

# DUAL AGENTS

Political Consulting Firms Working Jointly for Candidates or Political Parties and for Unregulated Outside Groups in the Same Elections Received \$1.4 Billion in 2018 and 2020

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## ACKNOWLEDGMENTS

This study was written by Taylor Lincoln, research director of Public Citizen’s Congress Watch division.

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## Key Findings

- Political consulting firms that worked for a candidate or political party and also for an unregulated super PAC or other purportedly independent entity in the same elections received \$1.4 billion for work in those contests during the past two election cycles. These figures cover congressional contests and the 2020 presidential campaign.
- Payments to these common vendors totaled \$771.4 million from candidate and party committees, which are subject to campaign contribution limits, and \$628.2 million from super PACs and other outside entities, which are not.
- Ten consulting firms received nearly \$1.3 billion of the \$1.4 billion paid to these common vendors.
- A single firm, which operates under three different names, received more than \$930 million, accounting for more than 66 percent of the total combined money paid to the common vendors.
- There were 210 cases of a consulting firm receiving payments from both a regulated and unregulated political entity for work on the same contest. Of these:
  - 89 involved payments by an unregulated entity and just a candidate committee;
  - 65 involved payments by an unregulated entity and just a party committee; and
  - 56 involved payments by an unregulated entity and both a candidate and party committee.
- In the 2020 presidential contest, alone, 26 consulting firms were paid by both regulated and unregulated entities. They received \$526.7 million for their work on the presidential election (\$330 million from regulated committees and \$196.7 million from unregulated entities).

## Introduction

The U.S. Supreme Court's 2010 decision in *Citizens United v. Federal Election Commission* made it legal for corporations and labor unions to spend unlimited sums from their treasuries to influence elections. Follow-up rulings by a federal court and the Federal Election Commission permitted third-party groups to accept unlimited contributions to pay for electioneering expenditures.<sup>1</sup>

The five justices who signed the *Citizens United* ruling based their decision on a view that political spending by outside entities does not pose a sufficient risk of causing corruption to warrant being restricted. Citing one of its previous decisions, the court wrote that "the absence of prearrangement and coordination" between outside entities and candidates "alleviates the danger" of electioneering expenditures being made in exchange for improper promises from candidates. Implicitly, the justices' thinking relied on an assumption that outside entities would reliably act in a truly independent manner.

Events soon showed that the court's confidence was misplaced.

Shortly after the decision, third-party electioneering entities began springing up. These came to be known as "super PACs." In the 2012 elections (the first full two-year election cycle after the *Citizens United* decision), Public Citizen found that 52 percent of 143 super PACs active in the election devoted all of their money to assisting a single candidate.<sup>2</sup> This evidence suggested that many super PACs were not truly independent of the candidates whose contests they sought to influence. These suspicions were supported by numerous revelations of friends, family members and former staffers of candidates managing super PACs that were doing those candidates' bidding.<sup>3</sup>

Meanwhile, other super PACs were created with stated goals of electing Democratic or Republican majorities to the U.S. House and Senate. Federal law deems expenditures

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<sup>1</sup> *Citizens United v. Federal Election Commission*, 558 U.S. (2010), <http://bit.ly/30ramxJ>. [Hereinafter *Citizens United*] *Citizens United* outlawed restrictions on the ability of outside entities, including corporations and unions, to spend money from their treasuries to make independent expenditures. Independent expenditures are defined by election law as expenditures expressly intended to influence the outcomes of elections. A subsequent decision by the U.S. Court of Appeals for the District of Columbia determined that limitations on the size of contributions to groups engaging in independent expenditures could not be justified in the wake of *Citizens United*. See *SpeechNow.org v. Federal Election Commission* (D.C. Circuit, 2010), <https://bit.ly/301hvst>. The Federal Election Commission then ruled that outside groups may accept unlimited contributions from corporations, unions and other political committees, as well as individuals. See Federal Election Commission, Advisory Opinion 2010-11 (July 22, 2010), <https://bit.ly/3D33Wr1>. Entities that acknowledge a purpose of accepting unlimited contributions to influence elections are known as independent expenditure-only committees, or super PACs.

<sup>2</sup> See, for example, Taylor Lincoln, *Super Connected*, PUBLIC CITIZEN (March 2013), <http://bit.ly/3aa2Ziy>. This report on the 2012 elections analyzed expenditures by super PACs that spent \$100,000 or more. These super PACs accounted for 99 percent of super PAC spending that cycle.

<sup>3</sup> *Id.*

made by an outside entity in “cooperation, consultation, or concert” with a national party to be coordinated.<sup>4</sup> A coordinated expenditure would violate the law if it exceeded contribution limits, which super PACs’ expenditures usually do.

But these party-aligned super PACs had all the markings of operating in concert with the national parties’ leaders. A super PAC dedicated to winning a Republican majority in the Senate was formed by allies of Republican Senate leader Mitch McConnell (R-Ky.), including McConnell’s former chief of staff.<sup>5</sup> Democratic leaders said they needed their own super PACs to keep up. *Citizens United* “is a terrible decision,” said then-Senate Majority Leader Harry Reid (D-Nev.) in 2012. “But we can’t disarm unilaterally, so we’re going to do whatever we can to be competitive.”<sup>6</sup>

In 2018, the two top Republicans in the U.S. House announced plans to barnstorm across the country to raise money for a super PAC dedicated to electing Republicans to the House.<sup>7</sup> In 2021, the top fundraiser for Speaker of the House Nancy Pelosi (D-Calif.) was named president of a super PAC devoted to Democratic House candidates. Pelosi praised the newly appointed president as “excellently equipped to help communicate the Democrats’ agenda.”<sup>8</sup>

These and other developments demonstrated that the Supreme Court was misguided in its assumption that outside entities would be independent of regulated campaign committees. In reality, the court had created a major incentive for candidates and party leaders to use outside entities to circumvent campaign contribution limits.

The *Citizens United* decision prompted a national campaign initiated in part by Public Citizen for a constitutional amendment to overturn it. In the meantime, there have been many proposals to reduce the ruling’s effects.

One approach is to strengthen laws prohibiting coordination between regulated entities (such as campaigns and parties) and unregulated entities (such as super PACs, corporations and social welfare groups). Despite abundant, compelling allegations of super PACs and regulated committees working together, the Federal Election

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<sup>4</sup> See 52 U.S.C. § 30116 (A)(7)(B)(ii), <https://bit.ly/3ww06XV>.

<sup>5</sup> *Senate Leadership Fund*, FACTCHECK.ORG (Feb. 19, 2020), <https://bit.ly/3wiL8BN> and Nicholas Confessore and Ashley Parker, *McConnell Allies Start ‘Super PAC’ to Keep Senate Majority*, THE NEW YORK TIMES (Jan. 20, 2015), <https://nyti.ms/3niIjh0>.

<sup>6</sup> Manu Raju, John Bresnahan and Jake Sherman, *Dems rush into arms of super PACs*, POLITICO (May 16, 2012), <https://politi.co/3nXoHye>.

<sup>7</sup> Mike DeBonis, *Ryan and McCarthy will jointly raise midterm campaign funds for House Republicans*, WASHINGTON POST (May 1, 2018), <https://wapo.st/3nqh015>.

<sup>8</sup> Colby Itkowitz, *Pelosi’s top money guy to head up fundraising for House Democrats’ main super PAC*, WASHINGTON POST (Feb. 25, 2021), <https://wapo.st/3wllp60>.

Commission has not taken a single enforcement action for coordination since the *Citizens United* decision was handed down.<sup>9</sup>

A proposal to reduce coordination is to prohibit super PACs from hiring the same political consultants – such as ad makers, strategists and pollsters – as are hired by candidates and parties. Political consultants are well positioned to harmonize messaging and spending strategies between super PACs and regulated political committees, thus facilitating coordination even if the leaders of the super PACs do not communicate with the campaign or party leaders.

Federal regulations list “employment of common vendor” among the actions under which an electioneering expenditure may be deemed coordinated. But the regulations also provide an exemption where a vendor institutes a written “firewall” that is “implemented to prohibit the flow of information between employees or consultants” working for an unregulated outside entity and a regulated candidate or party committee.<sup>10</sup>

When asked about their dual representation of campaigns and super PACs, political consultants often claim to have such firewalls in place. But these claims provide little reassurance that coordination is not occurring. Firewall policies are rarely, if ever, shared with the public. There is no independent oversight to make sure that they are adhered to or, even, that they contain sufficient safeguards to prevent coordination if they are followed. Prior to publication of this study, Public Citizen requested firewall policies from three prominent consulting firms that have claimed in the past to have them. None of the firms provided them.

The Freedom to Vote Act,<sup>11</sup> a proposal pending in the U.S. Senate to protect voting rights and otherwise improve the democratic system in the United States, would take several steps to prevent coordination between regulated and unregulated entities.

