

Dear Elections Commission,

Respectfully request that you investigate what appear to be illegal transfers of funds from Economic Freedom Foundation (EFF), a Florida Political Committee and Free Enterprise Fund (FEF), a Florida Political Committee, to North Florida Neighbors (NFN), a Federal PAC.

As a result of these transfers, one candidate in the 2016 Florida District 1 U.S. House Republican primary election, Matt Gaetz, gained a significant financial advantage over other candidates. This greatly improved Mr. Gaetz' ability to get his campaign message out compared to other candidates.

As a result, information dissemination to voters was skewed, which impacted their ability to make an informed choice at the polls. At the end of the day, the transfer of almost \$400K from State PACs to a Federal PAC afforded Mr. Gaetz an edge that shortchanged voters, vis a vis their ability to objectively evaluate candidates. This is not how a fair and democratic election is supposed to work.

Based on a prior warning from Florida's Division of Elections, I believe the transfers violate Florida election laws. Moreover, due to the fact that all 3 PACs list the same person as Treasurer at some point; and that two of the transfers were made after the State organizations dissolved; it appears that there was a coordinated effort to get around Florida Elections law; as outlined in a Division of Elections warning letter detailed below; which suggests a deliberate, intentional pattern of conspiracy and contempt for the law.

Personnel Background

- **Rep. Matthew (Matt) Louis Gaetz** - As of this date and during the referenced events, Matt Gaetz is a State Representative, representing the 4th District and a practicing attorney.
- **Abby Dupree** – Treasurer of record for EFF, FEF and NFN. Ms. Dupree is a CPA and managing partner for Carroll and Company, CPAs. Her company's website (ccrcpa.com) represents that she has *"Extensive experience in campaign finance compliance reporting with the State of Florida Division of Elections and the Federal Elections Commission."*
- **Noreen Fenner** - Ms. Fenner is a professional treasurer for who works for PAC Financial Management. Her company's website represents that *"Noreen has more than 25 years of experience working with the Florida Elections Code and campaign finance reporting."* She has previously appeared on correspondence to the Division of Elections as Legal Assistant for Emmett (Bucky) Mitchell, IV.
- **Amanda Clark** – Chair of record for EFF and FEF. Ms. Clark is the wife of Chris Clark. Mr. Clark has served in a number of capacities for Rep. Gaetz's father, Sen. Don Gaetz, including Chief of Staff and campaign chair.
- **Emmett (Bucky) Mitchell, IV** - A partner with the Coates Law Firm and attorney of record for Economic Freedom Foundation and Free Enterprise Fund.

- **Economic Freedom Foundation (EFF)** - A Florida Political Committee formed in August of 2013 under Ch. 106 FS and registered with the Florida Division of Elections. When the committee was formed, its chairman was Matt Gaetz and its Treasurer was Abby Dupree.
- **Free Enterprise Fund (FEF)** - A Florida Political Committee formed in August of 2013 under Ch. 106 FS and registered with the Florida Division of Elections. When the committee was formed, its chairman was Matt Gaetz and its Treasurer was Abby Dupree.
- **North Florida Neighbors (NFN)** - A Federal Political Action Committee that was formed in July 2015 and is registered with the Federal Elections Commission. NFN has a website that states that its purpose is to support the campaign of Matt Gaetz for United States Representative. Its Treasurer Is Abby Dupree.

Legal Background

According to the “2016 Political Committees Handbook” (the Handbook) published by the Florida Division of Elections, “A Florida political committee must use its funds solely for Florida political activities.” (item 16, page 47).

Item 16 specifically notes that “A contribution to an out-of-state political entity, to a federal PAC, to a candidate for federal office (even one running for a federal office from Florida) does not fall within the applicable definitions of “election” or “public office.”” (106.011(5), (7), & (17), 106.03, 106.05, 106.07, 106.11, F.S.).

Furthermore, a number of activities are specifically enumerated as being in violation of Ch. 106. From the Handbook:

Violations

Any candidate, campaign manager, campaign treasurer, or deputy treasurer of any candidate, agent or person acting on behalf of any candidate, or other person who knowingly and willfully:

- 1. Accepts a contribution in excess of the limits prescribed by Section 106.08, F.S.;*
- 2. Fails to report any contribution required to be reported by Chapter 106, F.S.;*
- 3. Falsely reports or deliberately fails to include any information required by Chapter 106, F.S.; or*
- 4. Makes or authorizes any expenditure in violation of Section 106.11(4), F.S., or any other expenditure prohibited by Chapter 106, F.S.;*

is guilty of a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, F.S.

(Section 106.19, F.S.)

Section 527 organization - A 527 organization or 527 group is a type of U.S. tax-exempt organization organized under Section 527 of the U.S. Internal Revenue Code (26 U.S.C. § 527). A 527 group is created primarily to influence the selection, nomination, election, appointment or defeat of candidates to **federal, state or local public office.**

