



“Can I Count on You?”

How the Presidential Coalition Has Capitalized on its
Leader’s Ties to the President and Misled Donors

MAY 2019



Campaign Legal Center (“CLC”) is a nonpartisan, nonprofit organization based in Washington, D.C. Through litigation, policy analysis, and public education, CLC works to protect and strengthen the U.S. democratic process across all levels of government. CLC is adamantly nonpartisan, holding candidates and government officials accountable regardless of political affiliation.

CLC was founded in 2002 and is a recipient of the prestigious MacArthur Award for Creative and Effective Institutions. Our work today is more critical than ever as we fight the current threats to our democracy in the areas of campaign finance, voting rights, redistricting, and ethics. Learn more at campaignlegal.org.

ACKNOWLEDGMENTS

Maggie Christ and Brendan Fischer authored this report. This report is the product of a months-long collaboration between CLC and *Axios*.

We are also grateful to the Center for Responsive Politics for providing bulk data for this project and to Adav Noti, David Kolker, and other CLC staff for their feedback.

EXECUTIVE SUMMARY

This CLC report, researched and produced in collaboration with *Axios*, shows:

- ▶ A group called the Presidential Coalition is raising money by capitalizing on former Trump deputy campaign manager David Bossie's connection to the President—and those appeals have paid off, with the group's fundraising surging after President Trump's election.
- ▶ The Presidential Coalition is collecting most of its funds from small-dollar and elderly donors, and despite claiming that it will support Trump-aligned conservative candidates with the funds raised, the vast majority of its spending is diverted towards more fundraising and administrative costs, some of which personally benefit Bossie.
- ▶ **Bottom line: vulnerable voters are getting misled, and limited financial resources are being diverted away from more effective political organizations—or from President Trump's own campaign.**

After Donald Trump was elected in 2016, his Deputy Campaign Manager, David Bossie, urged the President's base to support an organization called the Presidential Coalition, purportedly to support state and local candidates in furtherance of the Trump agenda. The Presidential Coalition had existed since 2005, but the 2016 election marked a turning point for the group.

Using fundraising appeals that capitalized on Bossie's ties to President Trump, and drawing the majority of its donations from small-dollar and elderly donors, the Presidential Coalition achieved a fundraising explosion after President Trump's upset victory in November 2016 — going from **under \$1 million in 2016, to a six-year peak of \$5 million in 2017, and skyrocketing to \$13 million in 2018**. The Presidential Coalition raised more in 2017 and 2018 than it did in the previous six years combined.

Yet despite Presidential Coalition telling supporters in fundraising appeals that it needed money to “grow the Republican ‘farm team’ to support President Trump's conservative agenda,” and to “train and prepare conservative candidates to run and win in local elections,” the group devoted only a very small proportion of its post-2016 spending to directly supporting candidates through contributions, independent expenditures, or other activities: **a mere 3% (\$425,442) of the group's reported spending went to direct political activity in 2017 and 2018**, according to our analysis.¹

Instead, the group has spent most of the funds raised on more fundraising, largely direct mail marketing and telemarketing. And **\$659,493** went to two affiliated organizations also run by Bossie, Citizens United and Citizens United Foundation. Those payments included a salary for Bossie himself.

The gap between what the Presidential Coalition claims to be raising money for and what it is actually spending it on is notable on its own. But the composition of the Presidential Coalition's donor pool makes these activities even more concerning.

According to the Presidential Coalition's reports on file with the IRS, approximately **two-thirds of its contributions in 2017 and 2018 came from donors giving less than \$200 in a single year**—and evidence suggests that older and retired individuals make up a sizeable portion of the Presidential Coalition's fundraising base. Specifically:

- ▶ of the larger, itemized donations where an occupation was reported, the majority came from retired individuals;
- ▶ the Presidential Coalition raises funds using a telemarketing firm that former employees have accused of targeting the elderly; and
- ▶ the Presidential Coalition's Facebook ads, which link to fundraising appeals or help build the group's fundraising list, are almost entirely targeted to users over the age of 65.

Seniors are particularly vulnerable to misleading fundraising appeals, and donors of average means may not have the resources or connections to ensure that their donations are being used effectively.

Small-dollar donors engaging with the political process by giving to support candidates and causes they believe in should be celebrated. But because small-dollar donors often lack the resources and connections to ensure their funds are used effectively, groups that do raise most of their money from such donors by promising political results should be held to high standards to deliver on those promises.

Not only do these dubious practices mislead and potentially even prey upon vulnerable populations, but they also drain resources away from more effective political groups. Seniors on fixed incomes who give to the Presidential Coalition, for example, have less to give to President Trump's campaign, or to a cash-strapped candidate running for local office, or to an organization engaged in the challenging work of grassroots mobilization.

Targeting President Trump's supporters with promises of "grow[ing] the Republican farm team" while capitalizing on connections to the President may be an effective way of increasing a group's fundraising more than tenfold in just two years, but serious questions are raised when the funds come largely from low-dollar and older voters and only a trifling proportion goes toward the stated purposes.

Unfortunately, these practices are not unique to the Presidential Coalition: there is a cottage industry of groups targeting vulnerable communities with self-serving borderline scams. What sets the Presidential Coalition apart is that it is explicitly—and successfully—capitalizing on Bossie's connection with the President of the United States.

TABLE OF CONTENTS

- 06 What is the Presidential Coalition?
- 07 Fundraising Appeals and Contribution Activity
- 11 Spending Activity
- 16 Conclusion & Solutions

WHAT IS THE PRESIDENTIAL COALITION?