The bill would deem any expenditure made by a super PAC benefiting a candidate to be a coordinated expenditure if any of these conditions exist:

1. The candidate or agents of the candidate were involved in – or merely encouraged – the creation of the super PAC in the previous four years;
2. The candidate or agents of the candidate assisted in fundraising for the super PAC;
3. The super PAC was “established, directed, or managed” by a person whose services the candidate has retained in the previous four years;

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<sup>9</sup> See, for example, *Responses to Questions from the Committee on House Administration*, FEDERAL ELECTION COMMISSION (May 1, 2019), <https://bit.ly/3CCSpxE>.

<sup>10</sup> *Coordinated And Independent Expenditures*, 11 CFR Part 109, <https://bit.ly/3H9VuIU>.

<sup>11</sup> S.2747 - *Freedom to Vote Act*, 117th Congress (2021-2022), <https://bit.ly/3q40yIU>.

4. The super PAC retains anybody who provided campaign services to the candidate in the previous two years. Notably, the bill would offer no exceptions for claims of “firewalls” within organizations; or
5. The super PAC was created or is managed by a member of the candidate’s immediate family or someone who has discussed the campaign with the candidate’s family.

Item 4, above, is the most relevant to this paper’s study of common vendors. Relating to examples discussed in this paper, this clause would clearly cover cases where a candidate and super PAC use the same vendor.

The bill would not expressly ban a vendor from working for a party committee and a super PAC on the same electoral contest. It does, however, contain umbrella language broadening the definition of coordinated spending that could apply in those cases.

Several examples in this study describe cases where related consulting firms operate as different companies. The legality of such arrangements if the bill were to pass would likely be left to the FEC, which would also be reformed to be more effective by the bill.

## **I. Common Vendors Received \$1.4 Billion in the 2018 and 2020 Election Cycles**

This study documents instances in which political consulting firms worked on the same electoral contest for regulated committees (candidate and party committees) and outside entities that are allowed to receive unlimited contributions (most commonly super PACs). It defines these as common-vendor cases. This study does not count expenditures made by regulated political action committees (PACs) toward common-vendor determinations.<sup>12</sup>

The common-vendor examples in this study should not be taken to represent a comprehensive list of cases in which candidates or parties may have worked in concert with outside groups claiming to be independent. There are many documented instances of super PACs being created by people with close relationships to candidates whom the super PACs assist, which raises coordination flags even if common vendors are not used.

Further, some common-vendor cases may not be identified in this study because vendors used aliases that hid the fact that essentially the same firm was working for multiple entities. Where evidence suggests that consulting firms with different names are related, this study treats them as a single organization.

Other cases of common vendors may be missed due to the use of passthrough entities. The 2020 presidential campaigns of both Joe Biden and Donald Trump directed large

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<sup>12</sup> See Methodology for more details on this study’s calculations.



portions of their campaigns' spending to single vendors who, apparently, forwarded that money to subcontractors. The payments to subcontractors were not reported to the FEC.

Analysis of spending data reported to the FEC shows that common vendors received nearly \$1.4 billion in the 2018 and 2020 election cycles. These payments were split between regulated committees (55%) and unregulated entities (45%).<sup>13</sup> [Table 1]

**Table 1: Payments to Vendors Working for Regulated and Unregulated Entities on the Same Contest (2018 and 2020 election cycles)**

Year	Regulated \$	Regulated %	Unregulated \$	Unregulated %	Total \$
2018	\$129,357,801	49.5%	\$131,904,198	50.5%	\$261,261,999
2020	\$642,050,981	56.4%	\$496,273,313	43.6%	\$1,138,535,983
Total	\$771,408,781	55.1%	\$628,177,512	44.9%	\$1,399,586,293

The 2020 presidential campaign predictably accounted for a disproportionate share of the money paid to the common vendors. It accounted for \$526.7 million, or 38 percent, of the \$1.4 billion paid to these vendors over the past two election cycles. [Table 2]

**Table 2: Breakdown of Payments to Common Vendors Relating to Presidential 2020 Campaign and Congressional Contests (2018 and 2020 election cycles)**

Contest Type	Regulated \$	Unregulated \$	Total \$
Presidential	\$330,012,567	\$196,703,054	\$526,715,621
Congressional	\$441,396,214	\$431,474,457	\$872,870,672

We identified 210 discrete cases in which a vendor was hired by at least one unregulated entity, as well as by a candidate or party committee for work on the same contest. In 144 cases, the vendor was paid by an unregulated committee plus a candidate committee or plus both a candidate and party committee. In 65 cases, the vendor was paid by an unregulated entity and a party committee, but not a candidate committee. [Table 3]

**Table 3: Count of Vendors Working for Party and Candidate as Well as Unregulated Outside Entity (2018 and 2020 election cycles)**

Type of Regulated-Unregulated Common Vendor Pairings	Regulated
Firm was paid by unregulated outside entity and candidate but not party*	89
Firm was paid by unregulated outside entity, candidate and party	56
Firm was paid by unregulated outside entity and party but not candidate**	65
Total	210

\* Most payments by outside entities are made by super PACs. 14 common-vendor cases in this study were based on a vendor receiving a payment from a regulated committee and a non-super PAC outside entity.

\*\* Coordinated party expenditures, in which a party makes expenditures on behalf of a candidate after having discussions with the candidate's campaign, are treated here as party expenditures.

<sup>13</sup> Except where otherwise indicated, the figures in this table are derived from Public Citizen's analysis of data provided by the Federal Election Commission.

We identified 69 vendors that received payments from a regulated and unregulated entity in at least one contest. But a small number of vendors got most of the money. Of the \$1.4 billion paid to common vendors, nearly \$1.3 billion went to just 10 firms. More than \$930 million was paid to divisions of a single consulting firm, GMMB. [Table 4]

**Table 4: Consulting Firms Receiving the Most Money for Contests in Which They Were Paid by Regulated and Unregulated Committees (2018 and 2020 Election Cycles)**

Payee Name	Regulated	Unregulated	Total
GMMB / Waterfront / Great American	\$446,661,388	\$483,464,215	\$930,125,603
Slaters Lane entities*	\$81,783,522	\$25,049,064	\$106,832,587
Bully Pulpit	\$54,324,685	\$22,396,772	\$76,721,457
Targeted Victory	\$49,758,737	\$13,087,470	\$62,846,207
Smart Media / Del Ray Media / Del Cielo Media	\$32,742,980	\$13,146,907	\$45,889,887
Strategic Media / Nebo	\$13,842,309	\$18,278,566	\$32,120,875
Majority Strategies	\$8,421,258	\$6,544,676	\$14,965,934
FP1 Strategies	\$4,665,750	\$7,498,146	\$12,163,896
Arena	\$4,189,050	\$4,053,187	\$8,242,237
FlexPoint Media	\$7,933,006	\$100,000	\$8,033,006
Total	\$700,685,022	\$593,619,003	\$1,297,941,688

\* These consist of American Media and Advocacy, First Tuesday: The Ballot Initiative Group, Harris Sikes, National Media Research Planning and Placement, OnMessage, Red Eagle Media and Starboard Strategic.

Aside from the 2020 presidential campaign, the 10 contests in which expenditures to common vendors were the highest were all U.S. Senate contests. Seven of these contests occurred in the 2020 election cycle. [Table 5]

**Table 5: Non-Presidential Contests in Which Consulting Firms Were Paid the Most Money for Work on Behalf of Regulated and Unregulated Committees (2018 and 2020 election cycles)**

Year	Contest	Candidates	Regulated	Unregulated	Total*
2020	Iowa-S	Theresa Greenfield (D) v. Joni Ernst (R)	\$69,513,934	\$50,392,623	\$119,906,557
2020	N.C.-S	Cal Cunningham (D) v. Thom Tillis (R)	\$32,977,513	\$44,202,610	\$77,180,123
2020	Ga.-S	Jon Ossoff (D) v. David Perdue (R)	\$27,670,097	\$47,708,551	\$75,378,648
2020	Maine-S	Sara Gideon (D) v. Susan Collins (R)	\$23,972,437	\$35,480,437	\$59,452,875
2020	Ariz.-S	Mark Kelly (D) v. Martha McSally (R)	\$24,674,466	\$20,942,389	\$45,616,856
2020	Mont.-S	Steve Bullock (D) v. Steve Daines (R)	\$20,723,335	\$19,151,274	\$39,874,609
2020	Ga.-S	Raphael Warnock (D) v. Kelly Loeffler (R)	\$17,545,884	\$22,113,184	\$39,659,068
2018	Ind.-S	Joe Donnelly (D) v. Mike Braun (R)	\$6,834,022	\$21,607,994	\$28,442,016
2018	Nev.-S	Jacky Rosen (D) v. Dean Heller (R)	\$9,227,714	\$16,124,452	\$25,352,166
2018	Az.-S	Kyrsten Sinema (D) v. Martha McSally (R)	\$8,434,708	\$13,828,368	\$22,263,076

\* Note: spending totals reported here include only payments that were made to vendors who worked for a regulated and unregulated committee in the that contest.

