

**BEFORE THE FEDERAL ELECTION COMMISSION**

CAMPAIGN LEGAL CENTER  
SOPHIA GONSALVES-BROWN  
1101 14th Street NW, Suite 400  
Washington, DC 20005

v. MUR No. \_\_\_\_\_

HEAD EAST, LLC  
120 W. Sweet Ave.  
Bismarck, ND 58504-5566

ANY UNKNOWN PERSON(S)  
who made a contribution to  
Best of America PAC in the name  
of Head East, LLC

**COMPLAINT**

1. Head East, LLC (“Head East”), an obscure limited liability company (“LLC”) organized in North Dakota on July 24, 2023, purported to make a \$150,000 contribution to Best of America PAC (“Best PAC”), a super PAC supporting Doug Burgum’s 2024 presidential campaign, on August 8, 2023 — just fifteen days after the LLC’s formation. There is no publicly available information that indicates Head East conducted any activity in that fifteen-day window from which it could have generated sufficient funds to make a \$150,000 contribution. As such, there is reason to believe Head East was not the true source of the funds contributed in its name to Best PAC, but was instead established and used as a “straw donor” by one or more unknown persons to make a \$150,000 contribution to the super PAC supporting Burgum’s presidential candidacy, while concealing the true contributors’ identities. This straw donor scheme violates federal campaign finance laws that preserve and uphold transparency in federal elections by requiring that every contribution be made in the true contributor’s name.

2. The available information indicates that Head East did not have the financial means to contribute \$150,000 to a super PAC without another person providing it with funds for that purpose, and thus that one or more unidentified true contributors transferred money to Head East for the purpose of having it contribute \$150,000 to Best PAC while concealing their identities as the true source(s) of that contribution.
3. Accordingly, there is reason to believe that Head East and the unknown true contributors violated 52 U.S.C. § 30122, which prohibits making or knowingly permitting one's name to be used to effect a contribution in the name of another.<sup>1</sup>
4. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Head East, and any persons that created, operated, and made contributions in the name of Head East, 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."<sup>2</sup>

#### FACTS

5. Best PAC registered with the Commission as an independent expenditure-only political committee ("IEOPC") — commonly known as a "super PAC" — on June 7, 2023. Michael Goode is the super PAC's treasurer.<sup>3</sup>
6. Best PAC reported receiving a \$150,000 contribution from Head East on August 8, 2023, fifteen days after Head East was organized.<sup>4</sup> The address disclosed in connection with the

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<sup>1</sup> See 52 U.S.C. § 30122.

<sup>2</sup> *Id.* § 30109(a)(2) (emphasis added); see also 11 C.F.R. § 111.4(a).

<sup>3</sup> Best of America PAC, Statement of Org. at 1 (Jun. 7, 2023), <https://docquery.fec.gov/pdf/522/202306079581774522/202306079581774522.pdf>.

<sup>4</sup> Best of America PAC, 2023 Year-End Report at 18 (Jan. 31, 2024), <https://docquery.fec.gov/pdf/307/202401319601142307/202401319601142307.pdf>.

contribution was “120 W Sweet Ave, Bismarck, ND 58504-5566” — which is also the location of Head East’s corporate registered agent, CT Corporation.<sup>5</sup>

7. FEC disclosure records indicate that Head East has made no other federal contributions.<sup>6</sup>
8. Best PAC has raised \$24.1 million and has made \$19 million in independent expenditures supporting presidential candidate Doug Burgum or opposing sitting President Joseph Biden.<sup>7</sup>
9. “Head East, LLC” was organized in North Dakota as a domestic limited liability company on July 24, 2023.<sup>8</sup> The LLC’s registration information on file with the North Dakota Secretary of State indicates that its mailing and principal address is “120 W Sweet Ave, Bismarck, ND 58504-5566” — the same address disclosed on Best PAC’s year-end disclosure report — and that CT Corporation is its registered agent.<sup>9</sup>
10. Head East does not appear to have any discernible public footprint:
  - a. Searches on Google provide no results for a North Dakota-based “Head East LLC” or that detail any activity by Head East.
  - b. Head East does not appear to have a public website, or any account or page on Facebook, Instagram, or X (formerly known as Twitter).