Presidential Coalition Founder and President David Bossie started the Presidential Coalition in 2005, and it is an “affiliate” of Citizens United, which Bossie also runs.² According to its website, “Since 2005, The Presidential Coalition has been dedicated to identifying and supporting conservative candidates running for office at the state and local levels of government.”³ From 2011 through 2016, the Presidential Coalition’s fundraising had been consistently declining, according to its form 990s on file with the IRS, and did not even reach \$1 million in 2016.

That dramatically changed after the 2016 election, after which Bossie, who had served as Trump’s deputy campaign manager, urged the President’s base to support the Presidential Coalition—purportedly to support state and local candidates and “grow the Republican ‘farm team’ to support President Trump’s conservative agenda in ways big and small,” according to its fundraising appeals.

The Presidential Coalition is registered with the IRS as a so-called “527” political organization, which refers to the section of the tax code that governs it (26 U.S.C. 527). A 527 is an organization whose primary purpose is to influence elections at the federal, state, or local level,⁴ and can legally make direct contributions to, and unlimited expenditures in support of, candidates. These committees file regular reports of contributions and expenditures with the IRS.

FUNDRAISING APPEALS & CONTRIBUTION ACTIVITY

► Who is giving to the Presidential Coalition?


The Presidential Coalition has collected most of its funds from small-dollar and retired donors.

The Presidential Coalition's IRS reports show that approximately two-thirds of its donations in 2017 and 2018—**\$12.2 million out of the \$18.5 million raised**—came from small-dollar donors giving under \$200 in a single year. The characteristics of these small donors are not known because, like the FEC, the IRS only requires 527s to provide names, addresses, and employment information for donors who give more than \$200 in a year.

Details about those itemized donors who did give over \$200, however, offer a fuller view of the sources of Presidential Coalition's support. Of those 2017-2018 donors who gave over \$200 in a year and who reported an occupation, the majority identified themselves as retired. (Moreover, many of those itemized donors were still giving relatively small amounts: the average itemized donation in 2017 and 2018 was \$225.)

Other available evidence further suggests that older voters are particularly likely to donate to the Presidential Coalition.

According to Facebook's political ad archive, most of Presidential Coalition's Facebook ads are overwhelmingly targeted to, and viewed by, Facebook users 65 and older. For example, 70% of the 10,000 to 50,000 people who viewed this Presidential Coalition ad in November 2018 were 65 or older:⁵




The Presidential Coalition
Sponsored • Paid for by The Presidential Coalition

It's more important than ever for us to support our President's agenda.

Please join us in our mission to seize the momentum of President Trump's historic victory to build a "farm team" of up and coming conservative candidates who share our vision for America as a "shining city upon a hill."

If you support the America First Agenda, I urge you to join the Trump Coalition



Join the Coalition | The Presidential Coalition
DIRECTIMGS.COM

About the disclaimer
When an advertiser categorizes their ad as being related to politics or issues of national importance, they are required to disclose who paid for the ad. [Learn more](#)

Data About This Ad

● Inactive
Nov 26, 2018 - Nov 28, 2018

10K - 50K Impressions	\$1K - \$5K Money spent (USD)
--------------------------	----------------------------------

Who Was Shown This Ad

Age and Gender

Age Group	Men	Women	Unknown
18-24	0%	0%	0%
25-34	0%	0%	0%
35-44	0%	0%	0%
45-54	2%	2%	0%
55-64	9%	11%	0%
65+	26%	44%	0%

Many of the group's Facebook ads, like the one above, appear aimed at building the Presidential Coalition's email list. Others link to a donation page like the one below:⁶



If you support the President's no-nonsense immigration policy please help us promote the Make America Safe Again agenda by making a generous, one-time donation today.

Here at the Presidential Coalition, we believe in securing the border and putting American citizens first. We train and prepare conservative candidates to run and win in local elections, and bolster the America First agenda nationwide.

Use Your DonorID (optional)

\$35 **\$50** **\$100**

\$250 **\$500** **\$1,000**

Other

Email * Phone *

Name *

First Last

Credit/Debit Bank/eCheck PayPal

Card Number

Exp. Date CVC ZIP / Postal

Contributions to The Presidential Coalition are not tax-deductible.
The first \$15 of your annual support goes towards membership dues.

Donate

By accessing this form you agree to the [Terms of Service](#) and [Privacy Policy](#).

Additionally, one of Presidential Coalition's top fundraising vendors is the telemarketing firm InfoCision, whose former employees have accused of preying on the elderly and misleading potential donors.⁷ One former employee told the *Akron Beacon Journal*, speaking of InfoCision's tactics: "Some of these people are so old, and [we] would hassle them and hassle them and hassle them."⁸ Another former employee recalled an incident where the company had convinced an elderly woman to take \$20,000 from her Individual Retirement Account and donate it to the American Diabetes Association—except that she wasn't told that InfoCision might be keeping 70% to 80% of her donation.⁹

Presidential Coalition, which in past election cycles topped the list of political robocallers,¹⁰ paid over \$1 million in 2017 and 2018 to InfoCision and its affiliates.

Telemarketing and direct mail scams targeting the elderly are a widespread and growing problem, and they are being exacerbated by factors like more advanced robo-dialing technology.¹¹ Although such schemes can often push the envelope without formally breaking the law, there are efforts to crack down on those who do break it. Just last year, the Department of Justice announced charges against 250 perpetrators of elder fraud schemes, which all used mailings or phone calls to defraud seniors out of an estimated \$500 million.¹²

InfoCision itself has recently crossed the line: Also last year, the Federal Trade Commission fined InfoCision \$250,000 for violating federal Telemarketing Sales Rules by making false and misleading statements in its fundraising calls.¹³

► Fundraising Appeals

One likely reason that the Presidential Coalition's fundraising has skyrocketed since 2016 is that the group's fundraising appeals emphasize Bossie's ties to the President—and may give the impression of an official link to the Trump White House or campaign.