## II. Activities of Firms Receiving the Most Money as Common Vendors

The summaries below regard the 10 firms that received the most money for work in contests in which they acted as a common vendor in the 2018 and 2020 election cycles.

### 1. GMMB, Waterfront Strategies and Great American Media (the GMMB Entities)

# of contests in which firm was paid by a regulated and unregulated entity: 36

# of entities paying firm in these contests (excluding PACs): 50 (22 regulated, 28 unregulated)

Amount firm was paid for work in these contests: \$930.1 million (\$446.6M from regulated, \$483.5M from unregulated)

GMMB, Waterfront Strategies and Great American Media appear to be related. This study treats payments to each of these three entities as being made to the same firm and refers to them collectively as the “GMMB entities.”

GMMB – short for Greer, Margolis, Mitchell, and Burns – is a prominent consulting firm that managed candidate Bill Clinton’s advertising in the 1992 presidential election and later produced ads for President Barack Obama.<sup>14</sup>

Waterfront Strategies is a separate unit of GMMB<sup>15</sup> that operates out of the same offices but is not listed on the firm’s web site. GMMB Partner Raelynn Olson is a governor of Waterfront Strategies.<sup>16</sup>

Great American Media is another unit of GMMB.<sup>17</sup> Some payments reported to the FEC have been directed to an entity called “Great American Media-GMMB.”<sup>18</sup>

<sup>14</sup> Stuart Elliott, *The Media Business: Advertising; 3 Very Different Approaches To Pitching the Candidates*, THE NEW YORK TIMES (May 29, 1992), <https://nyti.ms/3EFLFjS> and Michael McAuliff and Paul Blumenthal, *Political Consultants From Mysterious Firm Tread Fine Legal Line ‘Putting The Lie To Reality’*, HUFFPOST (June 8, 2012, updated Dec. 6, 2017), <https://bit.ly/3bIBOgQ>.

<sup>15</sup> Alexander Becker, *The companies making the most off the 2014 campaign season*, WASHINGTON POST (Aug. 14, 2014), <https://wapo.st/2ZWUeIx> and Karl Evers-Hillstrom, *The mysterious political consultants making millions to influence elections*, OPENSECRETS (Jan. 16, 2019), <https://bit.ly/3o0Vxy2>.

<sup>16</sup> *Waterfront Strategies Inc.*, OPENCORPORATES (viewed on Nov 4, 2021), <https://bit.ly/3krHHnF>.

<sup>17</sup> Michael McAuliff and Paul Blumenthal, *Political Consultants From Mysterious Firm Tread Fine Legal Line ‘Putting The Lie To Reality’*, HUFFPOST (June 8, 2012, updated Dec. 6, 2017), <https://bit.ly/3bIBOgQ>.

<sup>18</sup> Filings with the Federal Election Commission, <https://bit.ly/3EKIhnV>. Some news reports credit the work that GMMB principal Jim Margolis did for the 1992 Clinton campaign as being done under the name of Great American Media.

Mike Furman, whom GMMB identifies as its Media Supervisor/Politics,<sup>19</sup> has signed advertising purchase forms for GMMB,<sup>20</sup> Waterfront Strategies<sup>21</sup> and Great American Media.<sup>22</sup>

In response to a reporter's inquiry about differently named GMMB entities working for both a U.S. House candidate and a Democratic super PAC that was active in that candidate's contest, the firm stated: "We take the law and compliance with the law very seriously. To ensure the most stringent security and client confidentiality, we've put in place strict firewalls, separate financial streams and password-protected areas on our computer networks."<sup>23</sup>

In response to a summary of this study's findings, GMMB sent this statement to Public Citizen: "GMMB, Waterfront and Great American Media are separate companies with a strict firewall policy between them that is designed by legal counsel to comply with the letter and spirit of the law. In addition, relevant staff go through training conducted by legal counsel to further ensure careful compliance with regulations."<sup>24</sup>

There is a clear distinction between the clients served by GMMB and Waterfront.

All but two of the 54 entities reporting payments to "GMMB" in the past two election cycles were political parties or candidate committees. All 57 entities reporting payments to "Waterfront" were outside entities, primarily consisting of unregulated committees but also including eight conventional PACs. (Note: these figures regard payments to GMMB entities for all contests, not just the ones in which they acted as a common vendor.)

Great American Media, meanwhile, primarily has worked for the Democratic Congressional Campaign Committee (a regulated committee) but has also done work for a handful of super PACs, some of which were focused on state gubernatorial contests.

The GMMB entities have brought in staggering sums in the past two election cycles. Collectively, they have been paid close to \$1.5 billion. Of this, \$930.1 million concerned work in 36 contests in which they were paid by both regulated and unregulated entities.

- The 2020 presidential general election was the contest for which the GMMB entities received the most money while acting as common vendor. The firm was

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<sup>19</sup> Mike Furman, GMMB (viewed on Nov. 9, 2021), <https://bit.ly/3D1fdbv>.

<sup>20</sup> Advertising form filed with the Federal Communications Commission by GMMB, posted by OpenSecrets, <https://bit.ly/3EUYG9s>.

<sup>21</sup> Advertising form filed with the Federal Communications Commission by Watermark Strategies, posted by OpenSecrets, <https://bit.ly/3bWvuT9>.

<sup>22</sup> Advertising form filed with the Federal Communications Commission by Great American Media, posted by OpenSecrets, <https://bit.ly/3mZ1Frc>.

<sup>23</sup> Lee Fang, *How Mitch McConnell Is Bending Every Last Campaign Finance Rule*, THE NATION (Oct. 21, 2014), <https://bit.ly/2ZWUxTH>.

<sup>24</sup> E-mail from GMMB Vice President Eric Conrad to author (Nov. 10, 2021).

paid \$391.1 million for its work in the contest, including \$241.1 million from committees of Joe Biden and the Democratic Party and \$150 million from six unregulated entities.

- GMMB entities received their second-most source of common-vendor money (\$107.4 million) for work in the 2020 U.S. Senate contest in Iowa between Sen. Joni Ernst (R) and Theresa Greenfield (D). GMMB entities received \$35.7 million from Greenfield’s campaign committee, \$25.9 million from the Democratic Senatorial Campaign Committee and \$36.3 million from Senate Majority PAC, a super PAC aligned with the Democratic Senate leadership.

Waterfront Strategies has worked in recent election cycles for “pop-up” super PACs that are created after the final reporting date in an election cycle, allowing them to hide their donors’ identities until after voters go to the polls. In recent years, Waterfront was paid at least \$1.5 million per contest to work for pop-up super PACs to influence U.S. Senate contests in Arizona, Alabama and Texas. These super PACs adopted names that suggested local ties, such as the “Texas Forever” super PAC that aided Democratic candidate Beto O’Rourke. But in each case, the main donor – which was revealed after the election – was Senate Majority PAC.<sup>25</sup>

## 2. Bully Pulpit Interactive

# of contests in which firm was paid by a regulated and unregulated entity: 4

# of entities paying firm in these contests (excluding PACs): 17 (7 regulated, 10 unregulated)

Amount firm was paid for work in these contests: \$76.7 million (\$54.3M from regulated, \$22.4 from unregulated)

Bully Pulpit Interactive, a Democratic consulting firm, received \$211.2 million to work on behalf of 33 political entities in the past two election cycles. Of this, \$76.7 million pertained to four contests in which it was paid by both regulated committees and unregulated entities.

- In the 2020 presidential election, Bully Pulpit received \$58 million. This consisted of \$41.5 million from the Biden presidential campaign and \$16.5 million from unregulated entities, including \$10.7 million from Nextgen Climate Action Committee.
- In 2018, Bully Pulpit received \$8.6 million from five entities supporting Democratic Senate candidate Claire McCaskill (D-Mo.). This money came primarily from

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<sup>25</sup> Highway 31 Top Donors 2018 Cycle, <https://bit.ly/3EMw7uM>, Red & Gold Top Donors 2018 Cycle, <https://bit.ly/3bFBQWP> and Texas Forever, Top Donors 2018 Cycle, <https://bit.ly/3EMw7uM>, all from OpenSecrets.

McCaskill's campaign committee (\$3.6 million) and Priorities USA Action, a Democratic super PAC (\$4.4 million).

Bully Pulpit Managing Director Alex Kellner served as digital director of McCaskill's 2012 Senate campaign.<sup>26</sup>

### 3. The Slaters Lane Entities

# of contests in which firm was paid by a regulated and unregulated entity: 14  
 # of entities paying firm in these contests (excluding PACs): 16 (10 regulated, 6 unregulated)  
 Amount firm was paid for work in these contests: \$106.8 million (\$81.8M from regulated, \$25M from unregulated)

The seven entities mentioned in this section each operate out of the same or adjacent addresses in Alexandria, Va., and appear based on other evidence to be connected. Payments to them are treated as being made to a single entity.

