### BEFORE THE FEDERAL ELECTION COMMISSION

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

v. MUR No.	
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HELLFIRE PAC and CABELL HOBBS in his official capacity as treasurer 1707 ½ Post Oak Blvd. #525 Houston, TX 77056

### **COMPLAINT**

- 1. During the 2024 election cycle, Representative Wesley Hunt's leadership PAC, Hellfire PAC ("Hellfire"), reported making over \$1.8 million in payments described as "credit card merchant fees" to WinRed, a payment processing platform—yet this amount vastly exceeds what a political committee would need to pay in such fees under similar circumstances. Based on WinRed's fee structure for processing online contributions to political committees, Hellfire should have owed WinRed at most approximately \$166,000 to process the roughly \$4.2 million in contributions that the PAC reported raising during this period; instead, the PAC reported paying WinRed *over ten times* that amount—more than \$1.8 million—in such fees. These facts appear to indicate that Hellfire has not accurately disclosed the true recipients and/or purposes behind these reported payments.
- 2. Accordingly, Hellfire appears to have violated the reporting requirements of the Federal Election Campaign Act ("FECA"), which requires that committees provide detailed information about who they are paying for services, and what services are being provided for such payments.
- 3. FECA requires committees to file accurate reports of their disbursements, including the recipient and purpose of operating expenditures. When committees misreport their

spending, they deny the public information about their activities and the people and entities they associate with—information that voters have a right to know when deciding how to vote. False or inaccurate reports also prevent the Federal Election Commission (the "FEC" or "Commission") from doing its job in making sure political committees are raising and spending money lawfully.

- 4. As set forth herein, there is reason to believe Hellfire violated its reporting obligations under FECA by failing to properly disclose the true recipients and/or purposes of over \$1.8 million in disbursements to WinRed.
- 5. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Hellfire has violated and may continue to violate 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."

### **FACTS**

- 6. Representative Wesley Hunt is currently the U.S. Representative for Texas's 38th congressional district. Hellfire, which registered with the Commission on March 4, 2022, is Hunt's leadership PAC, and Cabell Hobbs is its treasurer.<sup>2</sup>
- 7. WinRed is a payment processing platform that provides campaigns, candidates, and committees with tools to raise money.<sup>3</sup> WinRed is registered as a political action committee (PAC) that processes contributions from individuals and passes them along to

<sup>&</sup>lt;sup>1</sup> 52 U.S.C. § 30109(a)(2) (emphasis added); see also 11 C.F.R. § 111.4(a).

<sup>&</sup>lt;sup>2</sup> HellFire PAC, Committee Overview, <a href="https://www.fec.gov/data/committee/C00807412/?tab=about-committee&cycle=2022">https://www.fec.gov/data/committee/C00807412/?tab=about-committee&cycle=2022</a>.

Where Does My Donation Go?, https://support.winred.com/en/articles/3096290-where-does-my-donation-go.

- campaigns and organizations that use its platform, such as Hellfire.<sup>4</sup> WinRed charges its customers 3.2% of any high-dollar donations and 3.94% of other donations.<sup>5</sup>
- 8. Another of WinRed's offerings is a Bill-Pay program, which allows campaigns and committees to direct money from donations to pay vendors.<sup>6</sup> The purpose of the Bill-Pay feature, per WinRed's own sales pitch, is to "eliminate the need for invoicing and pay vendors automatically as soon as funds come in." Importantly, WinRed explicitly states that Bill-Pay fees "are not WinRed fees and should not be reported as such when filing."
- 9. During the 2024 election cycle, Hellfire has reported raising \$4,220,854.52 in itemized and unitemized contributions. Over the same period of time, Hellfire has reported paying WinRed \$1,862,727.12 in processing fees. Assuming that WinRed processed every contribution Hellfire received and that all of these contributions were subject to the higher payment processing rate (3.94%), and that Hellfire did not get any sort of special discount (which would present a different problem under FECA, namely the receipt of unreported and excessive in-kind contributions), Hellfire would have owed WinRed at most \$166,301.67 in fees. That is a fraction of the more than \$1.8 million that Hellfire reported paying WinRed during this period.
- 10. As such, it appears that Hellfire reported paying WinRed vastly more than it likely owed in payment processing fees, which raises serious questions about whether the committee

<sup>&</sup>lt;sup>4</sup> *Id*.

