

October 28, 2019

Federal Election Commission
Lisa J. Stevenson, Acting General Counsel
Office of General Counsel
1050 First Street NE
Washington, DC 20463

Comments on REG 2019-04, Rulemaking Petition Requiring Reporting of Segregated Party “Cromnibus” Accounts

Dear Ms. Stevenson,

The Campaign Legal Center (“CLC”) and the Center for Responsive Politics (“CRP”) respectfully write to comment on REG 2019-04, the Commission’s notice of availability regarding a rulemaking on reporting requirements for the national party committees’ special-purpose “Cromnibus” accounts.

Petitioners thank the Commission for publishing this notice regarding our August 5, 2019 petition and for this opportunity to comment.

As described in our original petition, following the enactment of the Consolidated and Further Continuing Appropriations Act of 2015 (also known as the “Cromnibus”),¹ each party now operates up to *seven* special purpose accounts, *each* with 300% of the typical contribution limit. In the 2020 election cycle, that limit is \$106,500, per account, per year.

Because the Commission has not promulgated any rules implementing the 2015 legislation, each national party committee reports its receipts to and disbursements from the accounts in inconsistent and insufficient ways. As a result, it is effectively impossible for the public to track the large quantities of funds flowing into and out of the accounts.

¹ Pub. L. No. 113-235, 128 Stat. 2130, 2772 (2014).



If a member of the public wants to get information about total receipts, disbursements, and cash-on-hand for a national party committee’s special-purpose account, they need to search the committee’s monthly reports — typically thousands of pages long — and compile each transaction that refers to the accounts.

Moreover, party committees are inconsistent in *where* they report the transactions on their reports—in some cases in the memo section, in other cases the purpose section, and still in other cases in the “receipt for”/“disbursement for” sections—and *how* the account is described, with some reports referring to the party headquarters account, for example, as “hq,” while others use “headquarters.” The reporting varies so significantly as to defeat efforts by civil society to automate the data analysis process.

Our original petition gave examples of the inconsistent reporting for these accounts. Reports filed in the months since that original petition show that these problems have continued:

- The Republican National Committee (RNC) reported disbursements from the headquarters account with a memo item that says “Headquarters Account.”² The National Republican Senate Committee (NRSC), in contrast, reported headquarters spending on the “Purpose of Disbursement” line by writing “hq account” (for example, “hq account – computer software”) with nothing in the memo item.³
- Like the NRSC, the Democratic Senatorial Campaign Committee (DSCC) reported headquarters disbursements on the “Purpose of Disbursement” line, but sprinkled the word “Headquarters” into the description, in some cases writing “Headquarters Account Internet &

² Republican National Committee, 2019 September Monthly, FEC Form 3X, at 14508 (filed Sept. 20, 2019), <https://docquery.fec.gov/cgi-bin/fecimg/?201909209163515346>.

³ National Republican Senatorial Campaign Committee, 2019 September Monthly, FEC Form 3X, at 4208 (filed Sept. 20, 2019), <https://docquery.fec.gov/cgi-bin/fecimg/?201909209163462386>.

Website,”⁴ and in others disclosing “Postage Headquarters Fundraising.”⁵

- The NRSC described disbursements from the legal proceedings account by noting “Legal Proc” in the purpose line (for example, “Legal Proc – Attorneys Fees”⁶), whereas the National Republican Congressional Committee (NRCC) described disbursements from both a “LEGAL ACCT,”⁷ and a “RECOUNT” account,⁸ despite both apparently referencing the same account. The Democratic Senatorial Campaign Committee (DSCC) also reported disbursements from both a “legal services” and a “legal services recount” account.⁹
- The NRCC reported contributions to the headquarters account with a memo item that said “HEADQUARTERS ACCOUNT,”¹⁰ but then reported disbursements from that same account in an entirely different format, by writing “HQ ACCT” in the “Purpose of Disbursement” line and leaving the memo item blank.¹¹

⁴ Democratic Senatorial Campaign Committee, 2019 September Monthly, FEC Form 3X, at 9064 (filed Sept. 20, 2019), <https://docquery.fec.gov/cgi-bin/fecimg/?201909209163496427>.

⁵ *Id.* at 9150, <https://docquery.fec.gov/cgi-bin/fecimg/?201909209163496513>.

⁶ National Republican Senatorial Campaign Committee, 2019 September Monthly, *supra* note 3, at 4310, <https://docquery.fec.gov/cgi-bin/fecimg/?201909209163462488>.

⁷ National Republican Congressional Committee, 2019 September Monthly, FEC Form 3X, at 5384 (filed Sept. 20, 2019), <https://docquery.fec.gov/cgi-bin/fecimg/?201909209163473670>.

⁸ *Id.* at 5383, <https://docquery.fec.gov/cgi-bin/fecimg/?201909209163473669>.

⁹ Democratic Senatorial Campaign Committee, Disbursements for “Legal,” 08/01/2019-09/30/2019, FEC.GOV, https://www.fec.gov/data/disbursements/?data_type=processed&committee_id=C00042366&two_year_transaction_period=2020&min_date=08%2F01%2F2019&disbursement_description=legal (last visited Oct. 28, 2019).

¹⁰ National Republican Senatorial Committee, 2019 October Monthly, FEC Form 3X, at 5144 (filed Oct. 20, 2019), <https://docquery.fec.gov/pdf/666/201910209165195666/201910209165195666.pdf>.

¹¹ *Id.* at 5185.

We reiterate our request that the FEC proscribe rules and forms to protect the public's statutory right to information¹² about the millions of dollars flowing into and out of these Cronibus accounts. In addition to effectively concealing information from the general public, this lack of standardized reporting poses a concrete obstacle to the work of nonprofit watchdog organizations like CLC and CRP, as well as investigative journalists who cover the national party committees.

As noted in our original petition, the Commission could promulgate a new schedule to the national parties' monthly reports under section 30111(a)(1), or an effective "cross-indexing system" under section 30111(a)(3). The Commission could also issue guidelines on uniform terminology for all committees to use under section 30111(a)(2).

Whatever obstacles the Commission may face to completing a full rulemaking on these accounts, it should be easy for the Commission at least to promulgate simple and straightforward reporting regulations.

Respectfully submitted,

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¹² See 52 U.S.C. § 30104.