**American Media and Advocacy**<sup>27</sup> and **Red Eagle Media**<sup>28</sup> share the same address (815 Slaters Lane, in Alexandria, Va.), and report the same registered agent. Red Eagle Media is a trade name for **National Media Research Planning and Placement**, which lists the same address and registered agent.<sup>29</sup>

At times, American Media and Red Eagle have filed nearly identical forms for advertisements supporting the same candidates. The example below, which was published by *The Trace*, shows nearly identical records for ad purchases to benefit Donald Trump's presidential candidacy in 2016. The purchases were made on behalf of American Media (paid for by the Trump campaign) and Red Eagle Media (paid for by the National Rifle Association).<sup>30</sup>

These purchase forms were both signed by Jon Ferrell. Ferrell's LinkedIn page identifies him as the CFO of National Media Inc.<sup>31</sup> [Figure 1]

<sup>26</sup> Alex Kellner, Web site of BULLY PULPIT INTERACTIVE (viewed on Nov. 4, 2021), <https://bit.ly/3EMwhCo>.

<sup>27</sup> Records of Virginia State Corporation Commission Clerk's Information System, <https://bit.ly/3GUuDjZ>.

<sup>28</sup> *Id.*, <https://bit.ly/3q56hhF>.

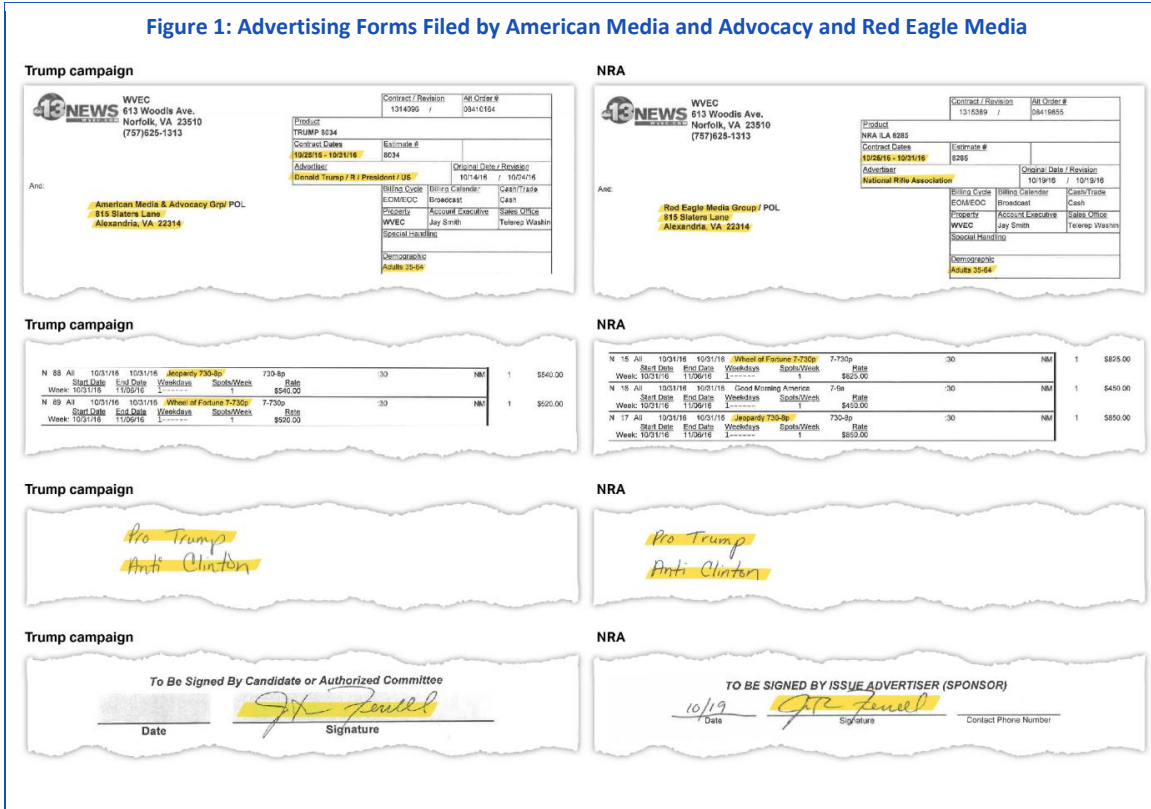
<sup>29</sup> *Id.*, <https://bit.ly/3nXagKy>.

<sup>30</sup> Mike Spies, *Documents Point to Illegal Campaign Coordination Between Trump and NRA*, THE TRACE (Dec. 6, 2018), <https://bit.ly/2ZQ0DEY>.

<sup>31</sup> Jon Ferrell, LINKEDIN, <https://bit.ly/3kH3aZV> (viewed on Nov. 9, 2021).



Figure 1: Advertising Forms Filed by American Media and Advocacy and Red Eagle Media



OnMessage Inc., Starboard Strategic and “First Tuesday: The Ballot Initiative Group” operate out of Alexandria, Va., addresses that are the same or adjacent to those used by American Media, Red Eagle Media and National Media. OnMessage, Starboard and First Tuesday also appear in records showing them at the same address in Annapolis, Md.<sup>32</sup> These three entities list the same registered agent and overlapping partners.<sup>33</sup>

Demonstrating the ties between these entities, OnMessage accepted several awards for advertisements for which Starboard Strategic was recorded as the payee in FEC records, according to a lawsuit brought by Giffords Law Center.<sup>34</sup>

The above-mentioned firms have been central to several complaints filed with the FEC by Campaign Legal Center and Giffords Law Center alleging coordination between

<sup>32</sup> Web site of OnMessage (viewed on Nov. 4, 2021), <https://bit.ly/3k7qak9> and State of Maryland Business Records, Annual Report of Personal Property, Starboard Strategic (viewed on Nov. 9, 2021), <https://bit.ly/3ocNMp1> and *Gifford v. Federal Election Commission*, U.S. District Court for the District of Columbia (filed April 24, 2019), <https://bit.ly/30eyhor> (referencing First Tuesday’s Annapolis address).

<sup>33</sup> Records of Virginia State Corporation Commission Clerk’s Information System, <https://bit.ly/3bGZ3b5>, <https://bit.ly/3k7Eycm> and <https://bit.ly/3mXUf7B>.

<sup>34</sup> *Giffords v. Federal Election Commission*, U.S. District Court of the District of Columbia (April 24, 2019), <https://bit.ly/30IzKU8>.

candidate committees and National Rifle Association entities.<sup>35</sup> Giffords, represented by Campaign Legal Center Action, also filed a lawsuit against the FEC relating to the complaints.<sup>36</sup>

The complaints and lawsuit allege multiple instances of the Slaters Lane entities working for both National Rifle Association entities and candidates that the NRA was spending millions supporting. In the 2018 U.S. Senate race in Montana, the lawsuit alleges that an NRA entity contracted with Starboard Strategic for advertisements that were placed by Red Eagle. Meanwhile, according to the lawsuit, Senate candidate Matt Rosendale retained OnMessage, which placed advertisements through National Media and American Media.<sup>37</sup> This allegation tied together the National Media/Red Eagle/American Media entities with the OnMessage/Starboard Strategic entities.<sup>38</sup>

As with many of the complaints referenced in this study, the FEC did not act on the ones against the NRA. At the end of September 2021, a U.S. district judge gave the FEC 30 days to take action on the complaints. The FEC did not meet the deadline. In November, the judge authorized Giffords Law Center, represented by Campaign Legal Center, to sue the NRA to seek enforcement of the law.<sup>39</sup>

**Harris Sikes Media** appears to have been a major – if not primary – buyer of advertising for the Trump campaign in 2020. Public Citizen pulled several records of Trump campaign advertising purchases on file with the Federal Communications Commission. Harris Sikes was listed as a buyer on behalf of the Trump campaign on each one.

Jon Ferrell, who is shown in Figure 1, above, as having signed for ad purchases on behalf of both the National Rifle Association and the Trump campaign in 2016, signed forms for Harris Sikes in 2020 for ad purchases made on behalf of the Trump campaign. [Figure 2]

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<sup>35</sup> *Uncovering Illegal Coordination by the NRA*, CAMPAIGN LEGAL CENTER (viewed on Nov. 17, 2021), <https://bit.ly/3oEmKqH>. A list of complaints filed is at the bottom of this web page.

<sup>36</sup> *Giffords v. Federal Election Commission*, U.S. District Court of the District of Columbia (April 24, 2019), <https://bit.ly/30IzKU8>.

