

BEFORE THE FEDERAL ELECTION COMMISSION

CAMPAIGN LEGAL CENTER
1101 14th Street NW, Suite 400
Washington, DC 20005

ROGER G. WIEAND
1101 14th Street NW, Suite 400
Washington, DC 20005

v. MUR No. _____

SQI LIMITED, LLC
600 S Riverside Rd.
Saint Joseph, MO 64507

ANY UNKNOWN PERSON(S)
who made contributions to Save Missouri
Values in the name of SQI Limited

COMPLAINT

1. SQI Limited, LLC (“SQI”), a limited liability company formed in Missouri on April 13, 2022, was reported as the source of a \$300,000 political contribution to a super PAC made on July 11, 2022, despite the fact that SQI appears to have no activity, income, assets, or investments, and has no discernible online or physical presence. The address disclosed in connection with the contribution made in SQI’s name appears to be the location of several corporate entities affiliated with Herzog, a Missouri company involved in the railway transport and contracting industries. Accordingly, SQI appears to have been used for the sole purpose of allowing unknown persons — potentially including Herzog or its owners, executives, or employees — to funnel a \$300,000 contribution to a super PAC while concealing the true contributors’ identities from the public, a violation of federal campaign finance laws that deprived voters of information essential to a transparent political process.

2. As set forth in this complaint, there is reason to believe that SQI was not the true source of the \$300,000 contribution made to Save Missouri Values, an independent-expenditure only political committee (“IEOPC”) — commonly referred to as a “super PAC” — on July 11, 2022, and that one or more unknown person(s) were, in fact, the true contributor(s). As such, there is reason to believe unknown person(s) violated the prohibition on making a contribution in the name of another, 52 U.S.C. § 30122, and that SQI violated the same provision by knowingly permitting its name to be used to effect the contribution of unknown persons in its name.
3. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that SQI and any persons that made contributions to Save Missouri Values in the name of SQI violated the Federal Election Campaign Act (“FECA”), 52 U.S.C. § 30101, *et seq.* “If the Commission, upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [FECA] . . . [t]he Commission *shall make an investigation* of such alleged violation.”¹

FACTS

4. Save Missouri Values is an IEOPC that registered with the Federal Election Commission (“FEC” or “Commission”) on April 9, 2021, and Cabell Hobbs is its treasurer.² During the 2022 election cycle, Save Missouri Values has raised over \$6.1 million,³ and has made over \$3.2 million in independent expenditures, including approximately \$1.6

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

² Save Missouri Values, Statement of Org. (Apr. 9, 2021).

³ Save Missouri Values, Receipts, https://www.fec.gov/data/individual-contributions/?committee_id=C00776385&two_year_transaction_period=2022 (last viewed Aug. 22, 2022).

million to support Eric Schmitt, a candidate for U.S. Senate in Missouri; and \$1.5 million to oppose Schmitt's primary opponents Vicky Hartzler and Eric Greitens.⁴

5. "SQI Limited, LLC" was organized in Missouri as a domestic limited liability company on April 13, 2022.⁵
6. Save Missouri Values reported receiving a \$300,000 contribution from SQI on July 11, 2022, approximately twelve weeks after SQI was organized.⁶ This appears to be the only federal contribution that SQI has made.⁷
7. The address disclosed in connection with this contribution is "600 S Riverside Drive, Saint Joseph, MO 64507."⁸ This same address is listed as the location of several companies affiliated with Herzog, a Missouri company that appears to own a number of corporate entities, according to Herzog's website.⁹ The website does not list SQI as one of Herzog's affiliated businesses or entities.¹⁰
8. SQI has no known business operations, investments, assets, or commercial ventures from which it might generate its own income. Aside from SQI's registration document, there is

⁴ Save Missouri Values, Spending, <https://www.fec.gov/data/committee/C00776385/?tab=spending> (last viewed Aug. 22, 2022).

