

FEDERAL ELECTION COMMISSION

In the matter of: Republican National Committee MUR __
 Sarah Palin
 Jeff Larson
 Lisa Kine
 McIntosh Company

COMPLAINT

1. Citizens for Responsibility and Ethics in Washington ("CREW") brings this complaint before the Federal Election Commission ("FEC") seeking an immediate investigation and enforcement action against the Republican National Committee ("RNC"), Sarah Palin, Jeff Larson and Lisa Kine for direct and serious violations of the Federal Election Campaign Act ("FECA").

Complainants

2. Complainant CREW is a non-profit corporation, organized under section 501(c)(3) of the Internal Revenue Code. CREW is committed to protecting the right of citizens to be informed about the activities of government officials and to ensuring the integrity of government officials. CREW is dedicated to empowering citizens to have an influential voice in government decisions and in the governmental decision-making process. CREW uses a combination of research, litigation, and advocacy to advance its mission.

3. In furtherance of its mission, CREW seeks to expose unethical and illegal conduct of those involved in government. One way CREW does this is by educating citizens regarding the integrity of the electoral process and our system of government. Toward this end, CREW monitors the campaign finance activities of those who run for federal office and publicizes those who violate federal campaign finance laws. Through its website, press releases and other methods of distribution, CREW also files complaints with the FEC when it

discovers violations of the FECA. Publicizing campaign finance violators and filing complaints with the FEC serves CREW's mission of keeping the public informed about individuals and entities who violate campaign finance laws and deterring future violations of campaign finance law.

4. In order to assess whether an individual, candidate, political committee or other regulated entity is complying with federal campaign finance law, CREW needs the information contained in receipts and disbursements reports that political committees must file pursuant to the FECA, 2 U.S.C. § 434(a)(2); 11 C.F.R. § 104.1. CREW is hindered in its programmatic activity when an individual, candidate, political committee or other regulated entity fails to disclose campaign finance information in reports of receipts and disbursements required by the FECA.

5. CREW relies on the FEC's proper administration of the FECA's reporting requirements because the FECA-mandated reports of receipts and disbursements are the only source of information CREW can use to determine if a candidate, political committee or other regulated entity is complying with the FECA. The proper administration of the FECA's reporting requirements includes mandating that all reports of receipts and disbursements required by the FECA are properly and timely filed with the FEC. CREW is hindered in its programmatic activity when the FEC fails to properly administer the FECA's reporting requirements.

6. Complainant Melanie Sloan is the executive director of Citizens for Responsibility and Ethics in Washington, a citizen of the United States and a registered voter and resident of the District of Columbia. As a registered voter, Ms. Sloan is entitled to receive information contained in reports of receipts and disbursements required by the FECA, 2 U.S.C.

§ 434(a)(2); 11 C.F.R. § 104.1. Ms. Sloan is harmed when a candidate, political committee or other regulated entity fails to report campaign finance activity as required by the FECA. See FEC v. Akins, 524 U.S. 11, 19 (1998), quoting Buckley v. Valeo, 424 U.S. 1, 66-67 (1976) (political committees must disclose contributors and disbursements to help voters understand who provides which candidates with financial support). Ms. Sloan is further harmed when the FEC fails to properly administer the FECA's reporting requirements, limiting their ability to review campaign finance information.

Respondents

7. The Republican National Committee (“RNC”) is a national committee as defined by FECA, 2 U.S.C. § 431(14) and, as such is subject to the jurisdiction of the FEC.

8. Sarah Palin is the Republican Party candidate for Vice President of the United States and, as such, is a candidate for Federal office, 2 U.S.C. § 431(2)&(3), subject to the jurisdiction of the FEC.

9. Jeff Larson, on information and belief, is an agent of the RNC.

10. Lisa Kine, on information and belief, is an agent of the RNC.

11. The McIntosh Company, on information and belief, is an agent of the RNC.

Factual Allegations

12. Since Governor Sarah Palin was picked to be the Republican vice presidential nominee, the Republican National Committee has spent over \$150,000 on clothing and accessories for Governor Palin and her family. Jeanne Cummings, RNC Shells Out \$150K for Palin Fashion, *Politico*, October 22, 2008 (attached as Exhibit 1). According to financial disclosure records, the RNC spent \$49,425.74 at Saks Fifth Avenue, and \$75,062.63 at Neiman

Marcus. Republican National Committee, Schedule F: Itemized Contributions and Expenditures, Made by Political Party Committees and Designated Agents on Behalf of Candidates for Federal Office, filed October 20, 2008 (attached, along with CREW created chart, as Exhibit 2). In addition, the RNC made purchases from Bloomingdale's for \$5,102.71, at Macy's for \$9,447.71, at the men's clothing store Atelier for \$4,902.45, and at Barney's for \$789.72. *Id.*

13. After news of the RNC's purchases for the Palin family broke, a spokesperson for the RNC said that "it was always the intent that the clothing go to a charitable purpose after the campaign." Cummings, *Politico*, Oct. 22, 2008.