Events

1. Florida Division of Elections (the Division) records indicate that Free Enterprise Fund (FEF) was formed August 30, 2013 - Matt Gaetz, Chairman and Abby Dupree, Treasurer.
2. Florida Division of Elections (the Division) records indicate that Economic Freedom Foundation (EFF) was formed August 30, 2013 - Matt Gaetz, Chairman and Abby Dupree, Treasurer.
3. Florida Division of Elections (the Division) records indicate that Abby Dupree resigned from EFF (State PAC) on July 16, 2015.
4. Eleven days later, Federal Elections Commission records indicate the formation of NFN (Federal PAC) on July 27, 2015, with Abby Dupree named Treasurer.
5. According to the August 2015 expenditures report (2015 M8) submitted by EFF (State PAC) to the Florida Division of Elections (the Division); EFF (State PAC) on August 12, 2015 issued a check to NFN (Federal PAC) in the amount of \$10,000.
6. On November 2, 2015, Kristi Reid Bronson, Bureau Chief of the Florida Division of Elections sent an audit letter to EFF (State PAC) notifying them that the expenditure was in violation of Ch. 106 F.S.
7. On November 12, 2015, in response to Bronson's letter, EFF (State PAC) notified the Division through their attorney, Emmett (Bucky) Mitchell, that the committee had been "unable to obtain a refund of the \$10,000 expenditure(s) that generated the Division's compliance report" and advised the Division that "the committee will not make this type of expenditure again."
8. On November 2, 2015, the date that the Division notified EFF (State PAC) that the expenditure was improper, NFN (Federal PAC) appears to have had \$21,000 in the bank, including the \$10,000 contributed by EFF, but failed to return the contribution in question.
9. On March 18, 2016, Matt Gaetz resigned as Chairman of both EFF and FEF (State PACs) and appointed Amanda Clark to Chair both committees.
10. On May 19, 2016 the statements of organization for both EFF and FEF (State PACs) were amended to say that on dissolution of the organizations, any remaining funds will be disposed of by contributing them to "other section 527 organizations."
11. On May 26, 2016, both EFF and FEF (State PACs) filed for termination.
12. On May 26, 2016, according to the Division of Elections database of contributions and expenditures, FEF (State PAC) had taken in \$91,500.20 but had only spent \$80,193.60. This left a balance of \$11,306.60.
13. On June 20, NFN (Federal PAC) recorded a contribution from FEF (State PAC) for \$11,306.60.

14. On May 26, 2016, according to the Division of Elections database of contributions and expenditures, EFF (State PAC) had taken in \$810,699.77 but had only spent \$441,691.52. This left a balance of \$369,008.25.
15. On June 20, NFN (Federal PAC) recorded a contribution from EFF (State PAC) for \$369,008.25.
16. These contributions to NFN (Federal PAC) do not appear on any report with the Florida Division of Elections, as of the time I inquired with DoE, as expenditures from EFF or FEF (State PACs), as required by Ch. 106.07(1) which states:

*“Each campaign treasurer designated by a candidate or political committee pursuant to s. [106.021](#) shall file **regular reports** of all contributions received, and all expenditures made, by or on behalf of such candidate or political committee.”*

Chapter 106 defines an expenditure as follows:

106.011(10)(a) *“Expenditure” means a purchase, payment, distribution, loan, advance, transfer of funds by a campaign treasurer or deputy campaign treasurer between a primary depository and a separate interest-bearing account or certificate of deposit, or gift of money or anything of value made for the purpose of influencing the results of an election or making an electioneering communication.*

Concerns

The sequence of events raises a number of concerns that would appear to warrant a full investigation:

- A. Did EFF (State PAC) and FEF (State PAC) make further expenditures to a Federal PAC whose stated purpose is affecting elections that are not included in the definition of a Florida Election under 106.011(7) (see attachment) in violation of Florida law; even after being warned by DoE?
- B. Were professional staff and chairpersons of the both the state and federal PAC’s aware that the expenditures violated Florida law? They were surely aware of the prior warning issued by the Division specifically about these types of expenditures.
- C. EFF assured the Division that they would not make these types of expenditures in the future. Yet they appear to have done exactly that again. What happened?
- D. Did EFF and FEF (State PACs) revise their statements of organization using deliberately equivocated language to mislead the Division of Elections into believing that they would be disposing of residual funds by sending them to state registered 527 (PAC) organizations (legal), when they intended all along to send them to a federal 527 (PAC) organization (illegal) in violation of Ch. 106 FS?
- E. The expenditure made by EFF (State PAC) on August 12, 2015 was made in violation of 106.19(d) as noted by the Division of Elections in correspondence to EFF on November 2, 2015. Did expenditures made by both EFF and FEF (State PACs) on June 20, 2016 also violate the same law?
- F. Did PAC officials and/or Representative Matt Gaetz, who benefitted from the transaction, conspire to conceal the fact that the expenditures made by EFF and FEF (State PACs) were being made in defiance of a warning already issued by the Division of Elections?

- G. The claim that EFF (State PAC) was “unable to obtain a refund from NFN (Federal PAC)” is rather suspect as it implies that a request was made to return the funds. According to the annual report filed by NFN with the Federal Elections Commission, NFN’s receipts for the month of August were \$20,000 but the expenses for all of 2015 were only \$3,896.16. **This suggests that on the date the letter was issued, there was more than sufficient money on hand for NFN to issue a refund. Did they simply choose not to?**
- H. Matt Gaetz and Amanda Clark have ties through Matt Gaetz’s father who employed Amanda’s husband, Chris Clark. Did that impact the final disposition of state PAC funds? Matt Gaetz formed the two State committees, as chairman; and even after he left the chairmanship, his successor and close family associate made additional expenditures, at least one of which violated Ch. 106, to the committee that not only stated that they support Matt Gaetz’s candidacy for federal office, but that also, as of August 8, 2016 had spent over \$400,000 in support of his candidacy for federal office. Is that more than coincidence?

Thank you,

Deborah Nelson