"Would you do me the honor of accepting my invitation to join the Presidential Coalition as a founding member of our **2018 Trump** coalition?" reads the opening line of one direct mail piece obtained by *Axios*. These mailers then frequently cite Bossie's position as Trump's deputy campaign manager, such as:

- "It was truly an honor and a blessing for me to serve President Trump as his Deputy Campaign Manager in 2016. I know firsthand how much President Trump loves our country, our flag, and our national anthem."
- "As President Trump's Former Deputy Campaign Manager, I believe in order to keep winning '*we must be the tip of the spear*' that helps to defeat our liberal opponents and lead America back to greatness."
- "One of the most important lessons I learned from working for President Trump is that you never give up, you never back down, and you never retreat."

The Presidential Coalition's direct mail pieces feature a logo that includes an image of the White House and a return address—1006 Pennsylvania Avenue—that is one digit off from the White House's address:



While 1006 Pennsylvania Ave., SE, Washington, D.C., is also Citizen United's address, the close resemblance to the White House's address, 1600 Pennsylvania Ave., NW, Washington, D.C., is a likely source of confusion to some recipients, particularly given the adjacent seal featuring the White House.

Fundraising claims like these, which frequently reference the "Trump Coalition," brought in **\$18.5 million** for the Presidential Coalition in 2017 and 2018.

Although implying a connection to President Trump to raise money, the Presidential Coalition consistently tells supporters that it will spend the funds raised to support state and local candidates that support the Trump agenda. “We’re calling for all conservative hands on deck in this process—we need your help in this important ongoing candidate cultivation effort!” emphasizes the Presidential Coalition’s “Farm Team” webpage.¹⁴ Similar claims abound throughout direct mail pieces obtained by *Axios*:

“With your help as a founding member of our **2018 Trump** coalition we will build upon the President Trump’s momentum to grow a ‘farm team’ of up and coming candidates who share our vision for America as a “shining city upon a hill.”

“So whether it’s helping equip a great conservative candidate for your local town council or electing great Republican Governors and Attorneys General you can count on the Presidential Coalition.”

“Together, through a combination of direct contributions to state and local candidates, television advertisements, op-eds, and social media platforms, we will beat back the Democrats and keep on winning for America.”

“[O]ur 2019 Trump coalition is laser focused on growing the Republican ‘farm team’ to support President Trump’s conservative agenda in ways big and small. That includes laying the all-important ground work in pivotal battleground states by equipping and electing great Republicans at the state and local level.”

“Together, we must fight for the conservative ideals that will restore jobs to our communities, boost our economy, make our neighborhoods safer, and improve our schools. That means supporting great conservative Republican candidates in communities across the country in 2019, 2020, and beyond.”

Yet IRS records and other sources show that only a very small minority of the Presidential Coalition’s spending has actually gone toward supporting state and local candidates.

SPENDING ACTIVITY

► Direct Political Activity

Despite pitching itself as “dedicated to identifying and supporting conservative candidates running for office at the state and local levels of government,” telling donors that “[w]e need your help in this important ongoing candidate cultivation effort,” and perhaps creating the impression of an official Trump campaign connection, CLC’s analysis identified only **\$425,442**, or **3%**, of Presidential Coalition’s 2017 and 2018 spending that went toward direct political activity. This number primarily comprises direct donations to candidates or political committees, and a small number of state-level candidate ads.

In total, the Presidential Coalition spent **\$279,100** on direct donations to political candidates and political committees in 2017 and 2018. Most of the Presidential Coalition’s candidate donations were a few thousand dollars each, although it did provide substantial support for some candidates. In the 2017-18 cycle, it gave \$25,000 to Ed Gillespie’s Virginia gubernatorial campaign, and \$100,000 to Ron DeSantis’ campaign for Florida governor, for example. But these donations are only a tiny fraction of the group’s overall fundraising and spending.

CLC’s analysis identified only **\$425,442**, or **3%**, of the Presidential Coalition’s 2017 and 2018 spending that went toward direct political activity.

Beyond direct contributions, Presidential Coalition appears to have made only two expenditures in 2017 or 2018 for candidate ads, according to CLC’s review of Federal Communication Commission (FCC) records, the National Institute for Money in State Politics database, and the group’s IRS reports: spending totaling **\$114,068** for ads supporting Gillespie in the 2017 Virginia gubernatorial race, paid to Thompson Communications for a “radio spot – political” (\$100,000) and Victory Solutions for “political advertising” (\$14,068).

If the Presidential Coalition were running other ads promoting or attacking candidates shortly before an election, those would typically need to be reported to state or federal election authorities, but CLC could find no such reports other than those corresponding to the activity in Virginia in 2017.¹⁵ Nor does Presidential Coalition itself appear to have publicized any other candidate ads it has run in 2017 or 2018, as it did prominently on its website when it ran the pro-Gillespie ads in Virginia in 2017.¹⁶

Apart from political contributions and candidate ads, which constituted the bulk of the Presidential Coalition’s limited political activity, the only other potential political activity CLC could identify was a single late-2018 expenditure (\$32,274) for direct response television advertising pertaining to “President Trump’s America First Agenda,” according to FCC records.¹⁷ CLC could find no other records in FCC filings showing political ads run by the Presidential Coalition in 2017 or 2018, either supporting candidates or promoting political issues—other than the previously mentioned Virginia ads.

Certainly, there are ways that a group like Presidential Coalition might support candidates besides contributions or independent expenditures: they might hire grassroots organizers, train conservative activists, or expend funds on candidate recruitment or support. But Presidential Coalition’s IRS reports do not disclose payments that look anything like this.

