BEFORE THE FEDERAL ELECTION COMMISSION

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

ANGEL STAFFING INC. 1202 E Sonterra Blvd., Ste 501 San Antonio, TX 78258

COMPLAINT

- 1. This complaint involves a federal contractor that gave a quarter of a million dollars to a super PAC, which, in turn, used nearly all of that money to support the election of a single congressional candidate seeking to represent a congressional district near the contractor's headquarters. The alleged conduct here not only violates the ban on contributions by federal contractors; it illustrates precisely why that ban exists.
- 2. While performing on nine federal contracts, Angel Staffing Inc. ("Angel Staffing") made a \$250,000 political contribution on February 22, 2022, to Protect and Serve PAC ("Protect and Serve"), a super PAC, which constituted over 95% of the funds Protect and Serve received during the 2022 election cycle. Protect and Serve, in turn, spent virtually all of its money over \$245,000 on independent expenditures supporting a single candidate, Willie Vasquez Ng, in the Republican primary election in Texas's 28th congressional district, which covers an area near Angel Staffing's headquarters in San Antonio. In making this contribution, Angel Staffing violated federal campaign finance laws that expressly prohibit federal contractors from making political contributions a prohibition that serves as a bulwark against "pay-to-play" corruption and the appearance thereof.

- 3. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Angel Staffing violated the Federal Election Campaign Act of 1971 ("FECA") prohibition on federal contractor contributions by contributing \$250,000 to Protect and Serve.¹
- 4. If the Federal Election Commission ("FEC" or "Commission"), "upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [the Federal Election Campaign Act] [t]he Commission *shall* make an investigation of such alleged violation"²

FACTS

- 5. Protect and Serve is an independent-expenditure only political committee ("IEOPC") that registered with the Commission on August 22, 2019.³ Its treasurer is Charles Gantt.⁴
- 6. Protect and Serve reported receiving a \$250,000 contribution from Angel Staffing on February 22, 2022. Angel Staffing disclosed an address of 1202 E. Sonterra Blvd, Ste. 501, San Antonio, TX 78258 in connection with its contribution.⁵
- 7. On its website, Angel Staffing asserts that it is "registered with the U.S. Government's System for Award Management (SAM) and the General Services Administration (GSA) and actively pursues federal contracts." Its website lists its address 1202 E. Sonterra Suite 501, San Antonio, TX, 78258, which matches the address provided in connection with the \$250,000 contribution to Protect and Serve. Angel Staffing's website also lists, among its

¹ 52 U.S.C. § 30109(a)(1).

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

Protect and Serve PAC, Statement of Org. at 1 (Aug. 22, 2019) (as "Silver and Gold Pac, Inc.").

Protect and Serve PAC, Amend. Statement of Org. at 1 (Apr. 15, 2022).

⁵ Protect and Serve PAC, Apr. 2022 Quarterly Report at 6 (Apr. 15, 2022).

⁶ Angel Staffing Inc., Government Eligibility, https://angelstaffing.net/government-eligibility/ (attached as Exhibit B).

Angel Staffing Inc., About Us, https://angelstaffing.net/staffing-agencies (attached as Exhibit C).

clients, the U.S. Department of Veterans Affairs (VA) and Brooke Army Medical Center — a hospital operated by the U.S. Army that Angel Staffing's website lists under "Military Facilities."

- 8. According to USASpending.gov, "the official source for spending data for the U.S. Government," Angel Staffing has been awarded more than \$154.3 million in federal contracts with the Department of Defense (DOD) and Department of Veterans Affairs (VA) since 2008. 10
- 9. As detailed in the attached table,¹¹ Angel Staffing had nine federal contracts open at the time it made a \$250,000 contribution to Protect and Serve, consisting of eight delivery orders and one Indefinite Delivery / Indefinite Quantity vehicle.¹²
- 10. Between February 23, 2022, and February 25, 2022 *i.e.*, the three days after Angel Staffing made its contribution Protect and Serve spent \$245,085 on independent expenditures supporting Willie Vasquez Ng, a candidate in the Republican primary election for U.S. House of Representatives in Texas's 28th district. ¹³
- 11. Protect and Serve has received \$261,305 in contributions during the 2022 election cycle, such that Angel Staffing's \$250,000 contribution constituted over 95% of the committee's

⁸ Angel Staffing Inc., Clients, https://angelstaffing.net/clients/ (attached as Exhibit D); see also Brooke Army Medical Center, https://health.mil/Military-Health-Topics/Access-Cost-Quality-and-Safety/Patient-Portal-for-MHS-Quality-Patient-Safety-and-Access-Information/See-How-Were-Doing/Army/AMC-BAMC-FSH (last viewed July 25, 2022).

