seeks-investigation-senator-cruz-podcast-deal-iheartmedia>.

iHeartMedia.”⁶ iHeartMedia likewise asserts that Cruz is “volunteering his time” for the podcast.⁷

7. iHeartMedia is a publicly traded corporation organized under the laws of Delaware, with its principal corporate offices in San Antonio, Texas.⁸
8. TCP registered with the Commission as an independent-expenditure-only political committee (“IEOPC”)—*i.e.*, a super PAC—on December 1, 2021.⁹
9. Since its formation, TCP has reported total receipts of \$7,712,001.94 and total disbursements of \$7,023,923.97.¹⁰
10. Thus far during the 2023-2024 election cycle, TCP has raised just over \$2 million and reports having \$569,277.41 in cash on hand as of February 29, 2024 (the close of its last reporting period).¹¹ TCP also reported an independent expenditure of \$40,280.50 in support of Cruz on January 5, 2024.¹²
11. According to its official website, “Truth and Courage PAC’s focus is ensuring that Ted Cruz is re-elected to the United States Senate in 2024.”¹³

⁶ Zach Everson, *Ted Cruz’s Podcast Deal With iHeartMedia May Violate Ethics Laws, Watchdog Says In New Complaint*, Forbes (Dec. 1, 2022), <https://www.forbes.com/sites/zacheverson/2022/12/01/ted-cruzs-podcast-deal-with-iheartmedia-may-violate-ethics-laws-watchdog-says-in-new-complaint/?sh=916d9794fa32>.

⁷ *Id.*

⁸ iHeartMedia, SEC Form 10-K (Feb. 29, 2024), <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001400891/d7e979ad-736f-402f-8da9-c5b45dd3079e.pdf>.

⁹ Truth and Courage PAC, Statement of Org. at 1 (Dec. 1, 2021). TCP’s treasurer from December 1, 2022, through January 4, 2024, was Cabell Hobbs; its current treasurer is Kris Ozanus, *see* Truth and Courage PAC, Amend. Statement of Org. at 1 (Jan. 5, 2024).

¹⁰ Receipts, Truth and Courage PAC, https://www.fec.gov/data/receipts/?data_type=processed&committee_id=C00796045 (last viewed Apr. 8, 2024); Disbursements, Truth and Courage PAC, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00796045 (last viewed Apr. 8, 2024).

¹¹ Truth and Courage PAC, Financial Summary, 2023-2024, <https://www.fec.gov/data/committee/C00796045/?tab=summary&cycle=2024> (last viewed Apr. 8, 2024); Truth and Courage PAC, Mar. 2024 Monthly Report at 2 (Mar. 20, 2024), <https://docquery.fec.gov/pdf/644/202403209622527644/202403209622527644.pdf>.

¹² Truth and Courage PAC, 24/48-Hour Independent Expenditure Report at 1 (Jan. 5, 2024), <https://docquery.fec.gov/cgi-bin/fecimg/?202402209619818363>.

¹³ Truth and Courage PAC, <https://truthandcouragepac.com/> (last viewed Apr. 8, 2024).

12. Among its overall receipts, TCP has reported five receipts from “iHeart Media Management Services, Inc.,” a corporate subsidiary of iHeartMedia,¹⁴ totaling \$630,850.09.¹⁵ TCP described these receipts as “digital income” or “digital revenue,” and reported them on line 17 of Form 3X, which is reserved for “other federal receipts”—indicating that these are not reportable as “contributions.” More details of these receipts are provided in the table below:

Contributor	Description	Date	Amount
iHeart Media Management Services Inc.	Digital Income	3/1/2023	\$48,797.87
iHeart Media Management Services Inc.	Digital Income	4/24/2023	\$77,352.33
iHeart Media Management Services Inc.	Digital Revenue	8/30/2023	\$129,030.56
iHeart Media Management Services Inc.	Digital Revenue	11/16/2023	\$160,916.35
iHeart Media Management Services Inc.	Digital Revenue	2/15/2024	\$214,752.98
Total			\$630,850.09

13. In response to news reporting regarding these receipts, iHeartMedia has asserted that “Cruz volunteers his time and is not paid, but the company sells the advertising inventory for the podcast and the revenue the super PAC reported is ‘associated with those advertising sales.’”¹⁶

¹⁴ See iHeartMedia, SEC Form 10-K, Ex. 21 Subsidiaries of Registrant iHeartMedia, Inc. (Feb. 29, 2024), <https://www.sec.gov/Archives/edgar/data/1400891/000140089124000008/exhibit21-ihmedia2023q4.htm>.