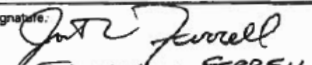
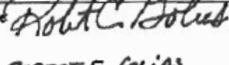
<sup>37</sup> *Id.*

<sup>38</sup> Evidence of the connections between these two sets of entities can be seen through close scrutiny of Federal Election Commission and Federal Communications Commission records. The 2018 Rosendale campaign only reported to the FEC making payments to OnMessage among the Slaters Lane entities. But a June 14, 2018, report to the FCC shows American Media purchasing advertising time on behalf of Rosendale. Likewise, NRA entities have only reported making payments to Starboard Strategic among the Slaters Lane entities. But many FCC advertising records show Red Eagle Media Group making purchases on behalf of NRA entities.

<sup>39</sup> Caitlin Oprysko, *Giffords sues NRA alleging campaign finance violations*, POLITICO (Nov. 2, 2021), <https://politi.co/3x4cFHc>.



Figure 2: Advertising Form Filed by Harris Sikes Media

ALL QUESTIONS/BLOCKS MUST BE COMPLETED	
Candidate name: Donald J. Trump	
Authorized committee: Donald J. Trump for President	
Agency requesting time (and contact information): <input checked="" type="checkbox"/> N/A Harris Sikes Media	
Candidate's political party:	
Candidate/Committee/Agency	Station Representative
Signature: 	Signature: 
Name: JONATHAN FERRELL	Name: ROBERT E. GOLIAS
Date of Request to Purchase Ad Time:	Date of Station Agreement to Sell Time:

A representative of National Media acknowledged to OpenSecrets that Harris Sikes is affiliated with National Media, calling Harris Sikes a “firewall entity” that is used to avoid conflicts.<sup>40</sup> The Trump campaign only reported making a single payment to Harris Sikes in 2020, and that payment was after the election and related to the electoral recount.

This disclosure gap likely exists because the Trump campaign and a separate committee controlled by Trump reported paying the majority of their money to an entity called American Made Media Consultants Corp. that subcontracted work to others. American Made Media Consultants Corp. was reportedly created with the approval of Donald Trump’s son-in-law, Jared Kushner, and operated by Trump daughter-in-law Lara Trump and a nephew of Vice President Mike Pence.<sup>41</sup>

By, evidently, using American Made Media Consultants Corp. as a passthrough entity, the Trump campaign avoided reporting expenditures made to vendors that performed substantive work.<sup>42</sup> The Campaign Legal Center filed a complaint with the FEC alleging

<sup>40</sup> Anna Massoglia, *Trump 2020 campaign ad payments hidden by layers of shell companies*, OPENSECRETS (June 13, 2019), <https://bit.ly/3o1TIRB>.

<sup>41</sup> Mary Papenfuss, *Kushner Helped Launch Shell Company That Paid Campaign Funds To Trump Family: Report*, HUFFPOST (Dec. 18, 2020), <https://bit.ly/2ZY39cw>.

<sup>42</sup> Somewhat similarly, the Biden campaign reported making expenditures of \$446.2 million to an entity called Media Buying & Analytics. That firm, according to reporting by *Advertising Age*, was a creation of prominent Democratic consulting firm Canal Partners. Canal Partners reports on its web site that it was the “Lead buying agency for President Biden in 2020.” But Biden’s campaign, unlike Trump’s, is not accused of actually establishing the passthrough entity. See Lindsay Rittenhouse, *The Media Buyers Behind The 2020 Presidential Race Revealed*, ADAGE (Feb. 25, 2020), <https://bit.ly/3E1cVyk> and Web page of CANAL PARTNERS MEDIA (viewed on Nov. 4, 2021), <https://bit.ly/3qmnjIn>.

that the Trump campaign used American Made Media Consultants Corp. as “conduits that hid the ultimate recipients of nearly half of the campaign’s overall spending.”<sup>43</sup>

The Slaters Lane entities, collectively, received \$402.1 million in payments from 100 political committees and groups in the 2018 and 2020 election cycles. Of this, they received \$106.8 million for work in 14 contests in which they were paid both by regulated and unregulated entities. For example:

- In the 2020 presidential election, they received \$40.5 million. This included \$8.4 million from the super PAC of the National Rifle Association and \$2.3 million combined from other super PACs, including America First Action, which was dedicated to assisting Trump’s campaign.

Separately, via Harris Sikes, they received \$29.6 million combined from the Republican National Committee and the Trump campaign. But the actual payments were likely much greater because, as mentioned above, the Trump campaign reported the bulk of its expenditures as going to American Made Media Consultants Corp., which appears to have been a passthrough entity. American Made Media Consultants Corp. received \$774.8 million from the Trump campaign and a Trump fundraising committee.

- For work in the 2018 Montana U.S. Senate contest between Matt Rosendale (R) and Sen. Jon Tester (D), the Slaters Lane entities received \$8.7 million. This included \$3.8 million from the NRSC, \$2.8 million from Rosendale’s campaign committee, \$1.6 million from America First Action, and \$477,000 combined from the NRA’s PAC and nonprofit.

In this contest, America First Action and the NRSC ran similar ads accusing Tester of improperly seeking to derail Trump’s nominee for secretary of Veterans Affairs. America First Action’s ad ended, “That’s why it is time for [Tester] to go,”<sup>44</sup> while the NRSC’s ad ended “It’s time for Jon Tester to go.”<sup>45</sup> Both ads began airing on about May 2, 2018. It is not clear from disclosures whether these advertisements were produced by the affiliated Slaters Lane consulting firms. The Slaters Lane firms were, however, the biggest recipients of payments from America First Action and the NRSC for work in the 2018 Montana U.S. Senate contest.

FEC records show a payment of \$327,254 for “placed media” from Red Eagle Media Group to America First Action on May 2. FEC records do not show any

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<sup>43</sup> Campaign Legal Center, RE: Additional Facts Relevant to MUR #7784 (Complaint against Donald J. Trump’s authorized campaign committee) (Jan. 28, 2021), <https://bit.ly/3whzS8r>.

<sup>44</sup> Josh Israel, *New pro-Trump SuperPAC ad presents Trump’s smears of Jon Tester as sources*, THINKPROGRESS (May 2, 2018), <https://bit.ly/3mLO1aZ>.

<sup>45</sup> NRSC Goes Up in MT with Ad Slamming Tester over Trump’s Calls on Sen. Tester to Resign, NRSC (May 2, 2018), <https://bit.ly/3q8lSNu>.

independent expenditures by the NRSC to the Slaters Lane entities (or any other vendors) relating to this Senate contest until Aug. 13, 2018. Despite the absence of a payment disclosed near May 2, 2018, the NRSC did issue a statement on that day taking credit for an ad “Slamming Tester.”<sup>46</sup>

- In the 2018 Texas 32nd district congressional contest between Pete Sessions (R) and Colin Allred (D), the Slaters Lane entities received \$2.8 million from America First Action, \$1.9 million from Sessions’ campaign committee, and \$94,000 from the National Republican Campaign Committee (NRCC).

The contributions by America First Action are noteworthy. According to a federal indictment of Igor Fruman and Lev Parnas, Fruman and Parnas promised in May and June 2018 to raise at least \$20,000 for Sessions’ campaign committee.<sup>47</sup> They also asked for Sessions’ assistance in removing Marie Yovanovitch from her job as ambassador to Ukraine.<sup>48</sup>

In May 2019, Sessions wrote to Secretary of State Mike Pompeo asking him to remove Yovanovitch from her job.<sup>49</sup> Yovanovitch was subsequently fired, which became a central event in the U.S. House of Representatives’ decision to impeach Trump in December 2019.

In October 2019, Fruman and Parnas were arrested for alleged involvement in a scheme to violate campaign finance laws. Charges included allegations that Fruman made a \$2,700 contribution to Sessions that he reported as giving under Parnas’s name to evade campaign contribution limits.<sup>50</sup>

Fruman pleaded guilty to campaign finance charges in September 2021.<sup>51</sup> Parnas was convicted of violating campaign finance laws in October 2021.<sup>52</sup> The charges against Parnas related to accusations that he acted as a conduit for a \$325,000 donation from a Russian national to America First Action using the name of company Parnas established called Global Energy Partners.<sup>53</sup>

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<sup>46</sup> *Id.*

<sup>47</sup> Paul Cobler, *A timeline of former Dallas Rep. Pete Sessions’ involvement in the Ukraine scandal*, DALLAS MORNING NEWS (Nov. 15, 2019), <https://bit.ly/2ZVt6ZV>.

<sup>48</sup> *United States of America v. Lev Parnas, Igor Fruman, David Correia, and Andrey Kukushkin*, Grand Jury Charges filed in the Southern District of New York (undated), <https://bit.ly/3mJaRjl>.

<sup>49</sup> *Id.*

<sup>50</sup> Paul Cobler, *A timeline of former Dallas Rep. Pete Sessions’ involvement in the Ukraine scandal*, DALLAS MORNING NEWS (Nov. 15, 2019), <https://bit.ly/2ZVt6ZV>.

<sup>51</sup> Shayna Jacobs, *Giuliani associate Igor Fruman pleads guilty in campaign-finance case*, WASHINGTON POST (Sept. 20, 2021), <https://wapo.st/3ovM5mP>.

