



250 Massachusetts Ave NW, Suite 400 | Washington, DC 20001

October 27, 2023

Chris J. Gallus
Commissioner of Political Practices
PO Box 202401
Helena, Montana 59620

Re: Montana Republican Party v. Busse, COPP-2023-CFP-017

Commissioner Gallus:

We write again on behalf of Ryan Busse and Busse for Montana (the “*Campaign*”) in response to the complaint filed by the Republican Party of Montana on October 10, 2023 (the “*Complaint*”). At issue in the Complaint is the Form C-5, Candidate Campaign Finance Report filed by the Campaign on October 5, 2023 (“*C-5 Report*”), covering activity between September 14, 2023 and September 30, 2023.

This response supplements the response filed with Commissioner of Political Practices (“*COPP*”) on October 17, 2023 regarding the attribution allegations in the Complaint. We write now in response to the Complaint’s remaining allegations.

The Complaint relies almost entirely on social media accounts to make speculative, uninformed, and incorrect conclusions about the activities of Mr. Busse and the Campaign. Accordingly, the Complaint does not satisfy even the minimum requirements set forth in Montana regulations, namely that it include some “evidentiary material” and “sufficient allegations to...state[] a potential violation of a statute or rule.”¹ Nonetheless, we will respond to all remaining allegations made in the Complaint.

Allegation #1:

The Complaint first takes issue with Mr. Busse’s announcement video, posted on X/Twitter on September 14, 2023.² The Campaign retained Left Hook Strategy (“*LHS*”) to assist in some of its video production, but LHS had not yet provided the Campaign with an invoice at the time the C-5 Report was due. In fact, the Campaign and LHS had not yet finalized the business and payment terms for their arrangement at the time the C-5 Report was due. While Montana regulations confirm that “[i]f the exact amount of a debt or obligation is not known, the estimated amount

¹ Mont. Admin. R. 44.11.106(2), (4).

² Busse for Montana, *Let it Fly*, YouTube (Sept. 14, 2023), <https://www.youtube.com/watch?v=bcGMOmgKAy0>.

owed shall be reported” the estimate in this instance was still being negotiated.³ The Campaign has now confirmed that the estimated cost for LHS’s services is \$20,000. Accordingly, the Campaign will amend its C-5 Report to disclose a \$20,000 debt to LHS.

LHS is the only vendor that worked on the September 14 announcement video, and no other costs or obligations were incurred in producing that video. Accordingly, once the amended C-5 Report is filed disclosing the \$20,000 debt to LHS, this issue will be fully resolved.

Allegation #2:

Next, the Complaint discusses footage posted by Mr. Busse on X/Twitter on September 30, 2023, showing him opening a PO Box and finding numerous pieces of mail, including at least two Campaign remittance envelopes.⁴ Based off of this eight second video, the Complaint concludes that the Campaign (1) incurred “production costs [for] campaign materials” and (2) sponsored a “direct mail fundraising package.”⁵ Neither is true.

The Campaign has not hired a direct mail vendor to date, and no direct mail vendor was involved in the production or printing of the remittance envelopes featured in the September 30 video. A Campaign consultant paid a printer \$493.91 to print 1,500 remittance envelopes for the Campaign.⁶ Due to a compliance error, that \$493.91 was not properly reported as debt owed to the Campaign consultant.⁷ The Campaign will file an amended report disclosing the correct amount of debt owed to the Campaign consultant. The Campaign will also put in place new internal protocols to ensure future compliance errors do not result in inaccurate reporting of expenditures or debt.

Other than the printing costs discussed above, no other obligations or expenses were incurred in connection with the remittance envelopes featured in the September 30 video. Accordingly, once the amended C-5 Report is filed, including the additional \$493.91 as debt owed to Aaron Murphy Consulting LLC, this issue will be fully resolved.

Allegation #3:

Next, the Complaint identifies a video posted by Mr. Busse on X/Twitter on September 24, 2023 “which shows him campaigning in Helena”⁸ and complains that no travel costs were disclosed on the C-5 Report to account for the trip. Mr. Busse drove to Helena himself and paid for his own gas to get there. There were no other travel expenses incurred in connection with this trip.

³ Mont. Admin. R. 44.11.506(2).

⁴ @Ryandbusse, X/Twitter (Sept. 30, 2023, 12:26 PM), <https://x.com/ryandbusse/status/1708156460197388328?s=20>.

⁵ Compl. at 3.

⁶ The consultant at issue (Aaron Murphy Consulting LLC) made two separate payments to The Billings Times to print Campaign remittance envelopes: (1) \$303.44 for 1000 remittance envelopes on September 18, 2023; and (2) \$190.47 for 500 remittance envelopes on September 26, 2023. Both invoices are attached here as Exhibit A.

⁷ The C-5 Report only listed \$10,000 owed to Campaign consultant (Aaron Murphy Consulting LLC) for his monthly retainer, rather than his monthly retainer plus additional costs he incurred for the Campaign during the reporting period. We see no requirement in statute or regulation that debts incurred by a single vendor must be itemized.

⁸ Compl. at 3.