¹⁵ Truth and Courage PAC, Receipts, “Other Federal Receipts (Line 17),” https://www.fec.gov/data/receipts/?committee_id=C00796045&two_year_transaction_period=2024&cycle=2024&line_number=F3X-17&data_type=processed (last viewed Apr. 4, 2024).

¹⁶ Molly Bohannon, *Super PAC Backing Ted Cruz Received \$215,000 From iHeartMedia—Fueling Ethics Concerns After Podcast Deal*, Forbes (Mar. 20, 2024), <https://www.forbes.com/sites/mollybohannon/2024/03/20/super-pac-backing-ted-cruz-received-215000-from-iheartmedia-fueling-ethics-concerns-after-podcast-deal/?sh=5a8e3cdb60ac>; see Benjamin Wermund, *Ted Cruz campaign says he doesn’t get paid to podcast. iHeartMedia gave \$630K to a PAC backing him*, Hous. Chron. (Mar. 29, 2024), <https://www.houstonchronicle.com/politics/texas/article/ted-cruz-podcast-iheartmedia-19373225.php>.

SUMMARY OF THE LAW

“Soft Money” Prohibitions for Federal Candidates and Officeholders

14. FECA requires that the funds federal candidates¹⁷ and officeholders¹⁸ raise and spend in connection with federal elections comply with federal campaign finance laws. The Bipartisan Campaign Reform Act of 2002 (“BCRA”) amended FECA to prohibit federal candidates and officeholders, their agents, and any entities that they directly or indirectly establish, finance, maintain or control from soliciting, receiving, directing, transferring, or spending funds in connection with a federal election if the funds fail to comply with FECA’s contribution limits, source prohibitions, and reporting requirements—*i.e.*, so-called “soft money.”¹⁹

15. Specifically, FECA provides, in relevant part:

A candidate, individual holding Federal office, agent of a candidate or an individual holding Federal office, or an entity directly or indirectly established, financed, maintained or controlled by or acting on behalf of 1 or more candidates or individuals holding Federal office, shall not — (A) solicit, receive, direct, transfer, or spend funds in connection with an election for Federal office, including funds for any Federal election activity, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.²⁰

16. Although federal court decisions have invalidated some of FECA’s source prohibitions and amount limitations, as applied to IEOPCs,²¹ those decisions left intact BCRA’s statutory amendments mandating that federal candidates and officeholders cannot

¹⁷ FECA defines a “candidate” as “an individual who seeks nomination for election, or election, to Federal office” and crosses the statutory threshold of receiving aggregate contributions, or making aggregate expenditures, in excess of \$5,000. 52 U.S.C. § 30101(2); *see* 11 C.F.R. § 100.3.

¹⁸ *See* 11 C.F.R. § 300.2(o).

¹⁹ *See generally* 52 U.S.C. § 30125; 11 C.F.R. part 300.

²⁰ 52 U.S.C. § 30125(e)(1); *see* 11 C.F.R. § 300.61.

²¹ *SpeechNow v. FEC*, 599 F.3d 686, 689 (D.C. Cir. 2010); *see also Citizens United v. FEC*, 558 U.S. 310 (2010).

“solicit, receive, direct, transfer, or spend” soft money in connection with federal elections, and those requirements thus remain in effect, as the Commission itself has clearly recognized.