In fact, Presidential Coalition doesn't even publicly claim that its support for candidates or the conservative movement encompasses these kinds of activities.

For example, the Presidential Coalition's website includes an "Our Impact" tab. The "Impact" page doesn't describe how it organized volunteers or knocked on doors in support of candidates—instead, it lists the Presidential Coalition donations each cycle to state and local candidates and committees.¹⁸ These same contributions appear on the Presidential Coalition's expenditure reports filed with the IRS (and were included in CLC's tabulation of direct political spending).

Therefore, by the Presidential Coalition's own characterization of its activity, it is defining its impact largely as direct donations. As the fundraising appeals described above show, that is also what it repeatedly tells donors it is focused on. Although the itemized political contributions on its website may appear extensive at first glance, they pale when contextualized within the Presidential Coalition's overall spending. Despite what the Presidential Coalition tells donors, only **3%** of its spending has gone toward anything that can be reasonably described as direct political activity.

► Citizens United Payments

Instead, the Presidential Coalition's remaining 2017 and 2018 spending went toward expenses like payments to Citizens United and Citizens United Foundation, which together received **\$659,493** for payroll and rent, respectively. (According to its 990 forms, the Presidential Coalition, Citizens United, and Citizens United Foundation use a common payroll system and "compensation is apportioned among the three organizations based on the time expended by each employee to the separate organizations."¹⁹) Certainly, there are staff and infrastructure costs associated with running an organization. But in the Presidential Coalition's case, these costs exceeded spending on direct political activities. The payments to Citizens United and Citizens United Foundation alone constituted one-and-a-half times as much as Presidential Coalition spent on direct political activity over the same period.

Some of that payroll apparently went right to Bossie.

In 2017, we know that Bossie took a direct salary of **\$105,541** from the Presidential Coalition, because that's what the Presidential Coalition told the IRS it paid Bossie on its 2017 form 990.²⁰ Put another way, at least 32% of Presidential Coalition's **\$324,570** in 2017 "payroll" payments to Citizens United, the only entity Presidential Coalition reported paying for payroll, went toward Bossie's salary. (That same IRS filing from 2017 shows that Bossie simultaneously drew an additional **\$412,911** in salary payments from "related organizations" Citizens United and Citizens United Foundation that year.²¹) The Presidential Coalition has not yet filed its 2018 form 990, the only public form where it is required to break down salary payments to top executives, but its periodic reports of contributions and expenditures showed another **\$280,923** to Citizens United for "payroll" in 2018.

The Presidential Coalition also covered apparent employee benefit costs. For example, in 2017 and 2018, the Presidential Coalition paid DC Health Link **\$52,353** for "health insurance," "group health insurance," and "prepaid expenses"; Delaware Investments **\$27,135** for "pension"; and Vanguard **\$18,755** for "pension."

► More Fundraising for the Presidential Coalition

But the largest category of expenditures by far was more apparent fundraising for the Presidential Coalition. In 2017 and 2018, the Presidential Coalition paid millions to direct marketing firms, telemarketing firms, and vendors that provide services in support of those activities.

Certainly, there are costs associated with fundraising, and raising money from small-dollar donors can be expensive. But when only 3% of the Presidential Coalition's spending goes toward direct political activities, it appears that fundraising is the end rather than the means.

The Presidential Coalition's preferred fundraising method appears to be direct mail appeals like those in the mailers obtained by *Axios*. Indeed, the expenditure data show that since the 2016 election, the Presidential Coalition has bestowed millions of dollars upon direct marketing firms apparently to perpetuate more and more fundraising for itself. For example, in 2017 and 2018 it paid:

- ▶ **\$2,562,792** to RST Marketing, a firm that specializes in “high-quality custom direct mail solutions,”²² for “mailshop services,” “postage and delivery,” “printing and mailshop,” “printing services,” “shipping expense,” and “fulfillment/premium items”;
- ▶ **\$1,095,951** to BigEye Direct, a firm centered on “producing effective direct mail marketing campaigns,”²³ for “mailshop services,” “postage and delivery,” “printing and mailshop,” “printing services,” and “shipping expense”;
- ▶ **\$1,090,608** to Strategic Marketing and Mailing, a direct marketing firm,²⁴ for “mailshop services,” “postage and delivery,” “printing and mailshop,” “printing services,” and “shipping expense”;²⁵
- ▶ **\$900,861** to direct mail firm Planet Direct Mail²⁶ for “mailshop services,” “postage and delivery,” and “printing expense”;
- ▶ **\$775,712** to HSP Direct, a “full-service direct fundraising agency” focused on direct mail,²⁷ for expenses described as “creative, prod and prgm mgmt fee” and “printing and mailshop”;
- ▶ **\$461,998** to direct mail firm Fulfillment House, a firm that “manages the production end of your direct mail or postcard marketing campaigns,”²⁸ for “mailshop services,” “postage and delivery,” and printing and shipping services;
- ▶ **\$444,639** to Colortree Group, Inc., a direct mail fundraising firm,²⁹ for “printing and mailshop” services;
- ▶ **\$329,008** to D&D Unlimited, a direct mail fundraising and shipping firm,³⁰ for mailing, printing, and shipping services, and also for “fulfillment/premium items”;
- ▶ **\$321,905** to MDI Imaging and Mail, a “full service direct mail production firm,”³¹ for “mailshop services,” “postage and delivery,” “printing and mailshop,” and “printing services”;
- ▶ **\$258,287** to Image Direct, a direct mail company,³² for “mailshop services,” postage, delivery, printing, and shipping;
- ▶ **\$203,218** to Advanced Response Systems, a direct mail and marketing firm,³³ for “mailshop services,” “postage and delivery,” and printing and shipping expenses;
- ▶ **\$132,666** to Integram, a direct mail marketing firm,³⁴ for “postage and delivery,” “printing and mailshop,” and “printing expense”;

- ▶ **\$127,885** to The Metropolitan Technologies, Inc.,³⁵ a direct mail and printing company, for “printing and mailshop” and “shipping expense”; and
- ▶ **\$75,533** to FORMost Graphic Communications, a direct mail, direct marketing, and printing company,³⁶ for “mailing list rental,” “mailshop services,” and “postage and delivery.”

