

April 8, 2008

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OFFICE OF GENERAL
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2008 APR 14 A 11: 12

Federal Election Commission
999 E Street, NW
Washington, DC 20463

MUR # 5993

Dear Commissioners;

I am writing to formally file a complaint for your review regarding Ed Fallon in Iowa's 3rd Congressional District. Recent accounts in the public domain indicate that Ed Fallon, current candidate for Iowa's 3rd Congressional District, controls the activities of an organization called "I'M for Iowa." That organization seems to be raising and spending soft money in violation of federal campaign finance laws, and making direct expenditures in support of Mr. Fallon's Congressional campaign.

This support includes direct advocacy and support for Ed Fallon's federal congressional campaign as well as payment of a salary from I'M for Iowa to him.

Inconsistent explanations for the nature of this organization have appeared publicly but what is consistent is that Mr. Fallon is one of the founders and has been intimately involved with the organization since its inception¹. Mr. Fallon describes it on its website as "An Independence Movement for Iowa," <http://www.imforiowa.com/>, with a goal to "Recruit and assist progressive candidates."² Yet he has also described it as a for-profit business no different from a commercial gas station³, even though it solicits and receives, without disclosure, private donations. He actively raises money for this organization, publishing a request for funds as recently as March 7th of this year⁴.

Additionally, I'M for Iowa is making expenditures to support Ed Fallon's Congressional candidacy. In a post dated January 12, 2008⁵, Mr. Fallon used this organization to publish a letter he signed entitled "Running for Congress!" The letter was entirely about his candidacy, and besides asking for general support, the letter also provided the contact information and website address of the Fallon for Congress federal campaign.

Whichever type of organization "I'M for Iowa" might be, Mr. Fallon's continuing control of "I'M for Iowa" appears to violate federal campaign finance laws, as does its spending and Mr. Fallon's fundraising activities in its behalf. Federal Campaign law prohibits a candidate for federal office from establishing, financing, maintaining or controlling an entity that raises or spends "soft money" in connection with elections. See 2 U.S.C. § 441(e)(1). A federal candidate is prohibited from soliciting, receiving, directing, or spending funds in connection with a federal election unless the funds are subject to the limitations, prohibitions, and reporting requirements of federal campaign finance law. 2 U.S.C. § 441(e)(1)(A). He is even barred from soliciting, receiving, directing, or spending or disbursing funds in connection with state or local elections, unless the funds are not in excess of the

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amounts permitted under federal law, and unless they come only from sources permitted to make contributions in connection with federal elections. *Id.* § 441I(e)(1)(B).

Mr. Fallon's activities surrounding "I'M for Iowa" suggest willful disregard of these most basic restrictions. By its own admission, "I'M for Iowa" receives and spends funds in connection with elections. It has been spending money to support Mr. Fallon's own campaign. It solicits funds while providing no qualification as to their source or amount, going against my understanding of Federal Election Commission law, and operates on an entirely undisclosed basis.

I write with these concerns for your review. Thank you in advance for your attention to my inquiry.

Sincerely,



Dick Dearden
State Senator
3113 Kinsey Avenue
Des Moines, Iowa 50317

STATE OF Iowa)

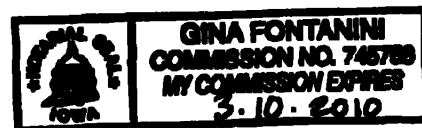
County of Polk)

SUBSCRIBED AND SWORN to before me this 7th day of April, 2008.


Notary Public

My Commission Expires:

3.10.2010



¹ <http://www.iowapolitics.com/index.html?Article=86150>

² <http://www.imforiowa.com/ht/d/sp/1/858930/pid/858930>

³ <http://www.iowaindependent.com/showDiary.do?diaryid=2126>

⁴ <http://www.imforiowa.com/ht/display/ReleaseDetails/1/1144653/pid/858936>

⁵ <http://www.imforiowa.com/ht/display/ReleaseDetails/1/1126988/pid/858936>

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Fallon Campaign: Update from Ed Fallon Introducing "I'M for Iowa"
1/11/2007

Dear Friends,

For those of you who have been asking, "So, Ed. What are you going to do next?" . . . drum roll please!

Out of the ashes of my gubernatorial campaign a phoenix arises. We're calling it I'M for Iowa, which is an acronym for an Independence Movement for Iowa. Building on the resources that assembled during my campaign for governor, I'M for Iowa provides a new vehicle for me, my co-workers and YOU to continue to build a progressive majority in Iowa, one that puts people before profit.