⁵ "SQI Limited, LLC," Articles of Org., MO Sec'y of State (attached as Exhibit A). Documents filed by SQI with the Missouri Secretary of State indicate that its registered agent and organizer is William G. Cownie, an attorney. The LLC's principal office address was listed as 212 NE Tudor Rd, Lees Summit, MO 64086-5696, the same as its registered agent and organizer, Cownie. See Law Office of William G. Cownie, Attorney Profile, <http://cownielaw.com/william-garry-cownie> (last visited Aug. 22, 2022).

⁶ Save Missouri Values, 2022 12-Day Pre-Election Primary Report at 7 (Jul. 21, 2022).

⁷ Individual Contributions, "SQI Limited", https://www.fec.gov/data/receipts/?data_type=processed&contributor_name=sqi+limited (last viewed Aug. 22, 2022).

⁸ Save Missouri Values, 2022 12-Day Pre-Election Primary Report at 7 (Jul. 21, 2022).

⁹ Herzog, Contact Us, <https://www.herzog.com/contact/> (last viewed Aug. 22, 2022) (listing the same address for "Herzog Contracting Corp.", "Herzog Transit Services, Inc.", and "Herzog Technologies, Inc.") (screenshot attached as Exhibit B).

¹⁰ *Id.*

no publicly available information about the LLC; it does not appear to have any discernible public footprint:

- a. Searches on Google provide no results that originate from any Missouri entity named “SQI Limited”, or that detail any activity by the same, apart from its registration and its contribution to Save Missouri Values.¹¹
- b. SQI does not appear to have a public website, or any account or page on Facebook, Instagram, or Twitter.
- c. There is no record of a Missouri entity named “SQI Limited” in searches with the Better Business Bureau,¹² EDGAR,¹³ the U.S. Patent & Trademark Office’s Trademark Electronic Search System,¹⁴ or the Lee’s Summit Chamber of Commerce.¹⁵

SUMMARY OF THE LAW

Contributions in the Name of Another

9. FECA provides that “[n]o person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution and no person shall knowingly accept a contribution made by one person in the name of another person.”¹⁶

¹¹ Google.com, Search results for “sqi limited” missouri, <https://www.google.com/search?q=%22sqi+limited%22+missouri> (last visited Aug. 22, 2022).

¹² See Better Business Bureau, Search Businesses and Charities, <https://www.bbb.org/search/> (last visited Aug. 22, 2022).

¹³ U.S. Securities and Exchange Commission “EDGAR”, Search results for “SQI Limited”, <https://www.sec.gov/edgar/search/#/q=%2522SQI%2520Limited%2522&dateRange=all> (last visited Aug. 22, 2022).

¹⁴ See U.S. Patent & Trademark Office, Search Trademark Database, <https://www.uspto.gov/trademarks/search> (last visited Aug 16, 2022).

¹⁵ Lee’s Summit Chamber of Commerce, Membership Directory, <https://cca.lschamber.com/WebForms/OnlineMemberlistingBySearch2.aspx?dbid2=MOLees&searchterm=sqi%2520limited> (last visited Aug. 22, 2022).

¹⁶ 52 U.S.C. § 30122.

10. The Commission regulation implementing the statutory prohibition provides the following examples of contributions in the name of another:
- a. “Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made.”
 - b. “Making a contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source.”¹⁷
11. The requirement that a contribution be made in the name of its true source promotes Congress’s objective of ensuring the complete and accurate disclosure by candidates and committees of the political contributions they receive,¹⁸ and ensures that the public and complainants are fully informed about the true sources of political contributions and expenditures. Such transparency also enables voters, including complainant Wieand, to have the information necessary to evaluate candidates for office, “make informed decisions[,] and give proper weight to different speakers and messages.”¹⁹
12. FECA and Commission regulations provide that a person who furnishes another with funds for the purpose of contributing to a candidate or committee “makes” the resulting

¹⁷ 11 C.F.R. § 110.4(b)(2)(i)-(ii).