These firms do not appear to be political advertising firms; they are direct marketing firms focused on raising money for their clients via direct mail. The Presidential Coalition also paid significant amounts to support these direct mail activities, such as:

- ▶ **\$482,785** to the U.S. Postal Office for “postage and delivery”;
- ▶ **\$398,287** to SupremeX, an envelope and packaging manufacturer,³⁷ for “printing and mailshop” services, shipping, and also “fulfillment/premium items”;
- ▶ **\$325,895** to Postage for Direct Mail Fundraising, LLC, located at the same address as HSP Direct, for postage and shipping; and
- ▶ **\$184,876** to Rite Envelopes and Graphics, Inc., a custom envelope printer and manufacturer,³⁸ for printing and “mailshop” services.

The Presidential Coalition has also spent a significant amount on telemarketing, and to do so it has paid a set of firms with a dubious history of preying upon the very individuals from whom the Presidential Coalition draws much of its support. In 2017 and 2018, it paid at least **\$1.1 million** to telemarketing firms affiliated with InfoCision,³⁹ which not only has been accused of making misleading fundraising appeals and targeting the elderly but also keeps large percentages for itself rather than the organizations it purports to raise funds for.⁴⁰

And to support these fundraising activities, the Presidential Coalition appears to spend significant funds cultivating its mailing lists: In 2017 and 2018, it paid **\$1.2 million** to the four firms DonorBureau, Nova List, Right Country Lists, and Sunrise Data Services for apparent donor list cultivation and targeting.⁴¹ It paid another **\$245,987** to Washington Intelligence Bureau, a firm that offers both donor data services and direct mail services.⁴²

The Presidential Coalition may insist that some or many of these apparent fundraising expenses are in fact political activity, as it apparently tried to claim on its 2017 tax return filed with the IRS. There, it claimed that it spent \$5.4 million in 2017 on “political campaign activities,” which the

Book Purchases

Another Presidential Coalition fundraising expense is paying mass booksellers. In 2017 and 2018, the Presidential Coalition spent at least \$445,972 on apparent book purchases—described as “fulfillment/premium items”—from Barnes and Noble, Books-A-Million, Books and Greetings, Bergen Books, Dickens Books, and mass book retailer Givingtons.

Presidential Coalition’s direct mail fundraising appeals regularly offered donors who gave above a certain amount—most commonly \$45—a copy of one of Bossie’s books.

One mailer promised: “Join the Presidential Coalition today with your membership gift of \$45 or more you’ll receive a special brand-new hardcover copy of my new book, [TRUMP’S ENEMIES](#).”

Another read, “Remember, as a special membership gift I will make sure to rush you a brand-new hardcover copy of my book, [TRUMP’S ENEMIES](#). This is the same book I’ve shared with my *Fox News* friends [Sean Hannity](#), [Laura Ingraham](#), and [Tucker Carlson](#) (*You may have seen me talking about it on their programs*). Now I want to make sure you get your reserved copy as soon as possible.”

The Presidential Coalition’s website also prominently promotes multiple Bossie-authored books and links to donation pages that promise to send donors signed copies.

See, e.g., Presidential Coalition, <http://presidentialcoalition.com/> (last visited Apr. 30, 2019); Presidential Coalition, *Get Your Signed Copy*, Anedot, <https://secure.anedot.com/the-presidential-coalition/trumps-enemies-book> (last visited Apr. 30, 2019).

Presidential Coalition described as including “polling and surveying of members and the public, communications with members and the public on issues and matters relating to the appointment and election of individuals to public office,” in addition to “direct contributions to candidates for state and local office and non-federal political committees.”⁴³ But the available evidence casts doubt on such a defense.

First, the Presidential Coalition’s mailers and other solicitations appear singularly oriented toward raising more money for the Presidential Coalition, and do not qualify under any reasonable interpretation as “political campaign activity.” Some mailers reviewed by CLC mention candidates in passing—for example, describing the Presidential Coalition’s past support for Ron DeSantis—but the mailers largely mentioned candidates whose elections had already passed and only invoked their names to collect more money for the Presidential Coalition. Nor are these messages accompanied by any call to action. For example, the Presidential Coalition is not asking recipients of its mailers or online appeals to donate directly to candidates, to knock on doors or volunteer in other ways for candidates or conservative causes, to call their legislators, or to otherwise organize in support of causes or candidates. The mere mention of a candidate as part of a pitch to raise more money for the Presidential Coalition does not make a fundraising appeal “political campaign activity.”

Second, the telemarketing firms that the Presidential Coalition is hiring primarily run direct marketing campaigns, rather than political fundraising or advocacy, and InfoCision is even known for misrepresenting the nature of those solicitations. It appears highly unlikely that the Presidential Coalition’s telemarketing calls included any meaningful political messages. Likewise, the Presidential Coalition may assert that its telemarketing expenditures are actually for “polling and surveying of members and the public,” which it counts towards its political campaign activity on its 990. But polls and surveys would generally be used to guide political messaging and targeting; the Presidential Coalition is buying relatively few ads, and apparently not engaging in other forms of independent political action, like get-out-the-vote activities. So if it is conducting polls and surveys, what is it doing with the results? It appears more likely that the Presidential Coalition’s telemarketers ask a few survey or polling questions on a call that is aimed towards fundraising.