<sup>&</sup>lt;sup>5</sup> Pricing, https://support.winred.com/en/articles/3097721-pricing.

<sup>&</sup>lt;sup>6</sup> Bill-Pay, WinRed, https://support.winred.com/en/articles/5698360-bill-pay (last visited Aug. 5, 2025).

<sup>&</sup>lt;sup>7</sup> *Id*.

<sup>&</sup>lt;sup>8</sup> *Id*.

<sup>&</sup>lt;sup>9</sup> HellFire Financial Summary, <a href="https://www.fec.gov/data/committee/C00807412/?tab=summary&cycle=2024">https://www.fec.gov/data/committee/C00807412/?tab=summary&cycle=2024</a>.

<sup>&</sup>lt;sup>10</sup> Disbursements to "WinRed Technical" by HellFire.

https://www.fec.gov/data/disbursements/?data\_type=processed&committee\_id=C00807412&recipient\_name=WinR ed+Technical&two\_year\_transaction\_period=2024.

misreported the true recipients and/or purposes of the vast majority of its expenditures to WinRed.

#### SUMMARY OF THE LAW

- 11. FECA requires each treasurer of a political committee to file regular reports of receipts and disbursements with the Commission. 11 Each report must provide, *inter alia*, itemized information regarding the name and address of each person to whom the committee makes an expenditure or other disbursement aggregating more than \$200 per election cycle, as well as the date, amount, and purpose of such payments. 12 The purpose statement must include a brief "description of why the disbursement was made." 13 A person reading a disclosure report should be able to "easily discern why the disbursement was made by reading the name of the recipient and the purpose." 14
- 12. A committee's failure to properly itemize its disbursements, including recipient and purpose information, leaves voters in the dark about the entities working for the committee and the nature of the services—which denies voters their informational interest in knowing "where political campaign money comes from and how it is spent," and undermines the bedrock transparency necessary for voters to meaningfully evaluate candidates and "make informed decisions." Failure to completely and accurately report disbursements also undermines compliance with and enforcement of other laws that

<sup>&</sup>lt;sup>11</sup> 52 U.S.C. § 30104(a)(1); 11 C.F.R. § 104.1(a).

<sup>&</sup>lt;sup>12</sup> 52 U.S.C. § 30104(b)(5)–(6); 11 C.F.R. §§ 104.3(b)(4)(i), (vi), 104.9(a)–(b).

<sup>&</sup>lt;sup>13</sup> 11 C.F.R. § 104.3(b)(3)(i).

<sup>&</sup>lt;sup>14</sup> Purposes of Disbursement, FEC, <a href="https://www.fec.gov/help-candidates-and-committees/purposes-disbursements/">https://www.fec.gov/help-candidates-and-committees/purposes-disbursements/</a> (last visited Nov. 5, 2024); see also Statement of Policy: "Purpose of Disbursement" Entries for Filings with the Commission, 72 Fed. Reg. 887, 887 (Jan. 9, 2007), <a href="https://www.fec.gov/resources/cms-content/documents/policy-guidance/fedreg">https://www.fec.gov/resources/cms-content/documents/policy-guidance/fedreg</a> notice 2006-23 EO13892.pdf.

<sup>&</sup>lt;sup>15</sup> Buckley v. Valeo, 424 U.S. 1, 66 (1976).