¹⁸ *United States v. O’Donnell*, 608 F.3d 546, 553 (9th Cir. 2010) (“[T]he congressional purpose behind [Section 30122]—to ensure the complete and accurate disclosure of the contributors who finance federal elections—is plain.”); *Mariani v. United States*, 212 F.3d 761, 775 (3d Cir. 2000) (rejecting constitutional challenge to section 30122 in light of the compelling governmental interest in disclosure).

¹⁹ *Citizens United v. FEC*, 558 U.S. 310, 369-71 (2010); see also Abby K. Wood, *Campaign Finance Disclosure*, 14 Ann. Rev. L. & Soc. Sci. 11, 19 (2018) (“Voters use heuristics, or informational shortcuts, to help them make the vote choice most aligned with their priorities without requiring encyclopedic knowledge . . . on every issue.”); Elizabeth Garrett & Daniel A. Smith, *Veiled Political Actors and Campaign Disclosure Laws in Direct Democracy*, 4 Election L.J. 295, 296 (2005) (finding that knowing the sources of election messaging is a “particularly credible” informational cue for voters).

contribution, whether funds are advanced to another person to make a contribution in that person's name or promised as reimbursement of a solicited contribution.²⁰ Moreover, the "key issue . . . is the source of the funds" and, therefore, the legal status of the funds when conveyed from a conduit to the ultimate recipient is "irrelevant to a determination of who 'made' the contribution for the purposes of [Section 30122]."²¹

13. On April 1, 2016, then-Chair Petersen and then-Commissioners Hunter and Goodman issued a Statement of Reasons explaining their view regarding "the appropriate standard" to apply "in future matters" raising the allegation that an LLC was used to facilitate a contribution in the name of another.²² The Commissioners explained that in their view, "the proper focus in these matters is whether the funds used to make a contribution were intentionally funneled through a closely held corporation or corporate LLC for the purpose of making a contribution that evades the Act's reporting requirements, making the individual, not the corporation or corporate LLC, the true source of the funds."²³ The relevant factors that these Commissioners indicated they would consider included:

[whether] there is evidence indicating that the corporate entity did not have income from assets, investment earnings, business revenues, or bona fide capital investments, or was created and operated for the sole purpose of making political contributions.

²⁰ See *United States v. Boender*, 649 F.3d 650, 660 (7th Cir. 2011) (holding that to determine who made a contribution "we consider the giver to be the source of the gift, not any intermediary who simply conveys the gift from the donor to the donee."); *O'Donnell*, 608 F.3d at 550, 555; *Goland v. United States*, 903 F.2d 1247, 1251 (9th Cir. 1990) ("[FECA] prohibits the use of 'conduits' to circumvent . . . [reporting] restrictions.").

²¹ *United States v. Whittemore*, 776 F.3d 1074, 1080 (9th Cir. 2015) (holding that defendant's "unconditional gifts" to relatives and employees, along with the suggestion they contribute the funds to a specific political committee, violated Section 30122 because the source of the funds remained the individual who provided them to the putative contributors).

²² Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman at 2, MURs 6485, 6487, 6488, 6711, 6930 (Apr. 1, 2016), <https://www.fec.gov/files/legal/murs/6487/16044391129.pdf>.

²³ *Id.*

These facts would suggest the corporate entity is a straw donor and not the true source of the contribution.²⁴

14. An April 15, 2022, Statement of Reasons by Chairman Allen Dickerson, Vice Chair Steven T. Walther, and Commissioners Shana M. Broussard and Ellen L. Weintraub reiterated that the public is now on notice that FECA’s straw donor ban and Commission regulations implementing that provision — *i.e.*, the “conduit contribution rules” — apply when LLCs purport to make contributions to IEOPCs:

[T]he Commission [previously] did not agree whether, following *Citizens United* and *SpeechNow.org v. FEC*, respondent committees had received adequate notice that the Commission’s LLC reporting rules and conduit contribution rules applied to contributions made to the newly formed IEOPCs authorized by those judicial rulings. With the passage of time, IEOPCs have become a regular part of the campaign finance landscape, and adequate notice to the public now exists. Consequently, there is *no longer a lack of clarity* concerning the application of LLC reporting rules and conduit contribution rules in these circumstances.²⁵

Accordingly, the FEC has made clear that the public is “on notice” that the straw donor ban applies in such circumstances, and thus prohibits any person from funneling a contribution to an IEOPC through an LLC.