Third, if the Presidential Coalition were sending mailers or doing other activity promoting candidates, that spending would likely be reported to state or federal election authorities. Yet CLC’s review of the National Institute for Money in State Politics database shows few reported expenditures (besides those in Virginia in 2017, which are included in CLC’s political spending calculation).

Fourth and finally, in its public materials, the Presidential Coalition itself provides a standard for evaluating its activities: it claims repeatedly that its focus is supporting state and local candidates who support the Trump agenda, and it attempts to show it is doing just that by highlighting donations to those candidates on its “impact” on its website. But on its website and in its solicitations, it omits the key context of how small a proportion of its overall spending those political donations constitute.

Simply put, there is a vast chasm between what the Presidential Coalition is telling its majority-small-dollar donors and how it is actually using its funds.

CONCLUSION & SOLUTIONS

The Presidential Coalition raised millions after 2016 by capitalizing on Bossie's connection to the President. Drawing from a fundraising base of elderly and small-dollar donors, the group claimed that it needed donations to support Trump-aligned conservative candidates—but instead directed the vast majority of the funds raised towards more fundraising and administrative costs, some of which personally benefitted Bossie. Just 3% of the Presidential Coalition's spending went towards political activity.

The Presidential Coalition's activities fall into a legal grey area.

On the federal level, so-called “scam PACs” that raise substantial funds from small donors while spending little supporting candidates or causes have been increasingly recognized as a problem. The FEC and members of Congress have called for extending the statutory ban on using contributions for “personal use”—like excessive salary payments—to all federal political committees, which would help limit the worst abuses.⁴⁴ (The FEC has so far interpreted the personal use ban to apply only to a candidate's campaign committee.⁴⁵) But even a change in the law clarifying that all federal political committees are banned from using contributions for personal use would address only those scam operations organized as federal political committees—it would not apply to the personal use of donations by 527 organizations primarily engaged in non-federal activity, like the Presidential Coalition.

Federal prosecutors have shown a willingness to crack down on the worst scams. The U.S. Attorney in the Southern District of New York recently prosecuted William Tierney, who raised millions from small donors using federal PACs with names like the “Republican Majority Campaign” and “Pro Life Committee,” but who directed less than 1% of the funds raised towards candidate contributions, and used the rest for more fundraising and to enrich himself.

Tierney was sentenced to two years in prison and ordered to pay fines and restitution to his victims. The facts in the Tierney case, however, were particularly egregious and he was charged with fraud—rather than with violations of tax or campaign finance law.

The IRS *could* revoke the tax exempt status of 527s like the Presidential Coalition, under the theory that their primary activity appears not to be the kind of tax-exempt political activity section 527 is meant to cover. But such a move would be a rare one for the IRS, which has steered clear of enforcing the law against political groups.⁴⁶

State regulators, however, have shown an interest in addressing fundraising practices that mislead their state residents and abuse the tax benefits provided to nonprofit organizations. In Oregon, for example, if less than 30% of a charity's spending goes toward program activities, it cannot take the state charitable tax deduction.⁴⁷ States could consider implementing similar rules for 527 political organizations. Or states' attorneys general could use their tools to investigate fraudulent fundraising practices in their state.

Groups like the Presidential Coalition take advantage of these legal grey areas: their fundraising practices are misleading, but may not be egregious enough to qualify as criminal fraud. At the federal level, they are registered with the IRS, but what limited political activity they do occurs at the state level, so they would not fall under the FEC's jurisdiction even if the federal personal use prohibition

were extended to all political committees. And at the state level, they may benefit from a wide range of state laws and competing enforcement priorities.

In the meantime, the Presidential Coalition's ongoing activities practices not only mean that vulnerable voters are getting misled, but they also mean that the conservative movement's limited financial resources are being diverted away from more effective political organizations—or from President Trump's own campaign.

