BEFORE THE FEDERAL ELECTION COMMISSION

CAMPAIGN LEGAL CENTER
1101 14th Street, NW, Suite 400
Washington, DC 20005
(202) 736-2200

v. MUR No. ________

EXCEL DRYER, INC.
357 Chestnut Street
East Longmeadow, MA 01028

COMPLAINT

1. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Excel Dryer, Inc. has violated FECA’s prohibition on federal contractors making contributions to political committees while negotiating or performing federal contracts, 52 U.S.C. § 30119(a)(1), by contributing $10,000 to American Working Families (ID: C00511915).

2. “If the Commission, upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [the FECA] . . . [t]he Commission shall make an investigation of such alleged violation . . . .” 52 U.S.C. § 30109(a)(2) (emphasis added); see also 11 C.F.R. § 111.4(a).

FACTS

3. American Working Families is an independent expenditure-only political action committee (i.e., a “super PAC”).¹ The “Donate” page of American Working Families’ website contains a disclaimer requiring a donor to affirm that “I am not a federal contractor.”²

4. So far in the 2020 election cycle, American Working Families has reported over $1 million in independent expenditures supporting Representative Richard Neal and attacking his opponent in the Democratic primary for Massachusetts’ 1st Congressional District.3

5. Excel Dryer, Inc. is a hand dryer manufacturing company based in East Longmeadow, Massachusetts.4 According to USAspending.gov, “the official source for spending data for the U.S. Government,”5 Excel Dryer, Inc., located at 357 Chestnut Street, East Longmeadow, MA 01028, is the recipient of a fifteen-year federal supply schedule contract with the General Services Administration (“GSA”).6

6. Excel Dryer, Inc. has publicly credited Representative Neal for his advocacy on its behalf,7 and in 2020 Neal toured and held press events at the company’s East Longmeadow factory.8

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6 USAspending.gov, Indefinite Delivery Vehicle Summary, PIID GS07F0017T, https://www.usaspending.gov/award/CONT_IDV_GS07F0017T_4730 (last visited Oct. 26, 2020) (showing an open federal supply schedule contract with the GSA with a start date of October 1, 2006, an end date of September 30, 2021, 47 associated child award orders, and a current total value of $630,139, and showing the recipient as Excel Dryer, Inc., 357 Chestnut St., East Longmeadow, MA 01028). According to the GSA, “GSA Schedules (also referred to as Multiple Award Schedules (MAS) and Federal Supply Schedules) are long-term governmentwide contracts with commercial firms providing federal, state, and local government buyers access to more than 11 million commercial supplies (products) and services at volume discount pricing.” GSA Schedules, GSA.gov, https://www.gsa.gov/buying-selling/purchasing-programs/gsa-schedules (last visited Oct. 26, 2020) (emphasis added); see also 48 C.F.R. § 38.101 (a)-(b).


7. On August 24, 2020, American Working Families received a $10,000 contribution from “Excel Dryer Inc.,” 357 Chestnut Street, East Longmeadow, MA 01028, according to the committee’s 2020 October Quarterly Report filed with the Commission.9

**SUMMARY OF THE LAW**


9. Federal law prohibits a federal contractor from making any “contribution to any political party, committee, or candidate for public office” at any time between the commencement of negotiations for a federal contract and the completion of performance or termination of negotiations for the contract. 52 U.S.C. § 30119(a)(1).

10. Federal law additionally prohibits any person from knowingly soliciting such a contribution from a federal contractor. 52 U.S.C. § 30119(a)(2).

11. The contractor contribution ban applies to any person “who enters into any contract with the United States or any department or agency thereof” for “the rendition of personal services” or for “furnishing any material, supplies, or equipment,” or for “selling any land or building,” if “payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress.” 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(a).

12. The ban applies from when a request for proposals is sent out (or when contractual negotiations commence) until the completion of performance of the contract or the termination of negotiations. 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(b).

13. The Commission relies on federal government contract and acquisitions law to determine whether a person is performing or negotiating a federal contract, and is thus considered a federal contractor under FECA and Commission regulations. See Advisory Opinion 2008–11 (Brown) at 2–4 (Oct. 14, 2008).

14. Under federal government contract and acquisitions law, a federal supply schedule is a contract, and an individual or company holding or negotiating such a contract is a federal contractor. See Federal Acquisition Regulation Part 38 (describing “Federal Supply Schedule Contracting”); see also 48 C.F.R. § 38.101 (a)-(b) (describing acquisitions under the Federal Supply Schedule program as “contracts”).