15. Straw donor contributions like those alleged here are serious violations of federal campaign finance law that have led to criminal indictments and convictions in recent years.²⁶ As explained in one such indictment, the straw donor ban works in tandem with

²⁴ *Id.* at 12.

²⁵ Statement of Reasons of Chairman Allen Dickerson, Vice Chair Steven T. Walther, Commissioner Shana M. Broussard, and Commissioner Ellen L. Weintraub at 2, MUR 7454 (Apr. 15, 2022) (emphases added).

²⁶ See Colin Moynihan, *Lev Parnas, Ex-Giuliani Ally, Is Convicted of Campaign Finance Charges*, N.Y. Times (Oct. 22, 2021), <https://www.nytimes.com/2021/10/22/nyregion/lev-parnas-guilty-giuliani.html>; Dep’t of Justice, *Lev Parnas and Igor Fruman Charged with Conspiring to Violate Straw and Foreign Donor Bans* (Oct. 10, 2019), <https://www.justice.gov/usao-sdny/pr/lev-parnas-and-igor-fruman-charged-conspiring-violate-straw-and-foreign-donor-bans>; Dep’t of Justice, *Entertainer/Businessman and Malaysian Financier Indicted for Conspiring to Make and Conceal Foreign and Conduit Contributions During 2012 U.S. Presidential Election* (May 10, 2019),

other campaign finance laws to protect the integrity of our electoral system and to ensure that all candidates, campaign committees, federal regulators, and the public are informed of the true sources of money spent to influence federal elections.²⁷ Another recent indictment highlighted how straw donor schemes have been used to skirt FECA's source prohibitions, such as the ban on contributions by government contractors.²⁸

16. Even for contributions that would otherwise be legal — *i.e.*, contributions that would not be prohibited or excessive, if made in the true contributor's own name — the prohibition of contributions in the name of another serves FECA's core transparency purposes by ensuring that voters have access to complete and accurate information regarding the sources of electoral contributions.

CAUSE OF ACTION

COUNT I:

SQI LIMITED, LLC AND THE UNKNOWN PERSON(S) WHO CONTRIBUTED TO SAVE MISSOURI VALUES IN THE NAME OF SQI LIMITED, LLC VIOLATED 52 U.S.C. § 30122

17. The available information supports finding reason to believe that SQI was not the true source of the \$300,000 contributed in its name to Save Missouri Values. Indeed, the available information indicates that SQI served as a straw donor for this contribution, merely transmitting the funds of the true contributor, thus concealing the true contributor's identity — a scheme that is explicitly prohibited under FECA.

<https://www.justice.gov/opa/pr/entainerbusinessman-and-malaysian-financier-indicted-conspiring-make-and-conceal-foreign>.

²⁷ Grand Jury Indictment, *United States v. Lev Parnas, et al.*, Cr. No. 19-725 (S.D.N.Y. Oct. 10, 2019), <https://www.justice.gov/usao-sdny/press-release/file/1208281/download>.

²⁸ Dep't of Justice, *Former Government Contractor Executives Indicted for Unlawful Campaign Contributions* (Feb. 10, 2022), <https://www.justice.gov/opa/pr/former-government-contractor-executives-indicted-unlawful-campaign-contributions>.