-
- ¹ As a 527 political organization registered with the IRS, the Presidential Coalition files periodic reports of contributions and expenditures with the IRS (forms 8872) in addition to annual tax returns (forms 990). In collaboration with *Axios* and aided by data provided from the Center for Responsive Politics, CLC analyzed the itemized data that the Presidential Coalition reported on those forms 8872 for the calendar years 2017 and 2018. Unless otherwise noted, the numbers cited in this report, such as aggregate amounts paid to particular vendors, were directly obtained from those itemized transactions that the Presidential Coalition reported on its forms 8872 for 2017 and 2018. The percentage of direct political activity was derived by dividing the total amount the Presidential Coalition reported spending on direct political activity by the total spending reported on its forms 8872 for 2017 and 2018.
- ² See *What We Do*, Citizens United, <http://citizensunited.org/what-we-do.aspx> (last visited May 3, 2019).
- ³ *Farm Team*, Presidential Coalition, <http://presidentialcoalition.com/about-us/farm-team/> (last visited May 1, 2019).
- ⁴ 26 U.S.C. § 527(e)(1)-(2).
- ⁵ Search results for “Presidential Coalition,” Facebook Ad Library, [https://www.facebook.com/ads/library/?active_status=all&ad_type=political_and_issue_ads&country=US&page_ids\[0\]=242077219243971&q=presidential%20coalition](https://www.facebook.com/ads/library/?active_status=all&ad_type=political_and_issue_ads&country=US&page_ids[0]=242077219243971&q=presidential%20coalition) (last visited May 1, 2019).
- ⁶ Presidential Coalition, *If you support the President's no-nonsense immigration policy*, ANEDOT, <https://secure.anedot.com/the-presidential-coalition/defendtrump> (last visited May 1, 2019).
- ⁷ Sarah Kleiner, *Telemarketer for Conservative Causes Pays \$250,000 Fine*, CTR. FOR PUBLIC INTEGRITY (Jan. 10, 2018), <https://publicintegrity.org/federal-politics/telemarketer-for-conservative-causes-pays-250000-fine/>.
- ⁸ Bob Dyer, *Former plaintiffs discuss InfoCision's tactics, policies*, AKRON BEACON JOURNAL (June 15, 2013), <https://www.ohio.com/article/20130615/NEWS/306159480>.
- ⁹ *Id.*
- ¹⁰ Jaime Fuller, *Which campaigns are the worst when it comes to robocalls?*, WASH. POST (Oct. 31, 2014), https://www.washingtonpost.com/news/the-fix/wp/2014/10/31/which-campaigns-are-the-worst-when-it-comes-to-robocalls/?utm_term=.a87ec92e9eac.
- ¹¹ See generally U.S. SENATE SPECIAL COMMITTEE ON AGING, FIGHTING FRAUD: SENATE AGING COMMITTEE IDENTIFIES TOP 10 SCAMS TARGETING OUR NATION'S SENIORS (2019), <https://www.collins.senate.gov/sites/default/files/2019%20Fraud%20Book.pdf>; Nick Leiber, *How Criminals Steal \$37 Billion a Year from America's Elderly*, BLOOMBERG (May 3, 2018), <https://www.bloomberg.com/news/features/2018-05-03/america-s-elderly-are-losing-37-billion-a-year-to-fraud>.
- ¹² Darla Mercado, *Justice Department announces charges in \$500 million senior fraud schemes*, CNBC (Feb. 22, 2018), <https://www.cnbc.com/2018/02/22/justice-department-files-charges-against-250-defendants-in-senior-fraud-schemes.html>.
- ¹³ Press Release, F.T.C., InfoCision, Inc. to Pay \$250,000 Penalty for Deceptive Charitable Solicitation Calls (Jan. 10, 2018), <https://www.ftc.gov/news-events/press-releases/2018/01/infocision-inc-pay-250000-penalty-deceptive-charitable>.
- ¹⁴ *Farm Team*, PRESIDENTIAL COALITION, <http://presidentialcoalition.com/about-us/farm-team/> (last visited May 3, 2019).
- ¹⁵ See independent spending by Presidential Coalition in Virginia, NIMSP, [https://www.followthemoney.org/show-me?dt=2&is-s=VA&is-f-aid=16523&is-s=VA#\[\[1\]gro=is-d-id](https://www.followthemoney.org/show-me?dt=2&is-s=VA&is-f-aid=16523&is-s=VA#[[1]gro=is-d-id) (Apr. 30, 2019) (showing \$114,068 in independent expenditures in Virginia in 2017, matching the payments to Thompson Communications and Victory Solutions the Presidential Coalition reported on its IRS reports); see also *Entity Details: Presidential Coalition*, NIMSP, <https://www.followthemoney.org/entity-details?eid=16523> (last visited Apr. 30, 2019) (showing, under the independent spending tab and “elections” option, no other state-reported independent expenditures in NIMSP’s records made by the Presidential Coalition in 2017 or 2018).
- ¹⁶ See, e.g., Press Release, Presidential Coalition, The Presidential Coalition releases radio ad in support of Ed Gillespie for Governor (Nov. 1, 2017), <http://presidentialcoalition.com/the-presidential-coalition-releases-radio-ad-in-support-of-ed-gillespie-for-governor/>.
- ¹⁷ Specifically, the Presidential Coalition paid RRTVMedia \$32,274 on November 15, 2018 for a “program expense,” which corresponds to records on file with the FCC reviewed by CLC. While the FCC filings describe those ads as “support[ing] President Trump’s America First Agenda,” RRTVMedia is a direct response advertising firm—that is, a firm that specializes in media that provokes an immediate action from viewers, such as calling a toll-free number or visiting a website to donate money, rather than candidate ads that are aimed primarily at persuasion—and its website emphasizes that its services help clients achieve “fundraising results.” See RRTVMEDIA, <https://rrtvmedia.com/> (last visited Apr. 30, 2019). This may suggest the ultimate call to action of the ads was not for the benefit of a political cause or candidate, but rather was for the benefit of the Presidential Coalition itself, but out of an abundance of caution CLC included this in the political activity category.
- ¹⁸ *Impact During the 2017-2018 Election Cycle*, PRESIDENTIAL COALITION, <http://presidentialcoalition.com/our-impact/2018-2/> (last visited Apr. 30, 2019).

¹⁹ Presidential Coalition, 2017 Return of Organization Exempt from Income Tax, IRS Form 990, Schedule O, at 1 (filed Nov. 5, 2018).

²⁰ Presidential Coalition, 2017 Return of Organization Exempt from Income Tax, IRS Form 990, at 7 (filed Nov. 5, 2018). 2017 is the most recent year for which a Presidential Coalition 990 is available.

²¹ *Id.*

²² RST MARKETING, <http://www.rstmkt.com/> (last visited Apr. 30, 2019).

²³ BIGEYE DIRECT, <http://bigeyedirect.com> (last visited Apr. 30, 2019).

²⁴ Strategic Marketing and Mailing is now called Foremost Solutions Group, see FOREMOST SOLUTIONS GROUP, <https://foremostsolutionsgroup.com/> (last visited Apr. 30, 2019), to which the Presidential Coalition separately reported paying an additional \$129,011 for mailing, postage and delivery, printing, and shipping.