<sup>&</sup>lt;sup>16</sup> Citizens United v. FEC, 558 U.S. 310, 370 (2010).

protect voters and our electoral system, such as FECA's ban on converting campaign funds to personal use,<sup>17</sup> as well as the prohibition of coordination between campaigns and outside spending groups—*e.g.*, super PACs and "dark money" 501(c)(4) groups—through common vendors or former employees.<sup>18</sup>

13. In MUR 4872 (Jenkins), the Commission conciliated knowing and willful violations of FECA's itemized disbursement disclosure requirement, resulting from a scheme in which candidate Louis E. "Woody" Jenkins and his campaign committee, Jenkins for Senate 1996, acknowledged making payments through the campaign's primary media vendor, Courtney Communications, to a different vendor, Impact Mail & Printing, which the campaign hired to perform computerized phone bank services—while disclosing only Courtney Communications as the recipient of these payments on its disclosure reports. 19

Jenkins admitted that he directed the payments to Impact Mail be made through Courtney Communications to avoid public disclosure of his campaign's association with Impact Mail, 20 which was connected to the well-known white supremacist David Duke. The Commission's conciliation agreement also noted that "Impact Mail was not an 'ultimate vendor' or sub vendor of Courtney Communications" because "Courtney had no involvement whatsoever with the services provided by Impact Mail[,]...[and, indeed,]

<sup>&</sup>lt;sup>17</sup> See 52 U.S.C. § 30114(b); 11 C.F.R. § 113.1(g).

<sup>&</sup>lt;sup>18</sup> See 11 C.F.R §§ 109.20, 109.21(d)(4), (5).

Conciliation Agreement ¶ V, MUR 4872 (Jenkins for Senate 1996, *et al.*) (Feb. 15, 2002), https://www.fec.gov/files/legal/murs/4872/0000016F.pdf.

<sup>&</sup>lt;sup>20</sup> *Id.* ¶ IV.7 ("Jenkins acknowledges that Impact Mail provided the services to the Jenkins Committee . . . [and that] Jenkins decided to make disbursements for the services through Courtney Communications because he did not want his campaign to be associated with Impact Mail and did not want Impact Mail listed on the Jenkins Committee's disclosure reports.").

- Courtney's only role in this matter was to serve as a conduit for payment to Impact Mail so as to conceal the transaction with Impact Mail."<sup>21</sup>
- 14. Similarly, in MUR 6800, the Commission found reason to believe the Ron Paul 2012

  Presidential Campaign Committee knowingly and willfully violated 52 U.S.C.

  §§ 30104(b)(5)(A) and 30118(a) based on a scheme in which the committee used a corporate intermediary to funnel payments to an Iowa state legislator, Kent Sorenson, for purported services Sorenson provided to the committee, concluding that the corporate intermediary—much like the conduit media vendor in MUR 4872—had been used purely as a conduit to conceal the true purpose and recipient of the committee's payments.<sup>22</sup>
- 15. The Commission has also conciliated violations when committees failed to provide complete and accurate descriptions of their expenditures. For example, in MURs 7291 and 7449, the FEC conciliated a \$105,000 civil penalty when a party committee paid a law firm for opposition research but labeled the payments as "legal and compliance consulting." In MUR 7293, likewise, a campaign used generic "consulting" labels to describe payments for items like "lodging" and "food & beverage," resulting in a

<sup>&</sup>lt;sup>21</sup> *Id.* ¶ IV.9.