Montana law exempts “payments by a candidate for personal travel expenses” from the definition of expenditure and prohibits the conversion of campaign funds for personal use.⁹ On the other hand, COPP guidance also recommends that candidates who use their personal vehicle for campaign-related travel “report the mileage as either an in-kind loan (if they seek reimbursement from the campaign) or as an in-kind contribution.”¹⁰ Many car trips, however, are for a mixed purpose – some personal and some campaign. Montana law does not specify whether candidates may seek reimbursement for such trips. Given the ambiguity in the law and the severe penalties associated with personal use violations, campaigns must carefully review trips taken in a candidate’s personal vehicle to determine whether reimbursement is appropriate. At the time the Campaign filed its C-5 Report, it had yet to undertake this review and Mr. Busse had not yet sought reimbursement.

Mr. Busse has since completed this review and confirmed the trip in question was exclusively for a Campaign purpose. Therefore, Mr. Busse will seek reimbursement for mileage costs in accordance with COPP guidance. Because Mr. Busse will seek reimbursement from the Campaign for this trip from Kalispell to Helena, the Campaign will file an amended report disclosing the mileage cost as an in-kind loan from Mr. Busse to the Campaign.¹¹

Allegation #4:

See response submitted on October 17, 2023 regarding the September 24 video posted on X/Twitter and why it did not trigger state attribution requirements.

Allegation #5:

Next, the Complaint identifies photos posted by Mr. Busse on X/Twitter from September 26, 2023 from what he describes as an “awesome packed house event in Helena last eve.”¹² As the invitation for the event illustrates,¹³ this event was held at the home of Samantha and Tim Coulter.

Montana law expressly exempts “the use of a person’s real property for a fundraising reception or other political event” from the definition of a contribution.¹⁴ Accordingly, because the event was a Campaign fundraiser held at the Coulter’s private residence, it clearly falls within this in-home hospitality exemption such that no contribution resulted.

A co-host of the event, Ms. Ann Brodsky, did provide food and drinks for the September 26 event, but the Campaign had not yet received the total amount when it filed its C-5 Report. The Campaign has now confirmed the total cost for food and beverages at the event was \$497.65. Accordingly,

⁹ Mont. Code Ann. § 13-1-101(19)(b)(ii); *see also* Mont. Admin. R. 44.11.608(1).

¹⁰ Candidate and Treasurer Guide to Navigating the Campaign Electronic Reporting System (CERS) at 19, (Jan. 2022), https://politicalpractices.mt.gov/docs/education-and-resources/PDF_guides/Candidate-Guide-to-CERS.pdf

¹¹ Per COPP guidance, the Campaign will use the IRS Standard Mileage Rates to calculate the total cost. *Id.* at 19; *see also* IRS Standard Mileage Rates, <https://www.irs.gov/tax-professionals/standard-mileage-rates>.

¹² @Ryandbusse, X/Twitter (Sept. 26, 2023, 1:57 PM), <https://x.com/ryandbusse/status/1706729803637047733?s=20>.

¹³ September 25 Invitation, Exhibit B.

¹⁴ Mont. Code Ann. § 13-1-101(9)(b)(iii).

the Campaign will amend its C-5 Report to disclose that amount as an in-kind contribution from Ms. Brodsky to the Campaign. The Campaign will also put in place new internal protocols to ensure future in-kind contributions are calculated and timely disclosed on future reports.

Allegation #6:

Next, the Complaint identifies travel Mr. Busse made to Billings for a radio appearance on Montana Talks on September 28, 2023.¹⁵

Mr. Busse was already scheduled to be in Billings for a book signing and presentation at Rocky Mountain College on September 26, 2023.¹⁶ This book event was scheduled and organized by Rocky Mountain College and had nothing to do with the Campaign. Subsequently, a Campaign fundraiser (September 27) and radio interview (September 28) were then scheduled given that Mr. Busse would already be in Billings due to the book event.

Mr. Busse drove to Billings himself and paid for his gas personally. In this instance, his travel to Billings was personal in nature – he was there to promote his book, *Gunfight*, and Campaign events were subsequently added on based on his existing travel schedule. Because Montana exempts “payments by a candidate for personal travel expenses” from its definition of expenditure,¹⁷ Mr. Busse will not seek reimbursement and the Campaign was not required to disclose gas payments on the C-5 Report for this trip.

Allegation #7:

Finally, the Complaint concludes that there were no expenses reported on the C-5 Report for a Campaign kickoff event that took place on September 15 at “[l]ocation unknown.”¹⁸

The event in question took place at Mr. Busse’s personal residence. Food and beverages were not provided; it was a potluck-style event where attendees brought their own food and drinks.

Because Montana expressly exempts “the use of a person’s real property for a fundraising reception or other political event” from the definition of a contribution,¹⁹ and because this event was held at Mr. Busse’s own private residence, it falls within the in-home hospitality exemption and thus did not need to be disclosed on the C-5 Report. Similarly, because attendees brought their own food to share, rather than a host paying to provide food and drinks, those too need not be disclosed.

Thank you for your time.

¹⁵ @Ryandbusse, X/Twitter (Sept. 28, 2023, 11:09 AM), <https://x.com/ryandbusse/status/1707412133393408080?s=20>.

¹⁶ Rocky Mountain College, Institute for Peace Studies Upcoming Events, <https://www.rocky.edu/peacestudies> (last accessed Oct. 27, 2023).

¹⁷ Mont. Code Ann. § 13-1-101(19)(b)(iii).

¹⁸ Compl. at 4.

¹⁹ Mont. Code Ann. § 13-1-101(9)(b)(iii).

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