



PO 9576  
Washington, DC 20016  
August 23, 2010

Thomasenia P. Duncan  
Federal Elections Commission  
Office of General Counsel  
999 E St., N.W.  
Washington, D.C. 20463

**Re: Request for Advisory Opinion: The "Shadow RNC" Should Be Bound By The Same Regulations As The RNC**

Dear Ms. Duncan:

I am the attorney for Protect Our Elections, a national non-profit organization dedicated to fair elections. I am writing today, pursuant to FEC regulations, to request an Advisory Opinion regarding a matter of importance affecting our constituency and all Americans. I ask that you expedite this request due to its nature and the potential effect on the mid-term elections.

Specifically, we want to know whether the newly formed 527 organization called American Crossroads (AC) and its 501(c)(4) counterpart, American Crossroads GPS (ACGPS), ubiquitously referred to as the "shadow RNC," are bound by the same FEC regulations as is the Republican National Committee (RNC).

In short, the AC/ACGPS is portraying itself as a "shadow RNC," performing the same functions as the RNC and therefore should comply with the same regulations that govern the RNC.

I will make my case based on information in the public domain.

**Michael Steele And The RNC**

On November 24, 2008 Michael Steele was elected to head the RNC after a divisive six rounds of voting. One of the losing candidates was former RNC Chair Michael Duncan. Opposition to Mr. Steele did not diminish with the election, and he has been the subject of repeated attacks by key GOP leaders ever since.

Just this week, GOP strategist Ed Rollins called Michael Steele a "disaster" who "has failed miserably in the things you're supposed to do [as Chair of the RNC] -- raise money and basically go out and articulate the message." Despite that, he concluded: "In 11 weeks from now, what he says or does in the next 11 weeks is not going to matter," said Rollins. "What's going to matter is Ed Gillespie, Haley Barbour, others

who've picked up the mantle and are raising the resources that we need." See Else Seigel, "Ed Rollins, GOP Strategist, Calls Michael Steele 'A Disaster,'" *Huffington Post*, August 16, 2010, [http://www.huffingtonpost.com/2010/08/16/ed-rollins-gop-strategist\\_n\\_683102.html](http://www.huffingtonpost.com/2010/08/16/ed-rollins-gop-strategist_n_683102.html) "The reason Rollins says it will not matter is because of the so-called 'shadow RNC' formed by former Bush political adviser Karl Rove and former RNC Chairman Ed Gillespie, [] has effectively undermined Steele's position, rendering him nothing more than a figurehead." See Stephen Webster, "GOP strategist: RNC Chairman Michael Steele has 'failed miserably,'" *RAW Story*, August 15, 2010, <http://rawstory.com/rs/2010/0815/gop-strategist-rnc-chairman-steele-obviously-disaster/>

### **Creating A Shadow RNC**

Shortly after the election of Mr. Steele to head the RNC, Karl Rove and Ed Gillespie, in consultation with other key GOP leaders, decided that they needed to create a "shadow RNC" to sideline Mr. Steele and perform the same functions as the RNC: raise funds, spread the GOP message, target opponents, and get out the vote (GOTV). In the spring of 2010, they announced that the de facto RNC would be called American Crossroads, organized as a 527 political action committee. See Tim, Dickinson, "Rove Rides Again: Bush's former strategist is secretly seizing control of the GOP – and amassing \$135 million to destroy the Democrats," *Rolling Stone*, May 12, 2010, [http://www.rollingstone.com/politics/news/12697/64984?RS\\_show\\_page=0](http://www.rollingstone.com/politics/news/12697/64984?RS_show_page=0). In June, they added a sister organization, American Crossroads GPS, 501(c)(4) organization in order to raise funds that would not have to be disclosed and to elect Republicans. See Kenneth P. Vogel, "Rove-linked group uses secret donors to fund attacks," *Politico*, July 20, 2010, <http://dyn.politico.com/printstory.cfm?uuid=F270355A-18FE-70B2-A8218F1828357F70>.

"By building a war chest of unregulated campaign cash, Rove would be able to wage the midterm elections on his own terms: electing candidates loyal to the GOP's wealthiest donors and corporate patrons. With the media's attention diverted by the noisy revolt being waged by the Tea Party, the man known as 'Bush's brain' was staging a stealthier but no less significant coup of the Republican Party." See Alex Seitz-Wald, "Rove Admits His 'Shadow RNC' Attack Group Functions Largely Because Of The Citizens United Decision," *Think Progress*, July 6, 2010, <http://thinkprogress.org/2010/07/06/rove-citizens-united-crossroads>.