Factual and Legal Analysis at 7-10, MUR 6800 (Ron Paul 20212 Presidential Campaign Committee, Inc.) (June 30, 2016), <a href="https://www.fec.gov/files/legal/murs/6800/6800">https://www.fec.gov/files/legal/murs/6800/6800</a> 18.pdf. Efforts to conceal the actual recipients of campaign spending have even resulted in criminal charges. In the Ron Paul case, where the committee was actually paying Sorenson for an endorsement, three Paul aides were convicted of falsifying FEC reports. Tal Kopan, \*Former Ron Paul Aide, Trump Super PAC Chief Convicted in Campaign Finance Trial, CNN (May 5, 2016), <a href="https://www.cnn.com/2016/05/05/politics/jesse-benton-rand-ron-paul-aide-convicted-trump-super-pac/index.html">https://www.cnn.com/2016/05/05/politics/jesse-benton-rand-ron-paul-aide-convicted-trump-super-pac/index.html</a>. When former Congressman George Santos's campaign committee reported a series of \$199.99 disbursements for goods and services that clearly cost far more than that amount, it turned out he had fabricated those transactions to hide his personal use of campaign funds; he eventually pled guilty to numerous felony charges including defrauding donors. \*CLC Files Complaint Alleging Rep. George Santos Violated Federal Campaign Finance Laws, CLC, <a href="https://campaignlegal.org/document/clc-files-complaint-alleging-rep-george-santos-violated-federal-campaign-finance-laws">https://campaignlegal.org/document/clc-files-complaint-alleging-rep-george-santos-violated-federal-campaign-finance-laws</a> (Jan. 9, 2023); Press Release, Former Congressman George Santos Pleads Guilty to Wire Fraud and Aggravated Identity Theft, Dep't of Justice, <a href="https://www.justice.gov/usao-edny/pr/former-congressman-george-santos-pleads-guilty-wire-fraud-and-aggravated-identity">https://www.justice.gov/usao-edny/pr/former-congressman-george-santos-pleads-guilty-wire-fraud-and-aggravated-identity</a> (Aug. 19, 2024).

<sup>&</sup>lt;sup>23</sup> Conciliation Agreement, MURs 7291 and 7449 (DNC Servs. Corp./DNC) (Feb. 22, 2022), https://www.fec.gov/files/legal/murs/7291/7291 53.pdf.

\$125,000 penalty.<sup>24</sup> These six-figure penalties are commensurate with the substantial harm inflicted on the public when a committee obscures the purpose of its expenditures.

### **CAUSE OF ACTION**

## COUNT I:

# HELLFIRE PAC VIOLATED 52 U.S.C. § 30104 BY MISREPORTING PAYMENTS TO WINRED

- 16. The available information indicates that Hellfire violated FECA by failing to properly report payments purportedly made to WinRed for processing online contributions.
- 17. Hellfire reported paying WinRed about \$1.8 million in "credit card merchant fees" during the 2024 election cycle, which is implausible for multiple reasons.
- 18. Based on WinRed's payment structure, and assuming that WinRed processed every contribution Hellfire received, the PAC would have owed WinRed no more than \$166,301.67 in processing fees during the 2024 election cycle. Since WinRed charges 3.94% of each contribution or 3.2% of high-dollar contributions greater than \$500,<sup>25</sup> and Hellfire reportedly raised \$4,220,854.52 from individual contributions, the PAC therefore should have paid WinRed no more than \$166,301.67 in fees. Instead, Hellfire reported paying WinRed \$1,862,727.12.<sup>26</sup>
- 19. These factual circumstances support finding reason to believe Hellfire has violated its reporting obligations under FECA: there is a glaring error in the Hellfire's reports, either with respect to the purpose for these payments—*i.e.*, that the PAC has concealed that it paid WinRed for a vast array of other services aside from payment processing—or the

<sup>&</sup>lt;sup>24</sup> Conciliation Agreement, MUR 7293 (Friends of David Schweikert) (Jan. 12, 2021), <a href="https://www.fec.gov/files/legal/murs/7923/7923">https://www.fec.gov/files/legal/murs/7923/7923</a> 27.pdf.

<sup>&</sup>lt;sup>25</sup> Pricing, *supra* note 5.

<sup>&</sup>lt;sup>26</sup> Disbursements.

https://www.fec.gov/data/disbursements/?data\_type=processed&committee\_id=C00807412&recipient\_name=WinR ed+Technical&two\_year\_transaction\_period=2024.