In consultation with co-workers, friends and volunteers, we've come up with the following general goals:

- (1) Work with Iowans across the state to develop the tools they need to address problems confronting them and their communities, particularly issues involving land, justice and poverty;
- (2) Advocate for progressive legislative changes, particularly voter-owned clean elections (campaign finance reform), local control and universal health care;
- (3) Continue to build the organizational base necessary for progressive candidates to succeed at running for office, and recruit and help elect candidates across the state;
- (4) Through supporting local businesses and Iowa farmers, and through using more community- and environmentally-friendly technologies, set a personal example of the many ways in which individuals can lead lives that are more sustainable and truly independent; and
- (5) Build the infrastructure needed to create a grassroots, democratic force that can become an Independence Movement for Iowa, and work in coalition with groups committed to these goals and ideals.

What does it mean to create an independence movement for Iowa? In the 1770s, America's founders challenged the unjust economic policies of an illegitimate foreign power. In the 1890s, rural Midwesterners ignited a progressive populist movement to reclaim control of their lives and economies from moneyed interests grown greedy and corrupt.

In 2007, the growing power of corporate lobbyists, special interests and unresponsive politicians threatens the very foundations of our democracy. This threat demands a stronger, more politically engaged grassroots movement committed to the patriotic ideals upon which our nation was founded. Across Iowa and across the nation, more and more of us are fighting to regain control of our lives, our government and our country.

I'M for Iowa – an Independence Movement for Iowa – is committed to developing a broad network of Iowans working for:

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- Independence from special-interest campaign contributions.
-- Instead, we want voluntary public financing of state and local elections, since the current system has turned our elections into auctions and many public officials into pawns of special interests.
- Independence from poverty, injustice and discrimination.
-- Instead, we want a government that recognizes the value of Iowa's diversity -- both rural and urban -- and invests in the basic services we all need to achieve our fullest potential, including education, health care, a clean environment, public safety and a balanced transportation system.
- Independence from fossil fuels and foreign oil.
-- Instead, we want a diverse, renewable energy industry that emphasizes conservation and energy efficiency, one that is rooted in Iowa's natural resources and controlled by Iowa farmers and entrepreneurs.
- Independence from government subsidies for big business, from risky ventures that waste our tax dollars while failing to deliver on promises of economic prosperity, and from national chains that exert a strangle-hold on our communities.
-- Instead, we want a strong, locally-controlled, free-market economy whose businesses are owned and operated primarily by Iowans.
- Independence from government officials who operate without the public's interest in mind, often behind closed doors, and with a lack of integrity and accountability.
-- Instead, we want government that operates with transparency and a minimal amount of bureaucracy, and we want more concerned citizens who share these values to run for public office.

That's a brief introduction to I'M for Iowa. We'd like your feedback. Send your comments and suggestions to this e-mail address, or call (515) 201-9405. Either Lynn or I will do our best to respond to every inquiry within 24 hours.

For the past 22 years, my life has been dedicated to public service. Today, I reiterate that commitment. I'M for Iowa provides the structural framework to conduct this work. But if it is to bear fruit, my co-workers and I will continue to need your wisdom, time, effort and financial support. If you've got an issue you'd like to discuss, or if you'd like to invite us to a meeting or an event in your community, please don't hesitate to ask.

Two other points of interest I want to share with you:

(1) If you'd like to hear me discuss I'M for Iowa with my favorite sparring partner, Jan Mickelson, tune in Friday, January 12th at 9:00 a.m. on WHO Radio (1040 a.m.). Call (515) 284-1040 or (800) 469-4295 if you'd like to join the conversation. (2) Lynn Heuss and I have been talking with Senator John Edwards and his staff about working with the Senator's campaign for President. More on this in the very near future.

Thank you for reading this letter. I'm excited about the potential that 2007 holds for moving Iowa forward on the road toward greater independence, sustainability and justice. I am eager to travel that road with you, and with the thousands of other Iowans who are fed up with the status quo, hungry for change and committed to doing something about it.