AC/ACGPS is staffed/controlled by people who formerly worked for the RNC, including former RNC Chairs, Ed Gillespie, Michael Duncan and former RNC Communications Director Jim Dyke.

## **The Role Of AC/ACGPS: To Stand In Place Of The RNC**

AC/ACGPS has stated publicly that it plans to raise at least \$52 million to support the GOP in the midterm elections. See Greg Goodsell, "American Crossroads Group, Organized under Sec. 527, Raises Millions," *Catholic Online* July 29, 2010, <http://www.catholic.org/politics/story.php?id=37153>.

Last week, it announced that it will release a "GOP platform" on which Republicans can run in November. See Alex Seitz-Wald, "'Shadow RNC' Unveils Obstructionist GOP Agenda Proposal: 'Stop,' 'End,' And 'Block' Progressive Policy," *Think Progress*, August 17, 2010, [http://thinkprogress.org/2010/08/17/american-crossroads-agenda/?utm\\_source=web&utm\\_medium=twitter](http://thinkprogress.org/2010/08/17/american-crossroads-agenda/?utm_source=web&utm_medium=twitter).

It has picked "up some of the pricey administrative tasks that the RNC has usually taken on, including building a database that allows them to microtarget voters in certain congressional districts with outreach specific to their interests." See Holly Bailey, "A guide to the 'shadow GOP': the groups that may define the 2010 and 2012 elections," *Upshot*, August 5, 2010, [http://news.yahoo.com/s/yblog\\_upshot/20100805/el\\_yblog\\_upshot/a-citizens-guide-to-the-shadow-gop](http://news.yahoo.com/s/yblog_upshot/20100805/el_yblog_upshot/a-citizens-guide-to-the-shadow-gop).

It has issued a "concept paper" that mirrors work normally performed by the RNC. American Crossroads, Grass Roots Political Strategy, [http://www.politico.com/static/PPM169\\_crossroadsgpsconceptpaper.html](http://www.politico.com/static/PPM169_crossroadsgpsconceptpaper.html)

It "is currently hiring operatives with state-specific campaign knowledge to bolster the operation." See Chris Cillizza, "Republicans plan \$50 million independent effort in 2010," *Washington Post*, August 2010, <http://voices.washingtonpost.com/thefix/morning-fix/20100405-tea-party-poll.html>.

It is spending millions on ads in key House and Senate races. See Chris Cillizza, "American Crossroads launches ads in Colorado, Ohio Senate races," *Washington Post*, August 2010," <http://voices.washingtonpost.com/thefix/morning-fix/-1-2-3-the.html>.

## **The De Facto Shadow RNC Should be Subject To The Same Regulations As The RNC**

The RNC is subject to a variety of laws, rules and regulations, including the reporting of donations and expenditures, limits on donations, and other disclosure provisions. See e.g., Contribution Limits, FEC, <http://www.fec.gov/info/contriblimits0910.pdf>.

Protect Our Elections is seeking an Advisory Opinion from the FEC finding that AC/ACGPS, the "shadow RNC," which some have called a "a coup of the Republican

Party,” created by several former RNC executives and doing the same work as the RNC, is subject to the same rules that govern the RNC.

There are many examples in law where a private company that performs duties of a regulated entity is bound by those regulations. For example, private prisons, military contractors and other outsourced government activities.

We believe that the same rationale must be applied to AC/ACGPS or regulations controlling donations to political parties will be easily evaded and undermined. In fact, it appears that AC/ACGPS’s goal is to take over all the important functions of the RNC in order to be able to act without regulation while leaving the RNC neutered and irrelevant. *See* Alex Seitz-Wald, “Rove Admits His ‘Shadow RNC’ Attack Group Functions Largely Because Of The Citizens United Decision,” *Think Progress*, July 6, 2010, <http://thinkprogress.org/2010/07/06/rove-citizens-united-crossroads>.

### **Conclusion**

We urge the FEC to issue an advisory opinion finding that AC/ACGPS is bound by the same legal regulations as is the RNC and any other findings deemed appropriate.

Sincerely,



Kevin Zeese  
Attorney at Law  
301-996-6582