15. Since 2011, the Commission has made clear that the government contractor prohibition applies to contributions to independent expenditure-only political committees (i.e., “super PACs”) following the U.S. Supreme Court’s decision in Citizens United v. FEC and the D.C. Circuit decision in SpeechNow.org v. FEC. See, e.g., Advisory Opinion 2011-11 (Colbert) at 4-5, 10 (June 30, 2011); see also Press Release, FEC, FEC statement on Carey v. FEC reporting guidance for political committees that maintain a non-contribution account, n.1 (Oct. 5, 2011). In MUR 6403, the Commission emphasized that a contractor making a contribution to a political committee to fund independent expenditures is not itself making an expenditure; therefore, a contribution to such a committee falls “squarely within the statute’s prohibitions.” MUR 6403 (Alaskans Standing Together), Notification with Factual and Legal Analysis to Ahtna, Inc. and NANA Regional Corporation, Inc. at 5, 9 (Nov. 10, 2011). In 2017, the Commission

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10 See also supra n.6.
11 130 S. Ct. 876 (2010).
12 599 F.3d 686 (D.C. Cir. 2010).
found reason to believe that federal contractor Suffolk Construction Company, Inc. had violated 52 U.S.C. § 30119(a)(1) by contributing $200,000 to Priorities USA Action, a super PAC supporting then-presidential candidate Hillary Clinton. See MUR 7099 (Suffolk Construction Company, Inc.), Notification to Campaign Legal Center at 1 (Sep. 25, 2017). The Commission emphasized that there is no de minimis exception to section 30119(a)(1), finding that even if a contributor’s federal contract work is only a “small fraction” of its overall business, this “does not negate the company’s status as a federal contractor.” MUR 7099, Factual and Legal Analysis at 4-5.

16. In 2019, the Commission found reason to believe that federal contractor Ring Power Corporation violated 52 U.S.C. § 30119(a)(1) when it contributed $50,000 to the super PAC New Republican PAC while holding active federal contracts. MUR 7451 (Ring Power Corporation), Notification to Campaign Legal Center at 1 (June 19, 2019). The Commission found reason to believe, and entered into pre-probable cause conciliation, even though the super PAC ultimately refunded the illegal contribution. MUR 7451, Conciliation Agreement at 2-3 (June 4, 2019). In recommending a reason-to-believe finding, the Commission’s Office of General Counsel emphasized that Ring Power Corporation’s assertion that the active contract constituted only a small proportion of the company’s overall revenue “does not negate the company's status as a federal contractor under the Act, or obviate the violation.” MUR 7451, First General Counsel’s Report at 6 (Apr. 8, 2019). “Similarly,” OGC proceeded, “Ring Power's remedial measures—obtaining a refund and other steps taken to ensure it would no longer make prohibited contributions—do not excuse the violation.” Id. Pursuant to the conciliation agreement, Ring Power Corporation agreed to pay the Commission a $9,500 penalty. MUR 7451, Conciliation Agreement at 2-3.
17. Similarly, in 2020, the Commission found reason to believe that Alpha Marine Services violated 52 U.S.C. § 30119(a)(1) by contributing $100,000 to the super PAC Congressional Leadership Fund while holding active federal contracts, notwithstanding the fact that Alpha Marine sought and obtained a refund upon learning of the complaint. MUR 7458 (Alpha Marine Services), Notification to Campaign Legal Center at 1 (July 22, 2020); MUR 7458, Conciliation Agreement at 3-4. Alpha Marine Services agreed to pay the Commission a $17,000 penalty. MUR 7458, Conciliation Agreement at 4.

18. The federal contractor ban was upheld unanimously by the en banc D.C. Circuit in Wagner v. Fed. Election Comm’n, 793 F.3d 1 (D.C. Cir. 2015) (en banc). The en banc court stressed that “the record offers every reason to believe that, if the dam barring contributions were broken, more money in exchange for contracts would flow through the same channels already on display.” Id. at 18.

CAUSE OF ACTION

I. EXCEL DRYER, INC. VIOLATED THE CONTRACTOR CONTRIBUTION BAN

19. Federal law and Commission regulations prohibit a federal contractor from making any contribution to any political committee during the period in which a federal contract is being negotiated or performed. 52 U.S.C. § 30119(a)(1); 11 C.F.R. Part 115.

20. According to USAspending.gov, “the official source for spending data for the U.S. Government,” Excel Dryer, Inc. is a federal contractor and was a federal contractor when it made the $10,000 contribution to American Working Families on August 24, 2020.13

21. Consequently, there is reason to believe that Excel Dryer, Inc., as a federal contractor, violated the federal contractor contribution ban by making a “contribution to any political . . .

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13 See supra ¶¶ 5, 7.
committee,” namely American Working Families, during the period its federal contracts were being negotiated and/or performed. 52 U.S.C. § 30119(a)(1).

**PRAYER FOR RELIEF**


23. The Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations and an injunction prohibiting the respondents from any and all violations in the future, and should seek such additional remedies as are necessary and appropriate to ensure compliance with the FECA.

Respectfully submitted,

[Signature]

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October 28, 2020
VERIFICATION

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


For Complainant Campaign Legal Center

Brendan M. Fischer

Sworn to and subscribed before me this 27 day of October 2020.

Notary Public