⁹ USAspending.gov, Mission, https://www.usaspending.gov/#/about (last visited July 25, 2022).

USAspending.gov, Recipient Profile Angel Staffing Inc., Inc. https://www.usaspending.gov/recipient/9c52d6ca-2b68-010f-8773-187e5e7a0ca3-P/all (last visited July 25, 2022).

¹¹ Table of Federal Contracts (attached as Exhibit A).

See "Indefinite Delivery Vehicle," https://www.usaspending.gov/?glossary=indefinite-delivery-vehicle-idv ("Indefinite Delivery Vehicle (IDV): Vehicle to facilitate the delivery of supply and service orders. IDV Types include: Blanket Purchase Agreement (BPA); Basic Ordering Agreement (BOA); Government-Wide Acquisition Contract (GWAC); Multi-Agency Contract; Indefinite Delivery Contract (IDC); Federal Supply Schedule (FSS).").

¹³ Protect and Serve PAC, 24/48 Hour Report of Independent Expenditures (Feb. 25, 2022).

funding for the current cycle.¹⁴ At the close of the 2020 election cycle, Protect and Serve had only \$27,000 in cash on hand.¹⁵ The committee's financial disclosure information thus clearly indicates that absent Angel Staffing's \$250,000 contribution on February 22, 2022, Protect and Serve would not have been able spend \$245,085 on independent expenditures — which was over four times the aggregate total of all other independent spending on Republican primary candidates in Texas's 28th district.¹⁶

SUMMARY OF THE LAW

- 12. Under FECA, a "contribution" is defined as "any gift . . . of money or anything of value made by any person for the purpose of influencing any election for Federal office."¹⁷
- 13. FECA 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.¹⁸
- 14. FECA additionally prohibits any person from knowingly soliciting such a contribution from a federal contractor.¹⁹

¹⁴ See Protect and Serve PAC, Raising, https://www.fec.gov/data/committee/C00716704/?tab=raising (last visited July 25, 2022).

Protect and Serve PAC, Financial Summary, 2019-2020, https://www.fec.gov/data/committee/C00716704/?tab = summary&cycle=2020 (last viewed July 25, 2022) (disclosing an ending cash on hand balance of \$27,108.25).

Independent Expenditures, 2021-2022, TX-28 House Republican Primary Election <a href="https://www.fec.gov/data/independent-expenditures/?two_year_transaction_period=2022&data_type=processed&cycle=2022&is_notice=true&candidate_office=H&candidate_party=REP&candidate_office_state=TX&candidate_office_district=28 (last visited July 25, 2022) (showing that all other independent expenditures for or against TX-28 Republican primary candidates totaled \$54,087.26).

¹⁷ 52 U.S.C. § 30101(8)(A)(i).

¹⁸ 52 U.S.C. § 30119(a)(1).

¹⁹ 52 U.S.C. § 30119(a)(2).

- 15. Under government contracting law, indefinite delivery contracts are a type of federal contract.²⁰ Federal regulations provide that such contracts "must require the Government to order and the contractor to furnish at least a stated minimum quantity of supplies or services," and "if ordered, the contractor must furnish any additional quantities, not to exceed the stated maximum."²¹
- 16. 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."²²
- 17. The contractor contribution 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.²³
- 18. The Commission has made clear since at least 2011 that the government contractor prohibition applies to contributions to IEOPCs: in MUR 6403, the Commission emphasized that a contractor making a contribution to a political committee to fund independent

²⁰ 48 C.F.R. § 16.504 ("**Description.** An indefinite-quantity contract provides for an indefinite quantity, within stated limits, of supplies or services during a fixed period."); *id.* § 13.303-1 ("A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply.").

²¹ *Id.* § 16.504(a)(1) (emphases added); *see* Factual and Legal Analysis at 3, MUR 7843 (Marathon Petroleum Company LP) (finding reason to believe respondents violated the federal contractor contribution ban by making IEOPC contributions while negotiating or performing under IDV federal contracts).

²² 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(a).

²³ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(b).