²⁵ On its 2017 form 990, Presidential Coalition claimed it paid a similarly named firm called “Strategic Media Placement, Inc.” for “media/advertising.” Presidential Coalition, 2017 Return of Organization Exempt from Income Tax, IRS Form 990, at 8 (filed Nov. 5, 2018). But nowhere on its periodic expenditure reports does that firm appear; instead, that 2017 payment amount almost exactly (within \$2) matched the amount Presidential Coalition reported paying Strategic Marketing and Mailing, the direct mail firm, in 2017.

²⁶ PLANET DIRECT MAIL, <http://www.planetdirectmail.com/> (last visited May 4, 2019).

²⁷ Services, HSP DIRECT, <https://www.hspdirect.com/services/> (last visited Apr. 30, 2019). In 2017 and 2018, Presidential Coalition paid another \$413,057 to a subdivision of HSP Direct, HSP Digital, for apparent online fundraising services. Additionally, on its 2017 990 form, the Presidential Coalition also identified HSP Direct Agency as a vendor it paid for fundraising activities in 2017. Presidential Coalition, 2017 Return of Organization Exempt from Income Tax, IRS Form 990, Schedule G, at 1 (filed Nov. 5, 2018).

²⁸ FULFILLMENT HOUSE INC., <http://www.fhinc.net/main.asp> (last visited May 4, 2019).

²⁹ Mission, COLORTREE GROUP, <http://www.colortree.com/about-us-2/mission/> (last visited Apr. 30, 2019).

³⁰ D&D LIMITED INC., <http://ddunlimitedinc.com/> (last visited Apr. 30, 2019).

³¹ MDI IMAGING AND MAIL, <http://www.mdimail.biz/> (last visited May 4, 2019).

³² IMAGE DIRECT, <http://www.imagedirectllc.com/> (last visited Apr. 30, 2019).

³³ ADVANCED RESPONSE SYSTEMS, <https://advanced-response.com/> (last visited Apr. 30, 2019).

³⁴ INTEGRAM, <https://integram.com/> (last visited Apr. 30, 2019).

³⁵ Services, THE METROPOLITAN COMPANIES, <http://www.themetrocompanies.com/services.php> (last visited Apr. 30, 2019).

³⁶ FORMOST GRAPHIC COMMUNICATIONS, <https://www.formostgc.com/> (last visited Apr. 30, 2019).

³⁷ Company Profile, SUPREMEX, <https://www.supremex.com/company-profile-we-195> (last visited Apr. 30, 2019).

³⁸ RITE ENVELOPE & GRAPHICS INC., <https://ritegraphics.com/> (last visited Apr. 30, 2019).

³⁹ In addition to InfoCision itself, Presidential Coalition has reported paying “Activist Recruitment Services,” “Issue Advocacy Group,” and “Union Fulfillment” or “Uniontown Fulfillment,” each of which is located at an InfoCision address and which appears to have no separate public presence from InfoCision: Presidential Coalition paid Activist Recruitment Services, located at InfoCision’s New Castle, PA, address, \$48,308 for “donor fulfillment,” “fulfillment/fundraising,” and “survey/polling”; Issue Advocacy Group, located at InfoCision’s Huntington, WV, address, \$594,306 for “donor fulfillment” and “fulfillment/fundraising”; Uniontown Fulfillment (sometimes also called Union Fulfillment in the Presidential Coalition’s IRS reports), located at InfoCision’s Uniontown, OH, address, \$275,099 for “donor fulfillment” and “fulfillment/fundraising”; and InfoCision, under its own name and Akron, OH, address, \$223,550 for “donor fulfillment” and “fulfillment/fundraising.” On its 2017 990 form, the Presidential Coalition reported identified “Infocision Mgmt Corp” in Akron, OH, as a vendor it paid for fundraising activities in 2017. Presidential Coalition, 2017 Return of Organization Exempt from Income Tax, IRS Form 990, Schedule G, at 1 (filed Nov. 5, 2018).

⁴⁰ On its 2017 form 990, for example, Presidential Coalition reported that InfoCision kept 80% of the more than \$700,000 that Presidential Coalition paid it for fundraising in 2017. Presidential Coalition, 2017 Return of Organization Exempt from Income Tax, IRS Form 990, Schedule G, at 1 (filed Nov. 5, 2018).

⁴¹ Nova List and Sunrise Data Services are located at the same Ashburn, VA, address as HSP Direct.

⁴² WASHINGTON INTELLIGENCE BUREAU, <http://wibmail.com/> (last visited Apr. 30, 2019).

⁴³ Presidential Coalition, 2017 Return of Organization Exempt from Income Tax, IRS Form 990, Schedule C, at 1, 3 (filed Nov. 5, 2018).

⁴⁴ See, e.g., Political Accountability and Transparency Act, H.R. 679, 116th Cong. § 2 (2019); see also, e.g., *Legislative Recommendations of the Federal Election Commission 2018*, FED. ELECTION COMM’N 8 (2018), <https://www.fec.gov/resources/cms-content/documents/legrec2018.pdf> (recommending that “Congress should amend the Federal Election Campaign Act’s prohibition of the personal use of campaign funds to extend its reach to all political committees”).

⁴⁵ 11 C.F.R. § 113.1 (g).

⁴⁶ See, e.g., Maya Miller, *How the IRS Gave Up Fighting Political Dark Money Groups*, PROPUBLICA (Apr. 18, 2019), <https://www.propublica.org/article/irs-political-dark-money-groups-501c4-tax-regulation>.

⁴⁷ Or. Rev. Stat. § 128.760.