17. In Advisory Opinion 2011-12 (Majority PAC), the Commission explicitly reaffirmed that BCRA, codified at 52 U.S.C. § 30125 *et seq.*, “remains valid” after *Citizens United* and *SpeechNow*: “[BCRA] was enacted by Congress long after [FECA’s] contribution limits and source prohibitions. It was upheld by the Supreme Court in *McConnell v. FEC*, 540 U.S. 93, 181-184 (2003), and remains valid since it was not disturbed by either *Citizens United* or *SpeechNow*.”²² In that advisory opinion, the Commission stated that federal candidates cannot lawfully solicit funds on behalf of an IEOPC that are beyond FECA’s contribution limits, source prohibitions, and reporting requirements.²³
18. In MUR 7853, the Commission applied FECA’s soft money prohibitions in the context of soft money transfers to an IEOPC, which spent those funds in connection with a federal election: The Commission found reason to believe and conciliated violations of 52 U.S.C. § 30125(e)(1)(A) arising from the transfer of \$126,500 from “Campaign to Elect Lance Harris,” a state campaign committee, to Stand for Truth, a federal IEOPC that made independent expenditures supporting Lance Harris’s federal candidacy.²⁴
19. Accordingly, even after *Citizens United* and *SpeechNow*, FECA clearly prohibits federal candidates and officeholders, their agents, and any other entities that they directly or indirectly establish, finance, maintain or control, from directing or transferring

²² Advisory Op. 2011-12 (Majority PAC) at 4.

²³ *Id.* at 3–4.

²⁴ Factual and Legal Analysis at 7–9, MUR 7853 (Lance Harris, *et al.*), https://www.fec.gov/files/legal/murs/7853/7853_15.pdf; Conciliation Agreement, MUR 7853 (Lance Harris & Campaign to Elect Lance Harris) (Mar. 22, 2023), https://www.fec.gov/files/legal/murs/7853/7853_26.pdf (conciliating violations of Section 30125(e)(1)(A) for transferring nonfederal funds to federal super PAC in connection with a federal election).

contributions raised outside FECA’s contribution limits and source prohibitions, to an IEOPC.²⁵

20. Among other things, FECA prohibits corporations from making contributions,²⁶ a prohibition that still applies to candidates and their authorized campaign committees after *Citizens United* and *SpeechNow*.²⁷

Reporting Requirements

21. Under FECA, a “contribution” is defined to include “any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office.”²⁸
22. All political committees are required to file regular reports with the Commission covering their financial activity during the reporting period and, for committees other than candidate-authorized committees, the calendar year.²⁹ Such reports must disclose the total amount of the committee’s receipts as well as the total amount of their receipts in certain specified categories, including, *inter alia*, “contributions from persons other than political committees”³⁰ and “dividends, interest, and other forms of receipts.”³¹
23. The Commission-approved form for PAC disclosure reports reflects these two distinct categories of receipts: For committees other than candidate-authorized committees, “contributions from persons other than political committees” under 52 U.S.C. § 30104(b)(2)(A) are disclosed on line 11(a) of Form 3X, while “dividends, interest, and

²⁵ See 52 U.S.C. §§ 30116(a)(1)(C) (providing a \$5,000 per year contribution limit for non-connected political committees), 30125(e)(1)(A).

²⁶ *Id.* § 30118(a).

²⁷ See *Citizens United*, 558 U.S. at 310; *SpeechNow*, 599 F.3d at 689.

²⁸ 52 U.S.C. § 30101(8)(A).

²⁹ *Id.* § 30104(a)(4).

³⁰ *Id.* § 30104(b)(2)(A); see 11 C.F.R. § 104.3(a)(2)(i).

³¹ 52 U.S.C. § 30104(b)(2)(J); see 11 C.F.R. § 104.3(a)(2)(viii).

other forms of receipts” under 52 U.S.C. § 30104(b)(2)(J) are disclosed on line 17 of Form 3X.