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<sup>5</sup> *Id.* See “Head East, LLC,” North Dakota Sec’y of State, Business Search Result (last visited Feb. 1, 2024) (attached as Exhibit A).

<sup>6</sup> All Receipts, “Head East,” [https://www.fec.gov/data/receipts/?data\\_type=efiling&contributor\\_name=Head+East](https://www.fec.gov/data/receipts/?data_type=efiling&contributor_name=Head+East) (last visited Feb. 1, 2024).

<sup>7</sup> Best PAC, 2023 Year-End Report, *supra* note 4 at 3–4.

<sup>8</sup> See Exhibit A.

<sup>9</sup> *Id.*

- c. There is no record of Head East in searches with the Better Business Bureau,<sup>10</sup> Bloomberg,<sup>11</sup> EDGAR,<sup>12</sup> Bismark Mandan Chamber of Commerce,<sup>13</sup> or North Dakota Secretary of State trademark registrations.<sup>14</sup>

#### SUMMARY OF THE LAW

11. 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.”<sup>15</sup>
12. 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.”<sup>16</sup>
13. 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

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<sup>10</sup> See Better Business Bureau, <https://www.bbb.org/search/> (last visited Feb. 2, 2024).

<sup>11</sup> See Bloomberg, Company Search, <https://www.bloomberg.com/> (last visited Feb. 2, 2024).

<sup>12</sup> U.S. Securities and Exchange Commission, EDGAR, <https://www.sec.gov/edgar/search/> (last visited Feb. 2, 2024).

<sup>13</sup> See Bismark Mandan Chamber EDC, Business Directory Search, <https://business.bismarckmandan.com/list> (last visited Feb. 2, 2024).

<sup>14</sup> See North Dakota Secretary of State, Trademark Search, <https://firststop.sos.nd.gov/search/trademark> (last visited Feb. 2, 2024).

<sup>15</sup> 52 U.S.C. § 30122.

<sup>16</sup> 11 C.F.R. § 110.4(b)(2)(i)-(ii).

committees of the political contributions they receive,<sup>17</sup> 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 Gonsalves-Brown, to have the information necessary to evaluate candidates for office, “make informed decisions[,] and give proper weight to different speakers and messages.”<sup>18</sup>

14. 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 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.<sup>19</sup> 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].”<sup>20</sup>
15. On April 15, 2022, a Statement of Reasons by then-Chairman Allen Dickerson, then-Vice Chair Steven T. Walther, and Commissioners Shana M. Broussard and Ellen L. Weintraub stated that the public is now on notice that FECA’s straw donor ban and Commission regulations implementing that provision — *i.e.*, the “conduit contribution

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<sup>17</sup> *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).

<sup>18</sup> *Citizens United v. FEC*, 558 U.S. 310, 369-71 (2010).

<sup>19</sup> 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.”).

<sup>20</sup> *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).

rules” — apply when LLCs make contributions to IEOPCs using funds provided by another person for that purpose:

[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.<sup>21</sup>

Accordingly, the FEC has made clear that the public is “on notice” that the straw donor ban applies in such circumstances—a view underscored by the U.S. Court of Appeals for the D.C. Circuit<sup>22</sup>—and thus prohibits any person from funneling a contribution to an IEOPC through an LLC.<sup>23</sup>

16. In MUR 7903, the Commission found reason to believe that “Tomfoolery LLC” and its single member, Thomas Chavez, violated Section 30122 when Chavez provided funds to the LLC for it to make contributions in its name to a super PAC; the Commission found that “Tomfoolery was not the true source of the combined \$75,000 that it facially

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<sup>21</sup> 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), [https://www.fec.gov/files/legal/murs/7454/7454\\_36.pdf](https://www.fec.gov/files/legal/murs/7454/7454_36.pdf).

<sup>22</sup> *Campaign Legal Ctr. v. FEC*, 952 F.3d 352, 357 (D.C. Cir. 2020) (“The controlling commissioners did not dispute that [52 U.S.C.] § 30122 applies to closely held corporations and corporate LLCs. We agree that it does.”).