- expenditures is not itself making an expenditure; therefore, a contribution to such a committee falls "squarely within the statute's prohibitions."²⁴
- 19. Moreover, in 2017, the Commission noted that there is no de minimis exception to the federal contractor contribution, 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."²⁵
- 20. Even when the prohibited contractor contribution has been refunded, the Commission has pursued enforcement action. In 2019, the Commission found reason to believe federal contractor Ring Power Corporation violated Section 30119 when it contributed \$50,000 to an IEOPC, finding that Ring Power's remedial measures, including obtaining a refund of the illegal contribution from the IEOPC, "do not excuse the violation."²⁶
- 21. The federal contractor ban applies in circumstances where there is "a very specific quo for which the contribution may serve as the quid," and it was upheld unanimously by the en banc U.S. Court of Appeals for the D.C. Circuit in *Wagner v. FEC*, where the court stated 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."²⁷

Factual and Legal Analysis at 5, 9, MUR 6403 (Alaskans Standing Together).

Factual and Legal Analysis at 4-5, MUR 7099 (Suffolk Construction Co., Inc.) (finding reason to believe that federal contractor Suffolk Construction Company, Inc. violated 52 U.S.C. § 30119(a)(1) by contributing \$200,000 to an IEOPC).

Factual and Legal Analysis at 4, MUR 7451 (Ring Power Corp.); *see* Factual and Legal Analysis at 2-3, MUR 7568 (Alpha Marine Servs., Inc.) (same).

²⁷ Wagner v. FEC, 793 F.3d 1, 18, 22 (D.C. Cir. 2015) (en banc).

CAUSE OF ACTION

- I. ANGEL STAFFING INC. VIOLATED THE FEDERAL CONTRACTOR CONTRIBUTION BAN
- 22. FECA and Commission regulations prohibit a federal contractor from making a contribution to any political committee during the period in which a federal contract is being negotiated or performed.²⁸
- 23. According to USAspending.gov, Angel Staffing is a federal contractor, and was a federal contractor when it made a \$250,000 contribution to Protect and Serve PAC on February 22, 2022.²⁹ Specifically, at the time it made the contributions at issue, Angel Staffing had multiple active contracts³⁰ to "furnish[] any material, supplies, or equipment to the United States or any department or agency thereof," in particular, the Defense Health Agency, the Department of the Air Force, and the Department of the Army.³¹
- 24. Consequently, there is reason to believe that Angel Staffing, a federal contractor, violated FECA's federal contractor contribution ban by making a \$250,000 contribution to an IEOPC, Protect and Serve PAC, during the period its federal contracts were being negotiated and/or performed.

²⁸ 52 U.S.C. § 30119(a)(1); 11 C.F.R. Part 115.

²⁹ See supra ¶ 9.

³⁰ See Exhibit A.

³¹ 52 U.S.C. § 30119(a)(1).

PRAYER FOR RELIEF

- Wherefore, the Commission should find reason to believe that Angel Staffing violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
- 26. 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,

/s/ Saurav Ghosh

Campaign Legal Center, by Saurav Ghosh, Esq. 1101 14th Street, NW, Suite 400 Washington, DC 20005 (202) 266-5143

Saurav Ghosh, Esq. Campaign Legal Center 1101 14th Street, NW, Suite 400 Washington, DC 20005 Counsel to the Campaign Legal Center July 25, 2022

VERIFICATION

The complainant 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 $\underline{25}$ day of July 2022.

Notary Public

EXHIBIT A

Angel Staffing Inc. Federal Contracts Open at the Time of its Contribution to Protect and Serve PAC

Award ID	Start Date	End Date	Description	Awarding Agency	Awarding Sub Agency	Contract Award Type
HT001520F0025	3/11/20	3/27/23	VIRTUAL HEALTH CLINICAL SUPPORT SERVICES	Department of Defense	Defense Health Agency	DELIVERY ORDER
FA461319FA019	1/10/19	1/31/23	FAMILY NURSE PRACTITIONER (DRHA)	Department of Defense	Department of the Air Force	DELIVERY ORDER
HT001418F0343	8/1/18	1/31/23	PICU RNS, PACU RNS, APU RNS, ER RNS, ICU LPN, AND PSYCHIATRY NP FOR WRNMMC, JBA, AND JBAB	Department of Defense	Defense Health Agency	DELIVERY ORDER
FA461318F1026	9/6/18	11/7/22	LPN (FHC II)	Department of Defense	Department of the Air Force	DELIVERY ORDER
W81K0019F0105	2/1/19	10/31/22	2 FTES NEUROLOGISTS	Department of Defense	Department of the Army	DELIVERY ORDER
HT001418F0477	9/27/18	9/30/22	GENERAL PLACE MARKET BASED NURSING SERVICES MQS TASK ORDER FOR THE NATIONAL CAPITAL REGION.	Department of Defense	Defense Health Agency	DELIVERY ORDER