COUNT I

14. FECA specifically prohibits a candidate for federal office from using campaign funds to purchase personal clothing for the candidate, her family members or any other person. The Act states that "a contribution or donation . . . shall not be converted by any person to personal use." 2 U.S.C. 439a(b)(1). The Act further specifies that "a contribution or donation shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal office, including . . . a clothing purchase." 2 U.S.C. 439a(b)(2)(B). FEC regulations implementing the prohibition on converting campaign funds to personal use make it clear that the prohibition applies to the type of clothing purchased by the RNC for vice presidential nominee Sarah Palin, her family members and others. The regulations specify that the personal use prohibition applies to

"Clothing, other than items of de minimis value that are used in the campaign, such as campaign 'T-shirts' or caps with campaign slogans." 11 C.F.R. 113.1(g)(1)(i)(C).

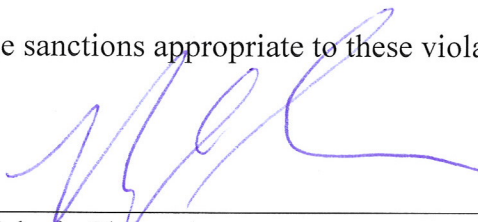
15. The RNC has already conceded that the funds used to purchase the clothing for the candidate, her family and others were campaign funds. In response to initial press inquiries regarding the expenditures, RNC spokeswoman Tracey Schmitt said, "It was always the intent that the clothing go to a charitable purpose after the campaign." See Exhibit 1. The FEC personal use regulations provide that "Donations of campaign funds or assets to [a 501(c)(3) organization] are not for personal use, unless the candidate receives compensation from the organization before the organization has expended the entire amount donated for purposes unrelated to his or her personal benefit." 11 C.F.R. 113.1(g)(2). It is not at all clear that this exception applies to donations by the RNC of clothing given to the candidate, her family members and others. At best, it would appear to apply to donations of clothing by the candidate. In either event, neither the RNC nor the candidate may invoke this exception without conceding that campaign funds were used to purchase the clothing for the candidate, her family members and others.

16. By using campaign funds to purchase clothing for the candidate, her family members and others, both the RNC and Ms. Palin violated 2 U.S.C. 439a(b)(2)(B) and 11 C.F.R. 113.1(g)(1)(i)(C).

Conclusion

WHEREFORE, Citizens for Responsibility and Ethics in Washington and Melanie Sloan request that the Federal Election Commission conduct an investigation into these

allegations, declare the respondents to have violated the Federal Election Campaign Act and applicable FEC regulations, and impose sanctions appropriate to these violations.

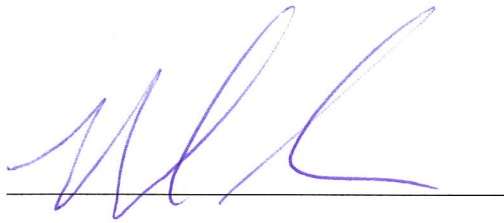


Melanie Sloan
Executive Director
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Verification

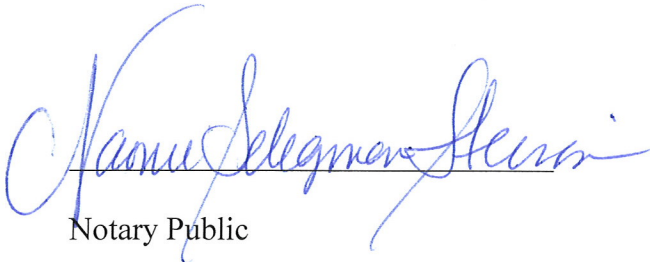
Citizens for Responsibility and Ethics in Washington and Melanie Sloan hereby verify that the statements made in the attached Complaint are, upon information and belief, true.

Sworn pursuant to 18 U.S.C. § 1001.



Melanie Sloan

Sworn to and subscribed before me this 23rd day of October, 2008.



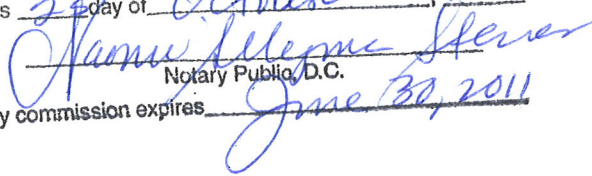
Notary Public

NAOMI SELIGMAN STEINER
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires June 30, 2011

District of Columbia: SS

Subscribed and sworn to before me, in my presence,

this 23rd day of October



Notary Public, D.C.

My commission expires June 30, 2011