<sup>23</sup> A Statement of Reasons issued on April 1, 2016, by then-Chair Petersen and then-Commissioners Hunter and Goodman stated that “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 “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.” Statement of Reasons of Chairman Matthew S. Petersen and Comm’rs Caroline C. Hunter and Lee E. Goodman, MURs 6485, 6487, 6488, 6711, 6930 (Apr. 1, 2016), <https://www.fec.gov/files/legal/murs/6487/16044391129.pdf>. The relevant facts that “would suggest the corporate entity is a straw donor and not the true source of the contribution” include: “[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.” *Id.*

appeared to give to [the super PAC], but instead served as an instrument to convey Chavez’s funds to [the super PAC] without publicly disclosing his identity.”<sup>24</sup> The Commission subsequently entered into a conciliation agreement with Tomfoolery LLC and Chavez, which included a \$25,000 civil penalty.<sup>25</sup>

17. In its legal analysis, the Commission determined that “Tomfoolery could not be the true contributor because it lacked the financial wherewithal to make the contributions on its own,” thus requiring an outside source—the true contributor, Chavez—to provide it with sufficient funds to complete the contribution.<sup>26</sup> The Commission also noted that “an LLC’s longevity and its business activities do not undermine its use as a straw donor.”<sup>27</sup>
18. 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.<sup>28</sup> As explained in one such indictment, the straw donor ban works in tandem with 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.<sup>29</sup> Another recent indictment highlighted how straw donor schemes have been used to skirt FECA’s source

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<sup>24</sup> Factual and Legal Analysis at 7, MUR 7903 (Tomfoolery LLC, *et al.*), [https://www.fec.gov/files/legal/murs/7903/7903\\_13.pdf](https://www.fec.gov/files/legal/murs/7903/7903_13.pdf) (“Tomfoolery F&LA”).

<sup>25</sup> See Conciliation Agreement ¶ VI, MUR 7903 (Tomfoolery LLC, *et al.*), [https://www.fec.gov/files/legal/murs/7903/7903\\_16.pdf](https://www.fec.gov/files/legal/murs/7903/7903_16.pdf).

<sup>26</sup> Tomfoolery F&LA at 5.

<sup>27</sup> *Id.* at 6.

<sup>28</sup> 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), <https://www.justice.gov/opa/pr/entertainerbusinessman-and-malaysian-financier-indicted-conspiring-make-and-conceal-foreign>.

<sup>29</sup> 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>.

prohibitions, such as the ban on contributions by government contractors and foreign nationals.<sup>30</sup>

19. 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.

### CAUSES OF ACTION

#### COUNT I:

#### **HEAD EAST AND THE UNKNOWN PERSON(S) WHO CONTRIBUTED TO BEST PAC IN THE NAME OF HEAD EAST VIOLATED 52 U.S.C. § 30122**

20. The available information indicates that Head East did not have the means to contribute \$150,000 to Best PAC without other persons providing funds to the LLC for that purpose, such that these unknown other persons were, in fact, the true source(s) of the contribution.
21. Head East was registered in North Dakota as a domestic limited liability company on July 24, 2023,<sup>31</sup> and purported to contribute \$150,000 to Best PAC a mere fifteen days later, on August 8, 2023.<sup>32</sup>
22. Head East appears to exist solely on paper; it has no discernible presence online or on social media platforms, nor is there any news article or public record that provides any

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<sup>30</sup> 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>; see Dep’t of Justice, *Former Government Contractor Executive Pleads Guilty to Unlawful Campaign Contributions* (Sept. 27, 2022), <https://www.justice.gov/opa/pr/former-government-contractor-executive-pleads-guilty-unlawful-campaign-contributions>.

<sup>31</sup> See *supra* note 8.

<sup>32</sup> See *supra* note 4.



information about its activities.<sup>33</sup> Head East’s physical and mailing address — the same address disclosed on Best PAC’s 2023 year-end report — is the same as that of its corporate registered agent, CT Corporation. There is no indication that Head East has any physical presence at this address, and this address appears to serve simply as a mail stop.