CAUSES OF ACTION

COUNT I:

CRUZ VIOLATED 52 U.S.C. § 30125(E)(1)(A) BY SOLICITING OR DIRECTING SOFT MONEY TO OR ON BEHALF OF TRUTH AND COURAGE PAC IN CONNECTION WITH THE 2024 FEDERAL ELECTION

24. The available information supports finding reason to believe that Cruz, a federal candidate and officeholder, violated FECA by directing or transferring \$630,850.09 in soft money to TCP, a super PAC, in connection with the 2024 federal election.
25. TCP’s disclosure reports show that since March 1, 2023, it has received just over \$630,000 from iHeartMedia,³² a corporation that previously entered into an agreement through which it pays costs associated with the production, marketing, and distribution of Cruz’s podcast. iHeartMedia has acknowledged that the funds it contributed to TCP were derived from ad sales associated with Cruz’s podcast.³³
26. The terms of iHeartMedia’s podcast agreement with Cruz are not public, and the company’s recent comments do not explain *why* it is sending money derived from ad sales associated with Cruz’s podcast to a super PAC supporting Cruz’s 2024 reelection campaign. The most reasonable and logical inference to be drawn from these circumstances, however, is that Cruz requested or directed, and iHeartMedia agreed, that iHeartMedia would transmit these funds to TCP, which then would use the funds to support Cruz’s candidacy.

³² See Truth and Courage PAC, Receipts, *supra* note 15.

³³ See Bohannon, *supra* note 16.

27. As a federal officeholder and candidate, Cruz is prohibited from soliciting or directing funds in connection with a federal election that do not comply with federal source prohibitions, contribution limits, and reporting requirements—*i.e.*, “soft money”—including FECA’s prohibition of corporate contributions to candidates.³⁴ This prohibition extends to Cruz’s campaign, agents, and any other “entity directly or indirectly established, financed, maintained or controlled by or acting on behalf of” Cruz.³⁵
28. Because it appears that Cruz, either directly or through his agents, requested or directed iHeartMedia to send its corporate funds to TCP, a federal super PAC raising and spending money to help reelect Cruz to the U.S. Senate, there is reason to believe Cruz violated 52 U.S.C. § 30125(e)(1)(A).
29. Specifically, Cruz and iHeartMedia entering an agreement that iHeartMedia would provide funds to a federal committee, such as TCP, involves “soliciting” or “directing” soft money in connection with a federal election.
30. Commission regulations define “to solicit” to mean “to ask, request, or recommend, explicitly or implicitly, that another person make a contribution, donation, transfer of funds, or otherwise provide anything of value.”³⁶ A contract or agreement through which Cruz obligates a corporation to send funds to a federal committee spending money on federal elections would readily satisfy that standard. Indeed, Commission regulations provide, as an illustrative example of a solicitation, “A communication that provides

³⁴ 52 U.S.C. § 30125(e)(1)(A); *see id.* § 30118(a).

³⁵ *Id.* § 30125(e)(1)(A); *see* 11 C.F.R. § 300.2(b) (defining “agent” to include “any person who has actual authority, either express or implied, to . . . solicit, receive, direct, transfer, or spend funds in connection with any election.”).

³⁶ 11 C.F.R. § 300.2(m).

instructions on how or where to send contributions or donations,”³⁷ such as “Send all contributions to the following address.”³⁸

31. Accordingly, by entering into an agreement with iHeartMedia in which Cruz (directly or through his agents) effectively told the corporation to “send all contributions” to TCP, or provided it with instructions to supply the money generated through podcast ad sales to the super PAC, Cruz directly or indirectly solicited corporate money in violation of FECA.
32. Alternatively, there is reason to believe Cruz’s agreement with iHeartMedia resulted in Cruz, directly or through his agents, “directing” soft money in connection with a federal election. Commission regulations define “to direct” to mean “to guide, directly or indirectly, a person who has expressed an intent to make a contribution, donation, transfer of funds, or otherwise provide anything of value, by identifying a candidate, political committee or organization, for the receipt of such funds, or things of value.”³⁹
33. The Commission has explained that “to direct” in this context “consists of providing the contributor with the identity of an appropriate recipient for the contribution or donation,” such as, *e.g.*, if iHeartMedia indicated that Cruz would be entitled to receive all or a share of the ad revenues generated in connection with the podcast, and Cruz or his agents, via the terms of the agreement, identified TCP as the “appropriate recipient” for those funds.⁴⁰

³⁷ *Id.* § 300.2(m)(1)(ii).