HT001418F0464	9/24/18	9/30/22	GENERAL PLACE MARKET BASED ANCILLARY SERVICES MQS TASK ORDER FOR THE NATIONAL CAPITAL REGION. POSITIONS INCLUDE BUT ARE NOT LIMITED TO: DOSIMETRIST, LEAD PHYSICIST, MEDICAL PHYSICIST, CARDIOVASCULAR TECH, INTERVENTIONAL RADIATION TECH, AND CERTIFIED MEDICAL ASSISTANTS.	Department of Defense	Defense Health Agency	DELIVERY ORDER
FA486119FA273	9/30/19	9/29/22	2 FTES SOCIAL WORKERS, CASE MANAGERS	Department of Defense	Department of the Air Force	DELIVERY ORDER
HT005018D0016	10/23/17	11/30/22	PHYSICIAN, NURSING AND ANCILLARY SERVICES	Department of Defense	Defense Health Agency	IDIQ

EXHIBIT B





COMPANY PROFILE ▼ STAFFING SOLUTIONS +

DISASTER RESPONSE FUTURE ANGELS + EMPLOYEE CENTER •

PRESS ROOM • NON PROFITS

Company Profile

About Us

Staff

Awards & Recognitions

Past Performance

Government Eligibility

Government Eligibility:

Angel Staffing is a Small Business Administration (SBA) Graduated 8(a), Small Disadvantaged Business (SDA), Veteran-Owned and Woman Owned Business. As a result, Angel Staffing is eligible to compete for government contracts.

Angel Staffing is registered with the U.S. Government's System for Award Management (SAM) and the General Services Administration (GSA) and actively pursues federal contracts.

Angel Staffing is certified by the State of Texas's Historically Underutilized Business (HUB) Program and vies for State of Texas contracts.

Schedule of Insurance: Professional Certificate of Liability Insurance and Comprehensive Workman's Compensation thru ACORD Corporation.

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the most competent and compassionate care available.

Core Service



EXHIBIT C





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Past Performance

Government Eligibility

Medical Staffing Service

About Us

Angel Staffing is a San Antonio based corporation that serves private, state and federal medical treatment facilities, public health emergencies and leads the medical response for all disasters in Texas.

Angel Staffing recruits medical professionals for positions at private and public inpatient treatment facilities, as well as provides disaster response health care workers in Texas.

Our Mission as one of the Medical Staffing Agencies in San Antonio

Angel Staffing is a **Medical Staffing Service** committed to linking experienced and qualified medical professionals with top medical treatment facilities to enrich the healthcare industry and ensure patients receive the most competent and compassionate care available.

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EXHIBIT D





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Press Room

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History Timeline

Clients

Associations

Become Fan

Clients

Military Facilities

Brooke Army Medical Center

3851 Roger Brooke Drive Fort Sam Houston, TX <u>View Map</u>

Private Facilities

Baptist M&S Imaging Center

4400 S. Piedras Drive Ste. 100 San Antonio, TX 78228 <u>View Map</u>

Baptist Medical Center

111 Dallas Street San Antonio, TX 78205 <u>View Map</u>

Central Texas Medical Center

1301 Wonder World Drive San Marcos, TX 78666 View Man **FOLLOW US**

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499 10th Street Floresville, TX 78114 View Map

Kindred Hospital

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Methodist Ambulatory Surgery Center-Central

1008 Brooklyn Ave. San Antonio, TX 78215 View Map

North Austin Medical Center

122221 MoPac Expressway North Austin, TX 78758
<u>View Map</u>

North Central Baptist Hospital

520 Madison Oak Drive San Antonio, TX 78205 View Map

Northeast Baptist Hospital

8811 Village Drive San Antonio, TX 78217 View Map

Rosewood Rehab Center

7700 Mesquite Pass Converse, TX 78109 View Map As a provider of Disaster

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teams with as little as one
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Contact Us

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Toll Free: 877-816-9526 Fax: 210-616-9501 Toll Free Fax: 877-616-9501



Select Specialty

111 Dallas St. 4c San Antonio, TX 78205 <u>View Map</u>

Southeast Baptist Hospital

4214 East Southcross San Antonio, TX 78222 <u>View Map</u>

St. Luke's Baptist Hospital

7930 Floyd Curl Drive San Antonio, TX 78229 <u>View Map</u>

VA – Veterans Affairs

7400 Merton Minter Blvd San Antonio, TX 78229-4404 <u>View Map</u>