23. As such, during the brief, fifteen-day period between the date of its formation and the date of the \$150,000 contribution made in its name, Head East appears to have engaged in no activity and served no purpose other than facilitating the straw donor contribution at issue in this matter: it has no online footprint, physical location, or apparent operations. It is implausible that this newly formed LLC could have generated or acquired sufficient funds in just fifteen days to make a \$150,000 contribution with its own funds—*i.e.*, absent the receipt of funds from an outside source providing that money for the purpose of having the entity make a contribution in its name, thereby concealing the true contributors’ identities. As such, Head East apparently “lacked the financial wherewithal to make the [\$150,000] contribution [to Best PAC] on its own.”<sup>34</sup>
24. As such, there is reason to believe Head East “was not the true source” of the \$150,000 that it “facially appeared to give” to Best PAC, “but instead served as an instrument to convey” those funds to the super PAC “without publicly disclosing [the true contributor’s] identity.”<sup>35</sup>
25. Accordingly, there is reason to believe that the unidentified person(s) who contributed \$150,000 to Best PAC through Head East violated 52 U.S.C. § 30122 by making a contribution in the name of another, and that Head East violated 52 U.S.C. § 30122 when

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<sup>33</sup> See *supra* ¶ 10.

<sup>34</sup> Tomfoolery F&LA at 5.

<sup>35</sup> Factual and Legal Analysis at 7, MUR 7903 (Tomfoolery LLC, *et al.*).

it knowingly permitted its name to be used to effect a contribution of one or more other persons in its own name.

**PRAYER FOR RELIEF**

26. Wherefore, the Commission should find reason to believe that Head East, LLC, 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).
27. Further, 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 FECA.

Respectfully submitted,

/s/ Saurav Ghosh  
Campaign Legal Center, by  
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/s/ Sophia Gonsalves-Brown  
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Campaign Legal Center  
1101 14th Street NW, Suite 400  
Washington, DC 20005  
Counsel to the Campaign Legal Center,  
Sophia Gonsalves-Brown

February 6, 2024

**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 Sophia Gonsalves-Brown



Sophia Gonsalves-Brown

Sworn to and subscribed before me this 5<sup>th</sup> day of February 2024.



Notary Public

**KELLY ARDAYA**  
Notary Public, District of Columbia  
My Commission Expires 01/14/2028



**VERIFICATION**

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

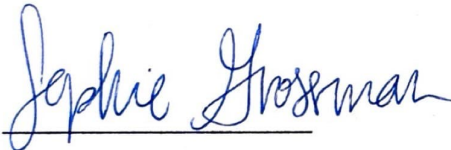
Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Campaign Legal Center



Saurav Ghosh, Esq.

Sworn to and subscribed before me this 6 day of February 2024.



Notary Public



# **EXHIBIT A**



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Search

Forms

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Data List Requests

# Business Search

head e

Advanced

Results: 2

Form Info	SOS Contr
<p>Head East LLC</p> <p><i>Limited Liability Company - Business - Domestic</i></p> <p>&gt;</p>	00063
<p>HEADWAY CORPORATE STAFFING SERVICES EAST, L.L.C.</p> <p><i>Limited Liability Company - Business - Foreign</i></p> <p>&gt;</p>	00000

## Head East LLC

Limited Liability Company - Business - Domestic



Request Certificate

<i>Filing Type</i>	Limited Liability Company - Business - Domestic
<i>Status</i>	Active
<i>Standing - AR</i>	Good
<i>Standing - RA</i>	Good
<i>Standing - Other</i>	Good
<i>Formed In</i>	NORTH DAKOTA
<i>Term of Duration</i>	Perpetual
<i>Initial Filing Date</i>	07/24/2023
<i>Principal Address</i>	120 W. SWEET AVE BISMARCK, ND 58504-5665
<i>Mailing Address</i>	120 W SWEET AVE BISMARCK, ND 58504-5566
<i>AR Due Date</i>	11/15/2024
<i>Commercial Registered Agent</i>	C T CORPORATION SYSTEM 120 W SWEET AVE BISMARCK, ND 58504



View History