<sup>52</sup> Colin Moynihan, *Lev Parnas, Ex-Giuliani Ally, Is Convicted of Campaign Finance Charges*, THE NEW YORK TIMES (Oct. 22, 2021), <https://nyti.ms/3EKstBQ>.

<sup>53</sup> Anna Massoglia, *Cases show foreign donors secretly funnel money through straw donors, shell companies, ‘dark money’*, OPENSECRETS (Oct. 28, 2021), <https://bit.ly/320ZT13>.

- In 2018, OnMessage received \$74.2 million from the campaign committee of U.S. Senate candidate Rick Scott (R-Fla.), as well as \$3.2 million from the NRSC for work on Scott's contest. That work came on the heels of OnMessage's \$1.9 million ad buy in October 2017 touting Scott's record as governor of Florida. The 2017 purchase was on behalf of a state PAC called Let's Get to Work, which Scott was in charge of. It was not reported as a federal electioneering expenditure.<sup>54</sup>

Separately, a super PAC called New Republican PAC reported spending \$30.5 million to influence federal elections in the 2018 election cycle. Of that money, \$29.5 million was directed toward aiding Scott's cause in his Senate contest.<sup>55</sup>

New Republican PAC did not pay OnMessage to conduct expressly pro-Scott work for New Republican PAC. But New Republican PAC did pay OnMessage and its officemate Red Eagle \$57,000 in 2018 for political strategy consulting, web advertising and facility rental. New Republican PAC listed those payments as "operating expenditures," not spending to benefit a specific candidate. Therefore, OnMessage is not treated in this study's calculations as a common vendor between the Scott campaign and New Republican PAC. In reality, New Republican PAC's "operating expenditure" payments to OnMessage and Red Eagle likely served Scott because nearly all of the expenditures that the super PAC did report as tied to an electoral contest were to Scott's benefit.

New Republican PAC may have had separate connections to OnMessage and the rest of the Slaters Lane entities. In 2016, it listed its address as 815 Slaters Lane in Alexandria, Va.<sup>56</sup>

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<sup>54</sup> Anna Massoglia, *Rick Scott super PAC learns to love Rick Scott*, OPENSECRETS (Aug. 28, 2018), <https://bit.ly/3bJTijI>.

<sup>55</sup> New Republican PAC was formed by Scott with a stated mission of rebranding the Republican Party. Scott resigned that title before declaring his candidacy for the U.S. Senate. The same day that Scott announced his intention to run for the Senate in 2018, New Republican PAC's web site was redesigned to carry a pro-Scott message. In its new incarnation, the PAC's web site stated that it was "focused on the election of Rick Scott in the race for Florida United States Senate." See Adam C. Smith, *Federal complaint alleges Rick Scott's PAC illegally skirted fundraising restrictions*, TAMPA BAY TIMES (April 10, 2018), <https://bit.ly/3qnrG5F> and *Campaign Legal Center v. Ring Power Corporation*, complaint filed with the Federal Election Commission (Aug. 1, 2018), <https://bit.ly/3He2ljm>.

<sup>56</sup> Federal Election Commission Filing of New Republican.org, <https://bit.ly/3wodMBI>. Note: Although this filing refers to the committee as NewRepublican.org, the committee ID on the filing (C00544544) corresponds to that used by New Republican PAC.

#### 4. Targeted Victory

# of contests in which firm was paid by a regulated and unregulated entity: 11

# of entities paying firm in these contests (excluding PACs): 12 (8 regulated, 4 unregulated)

Amount firm was paid for work in these contests: \$62.8 million (\$49.8 from regulated, \$13.1 from unregulated)

Targeted Victory, a Republican consulting firm, was paid \$284.1 million for work in federal elections during the past two election cycles. Of 97 political committees from which it received payments, only nine have been unregulated entities, all of which were super PACs.

In the 2020 presidential election, Targeted Victory received \$23.9 million from super PAC America First Action, which worked exclusively to assist Donald Trump in the 2020 election cycle, as well as \$3.3 million from the NRA's super PAC. But Targeted Victory did not report receiving money from regulated committees for work on the 2020 presidential election.

The firm was, however, paid \$62.8 million for work in 11 contests in which it accepted money from regulated and unregulated entities.

- Targeted Victory received \$22.4 million for its work in the 2020 Georgia Senate contest between Sonny Perdue (R) and Jon Ossoff (D).<sup>57</sup> This included \$12.6 million from Perdue's campaign, \$4.3 million from Georgia Action Fund (a super PAC that primarily devoted its money in 2020 to assisting Perdue) and \$1.3 million from Georgia Balance (a super PAC that spent all of its money in 2020 to aiding Perdue and fellow Republican Kelly Loeffler).
- In 2020, Targeted Victory received \$27.4 million combined from Martha McSally (R-Ariz.), Joni Ernst (R-Iowa) and Susan Collins (R-Maine). It also worked for unregulated groups in each of their contests, receiving a total of \$1.7 million from unregulated entities.

Targeted Victory's CEO is Zac Moffett, who served as digital director of Mitt Romney's 2012 presidential campaign.<sup>58</sup>

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<sup>57</sup> This total includes \$3.2 million from an ordinary political action committee (PAC). PAC payments are not counted in this study toward "shared vendor" determinations. See Methodology.

<sup>58</sup> *Our Leadership*, TARGETED VICTORY (viewed on Nov. 19, 2021), <https://bit.ly/3x2icy0>.

## 5. Smart Media, Del Ray Media and Del Cielo Media

# of contests in which firm was paid by a regulated and unregulated entity: 4

# of entities paying firm in these contests (excluding PACs): 8 (3 regulated, 5 unregulated)

Amount firm was paid for work in these contests: \$45.9 million (\$32.7M from regulated, \$13.1 from unregulated)

Smart Media Group is a Republican firm that also operates through subsidiaries Del Ray Media and Del Cielo Media.<sup>59</sup> Collectively, these entities received \$358.4 million from 73 political entities in the 2018 and 2020 election cycles, the bulk of which (\$263.7 million) was paid to them in 2020.

The majority of the Smart Media entities' revenue in the 2020 election cycle flowed from just two contests. In the presidential contest, the firm received \$102.2 million, consisting of \$99.1 million from the Trump-supporting super PAC America First Action and \$3.2 million from Future45, another pro-Trump super PAC. In the Georgia U.S. Senate contest involving David Perdue (R), Smart Media was paid \$65.8 million, \$64.5 million of which came from Perdue's campaign.

The Smart Media Group entities we identified did not receive money from both regulated and unregulated entities in either the presidential or Georgia Senate contests.

Smart Media Group entities did, however, receive \$45.9 million for work in four contests in the 2018 and 2020 election cycles in which they were paid both by regulated and unregulated entities.

- In the 2018 U.S. Senate contest in Tennessee, Smart Media Group was paid \$9.7 million by candidate Marsha Blackburn (R) and \$1 million by the NRSC for expenditures coordinated with the Blackburn campaign. Subsidiary Del Cielo Media was paid \$895,000 by Tennesseans for a Better Tomorrow, a super PAC that assisted Blackburn.
- In the 2020 Republican primary for the Tennessee U.S. Senate nomination, Smart Media Group was paid \$5.5 million by the campaign committee of candidate Bill Hagerty (R-Tenn.) while subsidiary Del Cielo Media was paid \$1.3 million by super PAC Standing With Conservatives, which assisted Hagerty. A Better Tomorrow For Tennessee, a nonprofit assisting Hagerty, paid Del Cielo an additional \$10,000 for work in this contest.
- In the 2020 U.S. Senate contest in Michigan, Smart Media Group was paid \$6.4 million by the National Republican Committee to assist Republican candidate

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<sup>59</sup> See web sites. Del Ray Media: <https://delraymediabuying.com/> and Del Cielo Media: <https://www.delcielomedia.com/>.



John James while subsidiary Del Cielo Media was paid \$10.8 million by Better Future Michigan Fund, a super PAC that aided James.

Tori Sachs, the executive director of Better Future Michigan Fund,<sup>60</sup> served as campaign manager for James during his previous 2018 Senate run<sup>61</sup> and as a paid consultant at the outset of James' 2020 bid. About a month after Sachs stopped consulting for James, she became executive director of a nonprofit group (also named Better Future Michigan), which immediately began running advertisements attacking James' likely Democratic opponent.<sup>62</sup>

In James' 2018 Senate run, Smart Media received \$4.9 million directly from James' campaign committee but unregulated entities did not report making payments to Smart Media entities in that contest.

## 6. Strategic Media / Nebo Media

# of contests in which firm was paid by a regulated and unregulated entity: **11**

# of entities paying firm in these contests (excluding PACs): **11 (8 regulated, 3 unregulated)**

Amount firm was paid for work in these contests: **\$32.1 million (\$13.8 from regulated, \$18.3 from unregulated)**

Strategic Media and Nebo Media are consulting firms that operate out of the same offices and appear to be related. They are treated as a single entity in this study.