- actual recipients. This latter possibility is deeply concerning because it would indicate that the committee's reported payments to WinRed were, in fact, payments to other persons or companies that have remained concealed from public view.
- 20. It is possible that Hellfire was utilizing WinRed's Bill-Pay feature to facilitate payments to vendors, and if that is the case, it was legally required to have reported the true recipients and purposes of these funds—namely, the vendors actually providing the services and the nature of those services—rather than WinRed, which effectively served as a conduit or intermediary.<sup>27</sup>
- 21. In any event, Hellfire has not properly accounted for \$1.8 million in disbursements, a significant amount of money that represents over half of the PAC's total spending during the 2024 election cycle.<sup>28</sup>
- 22. The apparent payment scheme at issue is strikingly similar to the scheme in MUR 4872, in which a candidate directed his campaign to pay a vendor, Impact Mail, through another vendor, Courtney Communications, despite the fact that the latter was merely a conduit for the payments to Impact Mail and played no role in providing the services for which the payments were made. In conciliating knowing and willful violations of FECA, the candidate admitted that this payment scheme was intended to avoid disclosing Impact Mail as a vendor on his campaign's disclosure reports, thus undermining the very transparency and accountability that FECA upholds by requiring the itemized disclosure of committee disbursements.

<sup>&</sup>lt;sup>27</sup> *Pricing*, *supra* note 5.

<sup>&</sup>lt;sup>28</sup> Financial Summary, Hellfire PAC, <a href="https://www.fec.gov/data/committee/C00807412/">https://www.fec.gov/data/committee/C00807412/</a>.

- 23. In MUR 4872, the Commission noted that Impact Mail was *not* an "ultimate" vendor or subvendor for Courtney; instead, Courtney's only role was to serve as a conduit to conceal the campaign's payments to impact Mail.
- 24. The payment scheme at issue here is also similar to the scheme in MUR 6800, which involved the use of a corporate intermediary to transmit payments from a campaign committee to a purported vendor, with the conduit's purpose being to conceal from public view the fact that the campaign was making such payments.<sup>29</sup>
- 25. The FEC must investigate how Hellfire *actually* spent its campaign funds, because voters have a right to know how candidates and campaigns spend their money, and the FEC is entitled to the information it needs to ensure that they are abiding by all relevant laws.
- 26. Accordingly, based on the information herein, there is reason to believe that Hellfire violated its reporting obligations under 52 U.S.C. § 30104.

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<sup>&</sup>lt;sup>29</sup> Factual and Legal Analysis at 7–10, MUR 6800 (Ron Paul 2012 Presidential Campaign Committee, Inc.), https://www.fec.gov/files/legal/murs/6800/6800 18.pdf.

### PRAYER FOR RELIEF

- Wherefore, the Commission should find reason to believe that Hellfire PAC violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
- 28. 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 Saurav Ghosh, Esq. 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, Sophia Gonsalves-Brown

August 5, 2025

/s/ Sophia Gonsalves-Brown Sophia Gonsalves-Brown 1101 14th Street NW, Suite 400 Washington, DC 20005 (202) 736-2200

### 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 Elizabeth Gonsalves-Brown

Sophia Gonsalves-Brown

Sworn to and subscribed before me this 5th day of August 2025.

Notary Public

Bruce Edward Denny

ID NUMBER
134256534
COMMISSION EXPIRES
March 16, 2027

Electronically signed and notarized online using the Proof platform.

### 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.

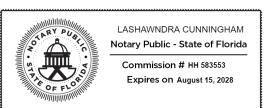
For Complainant Campaign Legal Center

Saurav Ghosh

Saurav Ghosh, Esq.

Sworn to and subscribed before me this \_5th day of August 2025.

Lashawndra Cunningham
Notary Public



State of Florida

County of Seminole

Sworn to (or affirmed) and subscribed before me by means of online notarization, this 08/05/2025 by Saurav Ghosh.

\_\_\_ Personally Known OR \_\_\_**P**roduced Identification

Type of Identification Produced \_\_\_DRIVER LICENSE