18. SQI was formed on April 13, 2022, or roughly three months before the contribution made in its name, and it has no documented activities or verifiable presence: it does not appear in searches on Google or several business databases, and it appears to have no website, social media account, or online presence.²⁹ Its only known address is simply that of its registered agent and organizer, an attorney in Missouri.³⁰
19. The address disclosed in connection with the \$300,000 contributed in SQI's name, "600 S. Riverside Drive, Saint Joseph, MO 64507" — which is not the address listed on SQI's Missouri registration document — appears on the website of Herzog, a prominent Missouri company involved in a variety of industries.³¹ Indeed, according to Herzog's website, three of its corporate entities — Herzog Contracting Corp., Herzog Transit Services, Inc., and Herzog Technologies, Inc. — share that specific address.³²
20. SQI's lack of any apparent activity indicates that SQI neither conducted any real business nor had sufficient income from capital assets, investment earnings, or revenues from which it could have made a \$300,000 contribution to an IEOPC, absent an infusion of funds given to it for that specific purpose.
21. The available facts, viewed as a whole, therefore support finding reason to believe that SQI served as a straw donor for a \$300,000 contribution to Save Missouri Values — *i.e.*, that one or more unknown persons, which may include Herzog Contracting Corp., Herzog Transit Services, Inc., Herzog Technologies, Inc., or one or more of Herzog's owner(s), executive(s), or employee(s) — appear to have provided funds to SQI for the purpose of making a \$300,000 contribution in SQI's name to Save Missouri Values.

²⁹ See *supra* notes 11–15 and related text.

³⁰ See *supra* note 5 and related text.

³¹ See *supra* note 9 and related text.

³² *Id.*

22. Accordingly, there is reason to believe that the unknown person(s) who contributed \$300,000 through SQI violated 52 U.S.C. § 30122 by making a contribution in the name of another. Furthermore, there is reason to believe that SQI violated 52 U.S.C. § 30122 when it knowingly permitted its name to be used to effect a contribution of one or more other persons in its name.

PRAYER FOR RELIEF

23. Wherefore, the Commission should find reason to believe that SQI Limited, and any person(s) who created, operated, and made contributions to or in the name of this entity have violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
24. Further, the Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations, injunctive relief to remedy these violations and prohibit any and all future violations, and such additional remedies as are necessary and appropriate to ensure compliance with FECA.

Respectfully submitted,

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

/s/ Roger G. Wieand
Roger G. Wieand
1101 14th Street NW, Suite 400
Washington, DC 20005
(202) 736-2200

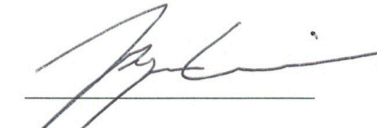
Saurav Ghosh, Esq.
Campaign Legal Center
1101 14th Street NW, Suite 400
Washington, DC 20005
Counsel to the Campaign Legal Center,
Roger G. Wieand
August 24, 2022

VERIFICATION

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

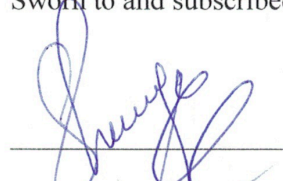
Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Roger G. Wieand



Roger G. Wieand

Sworn to and subscribed before me this 24 day of August 2022.



Notary Public

VERIFICATION

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

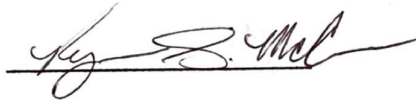
Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Campaign Legal Center



Saurav Ghosh, Esq.

Sworn to and subscribed before me this 24 day of August 2022.



Notary Public

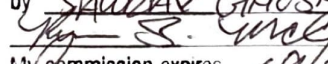
City/County of FAIRFAX
Commonwealth of Virginia
The foregoing instrument was acknowledged before me
this 24 day of AUGUST, 2022
by SAURAV GHOSH
 Notary Public
My commission expires 09/30/2024



EXHIBIT A



State of Missouri

John R. Ashcroft, Secretary of State

Corporations Division

PO Box 778 / 600 W. Main St., Rm. 322

Jefferson City, MO 65102

LC014371248
Date Filed: 4/13/2022
John R. Ashcroft
Missouri Secretary of State

Articles of Organization

(Submit with filing fee of \$105.00)