Corporate records show Nebo as having the same address as Strategic Media Services and the same principal officer and director, David Neal.<sup>63</sup> Neal was described in 2016 by a *New York Times* reporter as the main strategist of Strategic Media Services.<sup>64</sup> Ben Rheault, who identifies himself on LinkedIn as the media buyer for Strategic Media Services,<sup>65</sup> has signed advertising purchase forms on behalf of Nebo Media. [See Figure 3 below]

<sup>60</sup> Reagan McCarthy, *All Eyes on Michigan's Senate Race as GOP Groups Make Final Push and Biden Calls in Backup*, TOWNHALL (Oct. 30, 2020), <https://bit.ly/2YGes8R>.

<sup>61</sup> Karl Evers-Hillstrom, *Candidates and outside groups often coordinate, most recently in Michigan*, OPENSECRETS (Jan. 22, 2020), <https://bit.ly/3kxVVdd>.

<sup>62</sup> Malachi Barrett, *John James campaign accused of coordinating with 'dark money' group*, MLIVE (Jan. 24, 2020), <https://bit.ly/3Dddb86>

<sup>63</sup> Records of Virginia State Corporation Commission Clerk's Information System, <https://bit.ly/3bHo7yJ> and <https://bit.ly/3mKhOAG>.

<sup>64</sup> Nick Corasaniti and Maggie Haberman, *Donald Trump Finally Buys TV Ads, and Lots of Them*, THE NEW YORK TIMES (Jan. 4, 2016), <https://nyti.ms/3bEdjBD>.

<sup>65</sup> *Ben Rheault*, LINKEDIN page (viewed on Nov. 4, 2021), <https://www.linkedin.com/in/ben-rheault-0938a22b/>.

**Figure 3: Excerpt from Form Filed in Reference to Nebo Media Ad Purchase**

<b>Contract #</b>	<b>3535621</b>
<b>Schedule Dates</b>	10/24/18-10/30/18
<b>Advertiser</b>	Congressional Leadership Fund (73505)
<b>Agency</b>	Nebo Media (10105)
<b>Product</b>	POLITICAL ISSUE (ns) (1187)
<b>Brand</b>	364/451/572.1 (1074728)
<b>Salesperson</b>	TeleRep/DC, Washington DC (2995)
<b>Sales Office</b>	TeleRep Washington DC
<b>Buyer Name</b>	RHEAULT,BEN

The firms received \$255.7 million combined from 73 political committees over the past two election cycles (\$163.6 in 2018 and \$92 million in 2020).

Work reported to Nebo Media and Strategic Media Services tends to be segregated between regulated and unregulated entities although patterns have varied in the past two election cycles.

Super PAC Congressional Leadership Fund paid Nebo Media \$118.7 million in the 2018 election cycle, accounting for 99 percent of expenditures reported to Nebo that cycle. Congressional Leadership Fund’s web site describes itself as “a super PAC exclusively dedicated to winning a Republican majority in the House of Representatives.”<sup>66</sup>

In the 2020 election cycle, Nebo received \$35.3 million from the NRCC, which is the official campaign committee for the House Republicans. Most of its receipts from unregulated entities (\$14.8 million) came from Restoration PAC, a super PAC primarily devoted in 2020 to assisting Donald Trump.

Strategic Media Services, meanwhile, received \$44.9 million in 2018, 75 percent of which came from 31 regulated committees. In the 2020 election cycle, Strategic Media Services received \$37 million, all but \$1.3 million of which came from regulated committees.

Collectively, the Strategic Media Services entities have received \$32.1 million in the past two election cycles for work in 11 contests in which they were paid by both regulated and unregulated entities.

The firm received its largest common-vendor payments for work in the 2018 U.S. House contest between Republican Jeff Denham and Democrat Josh Harder. It received \$4.3 million from Congressional Leadership Fund and \$3.1 million from Denham’s campaign.

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<sup>66</sup> Web site of Congressional Leadership Fund (viewed on Nov. 4, 2021), <https://bit.ly/3CPrijnT>.



## 7. Majority Strategies

# of contests in which firm was paid by a regulated and unregulated entity: 14

# of entities paying firm in these contests (excluding PACs): 29 (14 regulated, 15 unregulated)

Amount firm was paid for work in these contests: \$15 million (\$8.4 from regulated, \$6.5 from unregulated)

Majority Strategies, a Republican consulting firm, received \$119.8 million from 156 political entities over the past two election cycles. The firm received \$15 million in this time for work in 14 contests in which it was paid by regulated and unregulated entities.

It was paid \$8.2 million for services provided in the 2020 Georgia Senate contests involving Republicans Kelly Loeffler and Sonny Perdue. In Loeffler's contest, it received \$2 million from Loeffler's campaign, \$2.1 million from the Republican National Committee and \$607,000 from Opportunity Matters Fund, a super PAC. In Perdue's contest, the firm received \$2.1 million from the RNC and \$1.3 million from super PACs, including \$601,000 from Opportunity Matters Fund.

In the 2020 Senate contest in North Carolina, the firm received \$68,000 from the campaign committee of Thom Tillis (R), \$866,000 from super PAC Results for NC and \$380,000 from Opportunity Matters Fund.

The leaders of Majority Strategies have ties to at least one unregulated entity from which the firm has received payments.

Barry Jackson is on the Board of Advisers to Majority Strategies<sup>67</sup> and Jeff Larson is on Majority Strategies' Board of Directors.<sup>68</sup> Both also are directors of American Action Fund.<sup>69</sup> American Action Network is a 501(c)(4) nonprofit that characterizes Congressional Leadership Fund as its "sister super PAC."<sup>70</sup> American Action Network contributed \$56.2 million to Congressional Leadership Fund in the 2018 and 2020 election cycles.<sup>71</sup> Majority Strategies received \$3.5 million during the past two election cycles from Congressional Leadership Fund.

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<sup>67</sup> *Meet Your Architect Barry Jackson*, MAJORITY STRATEGIES (July 23, 2020), <https://bit.ly/31m9AGK> and *Majority Strategies is proud to welcome Barry Jackson as a member of the Board of Advisors*, MAJORITY STRATEGIES (March 10, 2017), <https://bit.ly/3weyji9>.

<sup>68</sup> *Jeff Larson, CEO of the Roosevelt Group, a political and public affairs company, serves as a member of the Majority*, MAJORITY STRATEGIES (July 13, 2017), <https://bit.ly/3bJ0VQQ> and *Jeff Larson, Chairman*, AMERICA RISING (viewed on Nov. 4, 2021), <https://bit.ly/3mlbxVV>.

<sup>69</sup> *Barry Jackson*, MAJORITY STRATEGIES (viewed on Nov. 4, 2021), <https://bit.ly/3k5iCOW> and *Jeff Larson*, MAJORITY STRATEGIES (viewed on Nov. 4, 2021), <https://bit.ly/3EMmTPf>.

<sup>70</sup> *American Action Network and Congressional Leadership Fund Announce Dan Conston as President for 2020 Cycle*, AMERICAN ACTION NETWORK (Dec. 4, 2018), <https://bit.ly/3BNNZn4>.

<sup>71</sup> *Donors to Congressional Leadership Fund 2018 Cycle*, <https://bit.ly/31Bf3db> and *2020 Cycle*, <https://bit.ly/3GOMNUI>, OPENSECRETS.

In the 2018 special election in Ohio's 12th district between Troy Balderston (R) and Danny O'Connor (D), Majority Strategies was paid \$210,000 by the Republican National Committee and \$131,000 by Congressional Leadership Fund. Majority Strategies also accepted \$95,000 from Fund for a Working Congress, a super PAC.

In the 2018 Ohio U.S. Senate contest between Sen. Sherrod Brown (D) and James Renacci (R), Majority Strategies was paid \$133,000 by Renacci's campaign committee, plus \$460,000 from Ohio First PAC and \$217,000 from MeToo Ohio, which are super PACs.

Shortly after MeToo Ohio's initial advertisement was broadcast, a newspaper reporter discovered that the super PAC's web site shared an IP address with Majority Strategies' web site. A Majority Strategies official initially refused to say whether the firm was working on the MeToo Ohio account, but the firm soon issued a statement acknowledging that it was. The statement said that Majority Strategies had "all of the necessary legal firewalls in place."<sup>72</sup>

Campaign Legal Center filed a complaint against MeToo Ohio, Renacci's campaign and Majority Strategies accusing them of coordinating. "The same day [as Renacci's campaign broadcast its second advertisement of the campaign], MeToo Ohio launched a new ad that was strikingly consistent in theme, tone, and style, including references to the same excerpted court documents and similar visuals," Campaign Legal Center wrote. "As a result, there is reason to believe that MeToo Ohio made illegal, unreported, and excessive in-kind contributions to Renacci for U.S. Senate in the form of coordinated communications."<sup>73</sup>

Campaign Legal Center also filed a complaint against a separate super PAC, Ohio First PAC, as well as Renacci's campaign and Majority Strategies, accusing the entities of illegally coordinating during the Republican primary campaign in the Ohio Senate race.<sup>74</sup>

Campaign Legal Center's complaints also accused Ohio First PAC and MeToo Ohio of dodging disclosure laws by initially reporting that their expenditures were funded on credit from Majority Strategies instead of by actual contributors.<sup>75</sup>

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<sup>72</sup> Andrew J. Tobias, *Dark money website revives allegations from Sherrod Brown's 1980s-era divorce*, CLEVELAND PLAIN-DEALER (Sept. 13, 2018, updated Jan. 29, 2019), <https://bit.ly/3bMo1pq>.