³⁸ *Id.* § 300.2(m)(2)(vi).

³⁹ *Id.* § 300.2(n).

⁴⁰ Definitions of “Solicit” and “Direct,” 71 Fed. Reg. 13,926, 13,932 (Mar. 20, 2006), <https://sers.fec.gov/fosers/showpdf.htm?docid=4849#page=7>.

34. As such, by entering into an agreement identifying TCP as the desired recipient of the iHeartMedia corporate funds generated by ad sales from the podcast, there is reason to believe Cruz (either directly or through his agents), a federal candidate and officeholder, directed soft money to TCP in connection with a federal election, in violation of FECA.
35. Under either the “solicit” or “direct” legal standard, the end result is the same: There is reason to believe Cruz violated 52 U.S.C. § 30125(e)(1)(A), FECA’s prohibition of federal candidates and officeholders soliciting or directing corporate funds, among other kinds of “soft money,” in connection with a federal election.

COUNT II:
TRUTH AND COURAGE PAC VIOLATED 52 U.S.C. § 30104 BY MISREPORTING CONTRIBUTIONS AS “OTHER RECEIPTS”

36. The available information supports finding reason to believe that TCP violated federal reporting requirements by reporting contributions from iHeartMedia as “other receipts.”
37. Political committees that are not authorized by a candidate, including super PACs like TCP, are required to file regular reports that disclose their total receipts in certain categories for the reporting period and the calendar year.⁴¹ These reports must separately disclose the total amounts of “contributions,” which FECA specifically defines to include anything of value provided for the purpose of influencing a federal election,⁴² and “other receipts,” a category of receipts that by implication would not fall under “contributions.”
38. FECA and Commission regulations explicitly describe the category of “other receipts” to include receipts like “dividends” and “interest.”⁴³ Commission regulations and prior advisory opinions implicitly permit committees to receive dividends, interest, and income

⁴¹ 52 U.S.C. § 30104(a)(4).

⁴² *Id.* § 30104(b)(2)(A); *see id.* § 30101(8).

⁴³ *Id.* § 30104(b)(2)(J); *see* 11 C.F.R. § 104.3(a)(2)(viii).

from stocks, bonds, and other tangible or intangible assets—*e.g.*, office equipment, a mailing list—that a political committee may sell or lease.⁴⁴

39. Receipts like dividends, interest, and proceeds from the sale or lease of committee assets are readily distinguishable from contributions because they do not appear to satisfy the statutory definition: They are not provided to the committee “for the purpose of influencing” a federal election. Indeed, these well-established examples of “other receipts” have a common throughline: They are income generated by or from the committee’s existing assets. By contrast, income provided to a committee from a corporation’s commercial activity—such as iHeartMedia’s ad sales associated with Cruz’s podcast—would not appear to fall within the established ambit of “other receipts.”
40. TCP has reported the receipt of over \$630,000 from iHeartMedia as “other receipts” and described these receipts, which are detailed in the table above, as either “digital income” or “digital revenue.”⁴⁵ iHeartMedia’s comments addressing the source of these funds indicate that these funds are based on ad sales associated with Cruz’s podcast.⁴⁶ These facts support the conclusion that these transactions are not “other receipts” but are, instead, “contributions.” iHeartMedia’s revenues from ad sales are the corporation’s funds, and whenever it transmits those funds to TCP, it has made a “contribution” to TCP that TCP is required to report accordingly.

⁴⁴ See 11 C.F.R. § 104.13 (disclosure requirements for “contributions of stocks, bonds, art objects, and other similar items”); Advisory Op. 2014-06 (Ryan) at 8 (“The Commission has long recognized that a political committee’s mailing lists are assets that have value and that are frequently sold, rented, or exchanged in a market.”); Advisory Op. 2000-30 (pac.com) at 8 (concluding that “a political committee may receive certain kinds of items that it intends to liquidate at a later date to raise funds (those listed in 11 CFR 104.13(b)) and hold those items . . . as an investment for disposition at a later time.”); *see also* Filing PAC Reports, How to Report Proceeds from Sales, FEC.gov, <https://www.fec.gov/help-candidates-and-committees/filing-pac-reports/proceeds-sale/> (last viewed Apr. 5, 2024).