1. The name of the limited liability company is

SQI Limited, LLC

(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized:

For all lawful purposes

3. The name and address of the limited liability company's registered agent in Missouri is:

william g. cownie

212 NE Tudor Rd

Lees Summit, MO 64086-5696

Name

Street Address: May not use PO Box unless street address also provided

City/State/Zip

4. The management of the limited liability company is vested in: ☐ managers ☒ members (check one)

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual

(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer (PO box may only be used in addition to a physical street address):

(Organizer(s) are not required to be member(s), manager(s) or owner(s))

Name

Address

City/State/Zip

cownie, william g

212 NE Tudor Rd

Lees Summit MO 64086-5696

7. ☐ Series LLC (OPTIONAL) Pursuant to Section 347.186, the limited liability company may establish a designated series in its operating agreement. The names of the series must include the full name of the limited liability company and are the following:

New Series:

☐ The limited liability company gives notice that the series has limited liability.

New Series:

☐ The limited liability company gives notice that the series has limited liability.

New Series:

☐ The limited liability company gives notice that the series has limited liability.

(Each separate series must also file an Attachment Form LLC 1A.)

Name and address to return filed document:

Name: William Cownie

Address: Email: bill@cownielawoffices.com

City, State, and Zip Code: _____

8. Principal Office Address (OPTIONAL) of the limited liability company (PO Box may only be used in addition to a physical street address):

212 NE Tudor Rd

Lees Summit, MO 64086-5696

Address (PO Box may only be used in conjunction with a physical street address)

City/State/Zip

9. The effective date of this document is the date it is filed by the Secretary of State of Missouri unless a future date is otherwise indicated: _____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

All organizers must sign:

william g cownie

WILLIAM G COWNIE

04/13/2022

Organizer Signature

Printed Name

Date of Signature

STATE OF MISSOURI



John R. Ashcroft
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

SQI Limited, LLC
LC014371248

filed its Articles of Organization with this office on the 13th day of April, 2022, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, John R. Ashcroft, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 13th day of April, 2022, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri.
Done at the City of Jefferson, this 13th day of April, 2022.


Secretary of State

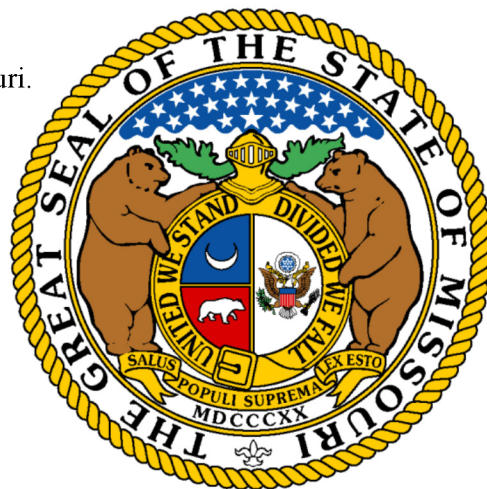


EXHIBIT B

HERZOG

HCC

Herzog Contracting Corp.

816-233-9001

600 S. Riverside Rd.

St. Joseph, MO 64507

[Send a message](#)

HTSI

Herzog Transit Services, Inc.

816-233-9001

600 S. Riverside Rd.

St. Joseph, MO 64507

[Send a message](#)

HSI

Herzog Services, Inc.

816-364-3000

700 S. Riverside Rd.

St. Joseph, MO 64507

[Send a message](#)

HRSI

Herzog Railroad Services, Inc.

816-233-9002

700 S. Riverside Rd.

St. Joseph, MO 64507

[Send a message](#)

HTI

Herzog Technologies, Inc.

816-233-9001

600 S. Riverside Rd.

St. Joseph, MO 64507

[Send a message](#)

GG

Green Group, LLC

770-720-2717

134 Riverstone Terr., Suite 203

Canton, GA 30114

[Send a message](#)