<sup>73</sup> *Campaign Legal Center v. MeToo Ohio, Renacci for U.S. Senate and Majority Strategies, LLC, Complaint to The Federal Election Commission* (Nov. 14, 2018), <https://bit.ly/3k7aFbU>.

<sup>74</sup> *Campaign Legal Center v. Ohio First PAC, Renacci for Senate and Majority Strategies LLC, Complaint to the Federal Election Commission* (Aug. 9, 2018), <https://bit.ly/3F51jWt>.

<sup>75</sup> *Campaign Legal Center v. MeToo Ohio, Renacci for U.S. Senate and Majority Strategies, LLC, Complaint to The Federal Election Commission* (Nov. 14, 2018), <https://bit.ly/3k7aFbU> and *Campaign Legal Center v. Ohio First PAC, Renacci for Senate and Majority Strategies LLC, Complaint to the Federal Election Commission* (Aug. 9, 2018), <https://bit.ly/3F51jWt>.

Only after the primary election did Ohio First PAC disclose the bulk of its donors.<sup>76</sup> But the information it eventually provided did not lend much insight. Ohio First PAC reported that its main donors were Government Integrity Fund (\$395,000) and A Public Voice Inc. (\$370,000). Those entities are both nonprofits that do not reveal their donors.<sup>77</sup>

In the general election, MeToo Ohio followed the same script, initially reporting that its spending was funded on credit provided by Majority Strategies. After the election, MeToo Ohio disclosed that its major donors were A Public Voice Inc. (\$315,000) and Ohio First PAC (\$610,000).

## 8. FP1 Strategies

# of contests in which firm was paid by a regulated and unregulated entity: **11**

# of entities paying firm in these contests (excluding PACs): **13 (7 regulated, 6 unregulated)**

Amount firm was paid for work in these contests: **\$12.2 million (\$4.7 from regulated, \$7.5 from unregulated)**

In the 2018 and 2020 election cycles, FP1 Strategies, a Republican consulting firm, received \$152.9 million for work on behalf of 89 political committees. In this time period, the firm received \$12.2 million for work in 11 contests in which it was paid by both a regulated and unregulated entity.

The three contests in which the most money was paid to FP1 as a common vendor were:

- The 2020 U.S. Senate contest in Iowa between Democrat Theresa Greenfield and Republican Joni Ernst, for which FP1 was paid \$8.5 million. This consisted of \$3.7 million by Senate Leadership Fund (a super PAC essentially controlled by the Republican Senate leaders) and \$512,000 by the National Republican Senatorial Committee (the official committee seeking to elect Republicans to the Senate).
- The 2018 U.S. Senate contest in Arizona matching Martha McSally (R) against Kristen Sinema (D). FP1 was paid \$2.9 million, consisting of \$2.5 million by DefendArizona, a super PAC aiding McSally, and \$443,000 by McSally's campaign committee.

FP1 again worked for McSally in the 2020 Arizona Senate special election between McSally and Democrat Mark Kelly. McSally's campaign committee paid FP1 \$34.1 million in that contest. But in 2020, unlike in 2018, unregulated entities did not also report paying money to FP1 for work relating to McSally's Senate race.

<sup>76</sup> Brendan Fischer and Maggie Christ, *Dodging Disclosure How Super PACs Used Reporting Loopholes and Digital Disclaimer Gaps to Keep Voters in the Dark in the 2018 Midterms*, CAMPAIGN LEGAL CENTER (November 2018), <https://bit.ly/3EYWspv>.

<sup>77</sup> A Public Voice Inc., IRS Form 990 (2016), <https://bit.ly/3q8zy13> and Government Integrity Fund, IRS Form 990 (2017), <https://bit.ly/3GV0Sjk>.

- The 2020 U.S. Senate contest in Kansas between Barbara Bollier (D) and Roger Marshall (R). FP1 was paid \$647,000 by the NRSC and \$322,000 by Keep Kansas Great PAC, a super PAC supporting Marshall.

## 9. Arena

# of contests in which firm was paid by a regulated and unregulated entity: 6

# of entities paying firm in these contests (excluding PACs): 11 (6 regulated, 5 unregulated)

Amount firm was paid for work in these contests: \$8.2 million (\$4.2 from regulated, \$4.1 from unregulated)

Arena is a Republican digital and direct mail consulting firm based in Salt Lake City. Filings with the FEC have listed payments to Arena, Arena Communications and Arena Online at two addresses in Salt Lake City. Branding on the web sites associated with these names suggests that they are related. This study treats these names as one entity.

The firm was paid \$79.5 million for work on behalf of 98 entities 2018 and 2020 election cycles. It received \$8.2 million for work in six contests in which it was paid by both a regulated and unregulated entity.

Its greatest common-vendor receipts related to the 2020 U.S. Senate contest in Maine between Sara Gideon (D) and Susan Collins (R). Arena received \$3.6 million from the National Republican Senatorial Committee and \$1 million from Senate Leadership Fund.

## 10. FlexPoint Media

# of contests in which firm was paid by a regulated and unregulated entity: 1

# of entities paying firm in these contests (excluding PACs): 2 (1 regulated, 1 unregulated)

Amount firm was paid for work in these contests: \$8 million (\$7.9M regulated, \$100,000 from unregulated)

FlexPoint Media, a Republican consulting firm, received \$173.8 million from 56 entities over the past two election cycles. Of this, \$106.2 million came from Congressional Leadership Fund (the House Republicans' super PAC) and \$31.7 million from the National Republican Senatorial Committee.

We identified FlexPoint Media as working for both regulated and unregulated entities in one contest in the past two election cycles. The firm received \$7.9 million from the National Republican Senatorial Committee for work to assist Cory Gardner (R) against John Hickenlooper (D) in the 2020 Colorado U.S. Senate contest. The firm also received \$100,000 from Opportunities Matters Fund, a super PAC supporting Gardner.

Flex Point Media's cofounder and CEO was previously the chief digital strategist at the National Republican Senatorial Committee.<sup>78</sup>

<sup>78</sup> Web site of FLEXPPOINT MEDIA (viewed on Nov. 4, 2021), <https://bit.ly/3CLR7kT>.

## Methodology

This study tabulates instances in which political consultants worked for both regulated and unregulated entities in the 2018 and 2020 election cycles. Party and candidate committees are defined as “regulated” entities in this study because they are subject to ordinary federal campaign finance rules. Outside entities that are not subject to these rules – such as super PACs, social welfare groups and corporations – are defined as “unregulated” entities. This study does not count cases in which vendors were paid by conventional political action committees (PACs) toward conclusions that the vendors worked for regulated and unregulated entities.

To assemble the data, all expenditures of \$10,000 or more reported to the Federal Election Commission for the 2018 and 2020 election cycles were downloaded from FEC tables cataloging candidate expenditures, independent expenditures, and party-coordinated expenditures. Payments of less than \$10,000 were excluded to avoid making the database unwieldy. (Expenditures of \$10,000 or more accounted for more than 97 percent of independent expenditures reported in the 2018 and 2020 election cycles.)

A Contests table was created consisting of congressional races deemed “competitive” by the Cook Political Report. Special elections and primaries that attracted a significant amount of outside spending were added to the table, as was the 2020 presidential contest. Because of challenges in determining the purpose of expenditures by outside entities during the presidential primary season, only those expenditures relating to Joe Biden or Donald Trump were included in the analysis of the 2020 presidential campaign spending.

The committee making each expenditure, the candidate to whom the expenditure pertained, and the vendor receiving payment were gleaned from each FEC expenditure record. That information was matched by candidate to the Contests table to isolate cases of vendors being paid by regulated and unregulated entities.

Where evidence suggested that vendors operating under different names were related, they were treated as single entities. Payments to vendors whose services do not raise concerns about strategic coordination – such as caterers, payroll processors and the U.S. Postmaster – were not included in the results.

For fact checking purposes, the 10 vendors reported in this study as receiving the most money in contests in which they acted as common vendors were e-mailed a summary of the findings that pertained to their firm and offered an opportunity to respond.

Except where otherwise indicated, figures in this study are derived from Public Citizen’s analysis of FEC data.