⁴⁵ See Truth and Courage PAC, Receipts, *supra* note 15.

⁴⁶ See Bohannon, *supra* note 16.

41. Even if iHeartMedia’s agreement with Cruz *requires* it to transmit these funds to TCP, the transaction results in a “contribution” under FECA. A contrary approach to reporting receipts—allowing federal committees to report money received under the terms of an agreement with a third party to be reported not as contributions but as “other receipts”—would contravene the definition of “contribution” and fundamentally undermine FECA’s reporting framework.
42. When a corporation like iHeartMedia provides money to a federal committee, even money that it believes the recipient committee (here, TCP) is entitled to collect pursuant to an agreement, that transaction is not akin to “other receipts” like the income from dividends from stock, interest on an interest-bearing financial instrument, or the proceeds of selling or leasing a mailing list; instead, under FECA, this type of transaction is a “contribution” that must therefore be reported in a manner consistent with 52 U.S.C. § 30104(b)(2)(A).
43. As such, there is reason to believe that TCP has violated FECA’s reporting requirements at 52 U.S.C. § 30104(b) with respect to how it has categorized and reported the receipt of five contributions totaling \$630,850.09 from iHeartMedia.

PRAYER FOR RELIEF

44. Wherefore, the Commission should find reason to believe that Cruz and TCP have violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
45. Further, the Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations, injunctive relief to remedy these violations and prohibit any and all future violations, and such additional remedies as are necessary and appropriate to ensure compliance with FECA.

Respectfully submitted,

/s/ Saurav Ghosh
Campaign Legal Center, by
Saurav Ghosh, Esq.
1101 14th Street NW, Suite 400
Washington, DC 20005
(202) 736-2200

/s/ Tiffany Muller
End Citizens United, by
Tiffany Muller
100 M Street, Suite 1050
Washington, DC 20003
(202) 798-5253

/s/ Sophia Gonsalves-Brown
Sophia Gonsalves-Brown
1101 14th Street NW, Suite 400
Washington, DC 20005
(202) 736-2200

April 9, 2024

VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

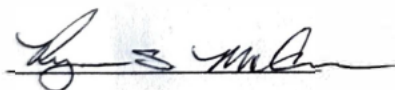
Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Campaign Legal Center



Saurav Ghosh, Esq.

Sworn to and subscribed before me this 8th day of April 2024.



Notary Public

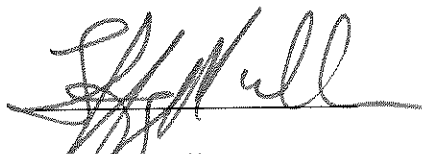


VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

Sworn pursuant to 18 U.S.C. § 1001.

For Complainant End Citizens United



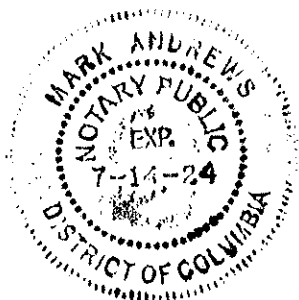
Tiffany Muller

Sworn to and subscribed before me this 8th day of April 2024.



Notary Public

MARK ANDREWS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires July 14, 2024



State of Virginia, County of Fairfax

VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Sophia Gonsalves-Brown

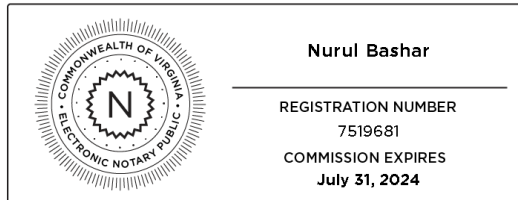
Sophia Elizabeth Gonsalves-Brown

Sophia Gonsalves-Brown

Sworn to and subscribed before me this 8th day of April 2024.

Nurul Bashar

Notary Public



Notarized remotely online using communication technology via Proof.