

Texans for Public Justice

609 West 18th St., Suite E, Austin, Texas 78701 , PH:(512) 472-9770
E-Mail: tpj@tpj.org , www.tpj.org

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Office of General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

RE: Ted Cruz for Senate Committee Complaint

Acting General Counsel Daniel Petalas,

We urge you to audit and investigate apparent violations of the Federal Election Campaign Act by the [Ted Cruz for Senate Committee](#) (FEC #C00492785, hereafter “the Cruz Committee”).

During the 2012 Senate race, the Cruz Committee reported that Ted Cruz loaned the campaign a total of \$1.43 million. The loans were reported as coming from personal funds in five installments:

- * \$70,000 received on 3/31/2011 ([APR Quarterly Report, Schedule C, filed 4/15/2011](#));
- * \$400,000 received on 5/18/2012 ([JUL Quarterly Report, Schedule C, filed on 7/15/2012](#));
- * \$560,000 received on 5/22/2012 (also [JUL Quarterly Report, Schedule C, filed on 7/15/2012](#));
- * \$250,000 received on 7/23/2012 ([OCT Quarterly, Schedule C, filed on 10/15/2012](#)); and
- * \$150,000 received on 8/7/2012 (also [OCT Quarterly, Schedule C, filed on 10/15/2012](#)).

Much later, on May 15, 2013, Sen. Cruz filed his U.S. Senate Financial Disclosure Report covering calendar year 2012. Part VII of that personal financial report disclosed that Citibank and Goldman Sachs each loaned Ted Cruz from \$250,001 to \$500,000 apiece in 2012.

On understanding and belief, the Cruz Campaign violated federal law by failing to promptly disclose these bank loans and the underlying loan documents to the Federal Election Commission (11 CFR 104 et seq., implementing FECA 52:30104). The Cruz Committee had a legal obligation to do so because these personal loans were used to replenish much of the personal funds that Ted Cruz contributed to the Cruz Committee. A Cruz spokesperson recently confirmed that Cruz had used the Goldman loan to finance his Senate campaign. “A spokeswoman for Mr. Cruz’s presidential campaign, Catherine Frazier, acknowledged that the loan from Goldman Sachs, drawn against the value of the Cruzes’ brokerage account, was a source of money for the Senate race.” (“[Cruz Neglected to Report Loan from ’12 Race](#),” *New York Times*, Jan. 13, 2016). The Cruz campaign then acknowledged in a letter to the FEC on January 14, 2016 that the Citibank and Goldman loans both served as “the underlying source” of some of Cruz’s personal loans to the campaign and therefore should have been reported to the FEC in campaign disclosures during the 2012 Texas senate race. They were not.

Ted Cruz’s enormous campaign-related debts to Citibank and Goldman Sachs went totally undisclosed to the public for as long as 12 months. As a result, these debts and their underlying sources were hidden from voters until well after the 2012 Texas primary and general elections. Ted Cruz first disclosed these bank loans after he already was ensconced in the U.S. Senate.

Moreover, the Cruz Campaign failed to disclose these campaign-related bank loans to the FEC, as required by law, for well over three years. Federal Election Campaign disclosure requirements are designed to prevent just such post-election surprises.

To deter future violators, we urge you to investigate these allegations and hold the Cruz Campaign and Sen. Cruz responsible for any violations of law. It sends a cynical political message when lawmakers are allowed to break the law with impunity.

Respectfully submitted,

Texans for Public Justice, by
Craig McDonald
609 W. 18th St., Suite E
Austin, TX 78701
(512) 472-9770