Sincerely,

Ed Fallon

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An Independence Movement for Iowa



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Contact Information

An Independence Movement for Iowa (I'M for Iowa)

(515) 201-9405

ImforIowa@gmail.com

<http://www.imforIowa.org>

An Independence Movement for Iowa

I'M for Iowa

Mission

Our mission is to build on the momentum generated by Ed Fallon's 2006 campaign for governor to further develop a broad movement committed to progressive reform in state and local politics. Our work at the local level is conducted within the context of the need for developing sustainable communities and economies. Specifically, we:

- (1) Work with Iowans across the state to develop the tools they need to address problems confronting them and their communities, particularly issues involving land, justice and poverty;
- (2) Advocate for progressive legislative changes, particularly Voter-Owned Iowa Clean Elections (VOICE), CAFOs (confined animal feeding operations) and universal health care;
- (3) Continue to build the organizational base necessary to recruit and elect progressive candidates across the state, and mentor them on an ongoing basis once elected;
- (4) Support local businesses and Iowa farmers and encourage personal examples of the many ways in which individuals can lead lives that are more sustainable and truly independent; and
- (5) Build the infrastructure needed to create a grassroots, democratic force that can become *An Independence Movement for Iowa*, and work in coalition with groups committed to these goals and ideals.

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Statement of Purpose

In the 1770s, America's founders challenged the unjust economic policies of an illegitimate foreign power.

In the 1890s, rural Midwesterners fostered a progressive populist movement to reclaim control of their lives and economies from moneyed interests grown greedy and corrupt.

Today, the growing power of corporate lobbyists, special interests and unresponsive politicians threatens the very foundations of our democracy. This threat demands a stronger, more politically engaged grassroots movement committed to the patriotic ideals upon which our nation was founded.

Across Iowa and across the nation, more and more of us are fighting to regain control of our government and our country. Here in the heartland, *An Independence Movement for Iowa (IM for Iowa)* is developing a broad network of Iowans working for:

- Independence from special-interest campaign contributions.
 - o Instead, we want voluntary public financing of state and local elections, since the current system has turned our elections into auctions and many public officials into pawns of special interests.
- Independence from poverty, injustice and discrimination.
 - o Instead, we want a government that recognizes the value of Iowa's diversity – both rural and urban – and invests in the basic services we all need to achieve our fullest potential, including education, health care, a clean environment, public safety and a balanced transportation system.
- Independence from fossil fuels.
 - o Instead, we want a diverse, renewable energy industry that emphasizes conservation and energy efficiency, one that is rooted in Iowa's natural resources and controlled by Iowa farmers and entrepreneurs.
- Independence from government subsidies for big business, from risky ventures that waste our tax dollars while failing to deliver on promises of economic prosperity, and from national chains that exert a stranglehold on our communities.
 - o Instead, we want a strong, locally-controlled, free-market economy whose businesses are owned and operated primarily by Iowans.
- Independence from government officials who operate without the public's interest in mind, often behind closed doors, and with a lack of integrity and accountability.
 - o Instead, we want government that operates with transparency and a minimal amount of bureaucracy, and we want more concerned citizens who share these values to run for public office.

Accomplishments

Often, when a candidate loses an election, that candidate vanishes from the political scene. After Ed Fallon's defeat in the four-way Democratic primary on June 6 (in which he received 38,000

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votes for 26% of the vote), Ed and three other staffers continued to work with Ed's campaign organization through the general election.

1. We worked with people in more than two dozen counties on eminent domain, local control, criminal justice reform, human services and renewable energy.
2. In 2006 we helped many candidates, including Governor Culver, all five Democratic congressional candidates and 20 Iowa House and Senate candidates. Many of these candidates won.
3. We continue to maintain weekly contact with our electronic update list and have increased the number of recipients from 5,000 to 6,700.
4. As public concerns about the Values Fund grew, we spearheaded research into the state's economic development programs and worked with the State Auditor to initiate an investigation into the Values Fund.
5. We played a role in efforts to lobby for campaign finance reform and local control in the 2007 legislative session.

Goals

1. **CANDIDATES.** Recruit and assist progressive candidates.
2. **CLEAN ELECTIONS.** Provide grassroots support for legislative initiatives to enact Voter-Owned Iowa Clean Election (VOICE) legislation.
3. **CLIMATE CHANGE.** Provide leadership to encourage changes in personal habits and public policies relevant to growing concerns about global warming.
4. **COMMUNICATION.** Broaden the base of our movement through public speaking, media events, weekly updates and columns.
5. **COMMUNITY ORGANIZING.** Through continued statewide organizing, network Iowans concerned about the issues in our Statement of Purpose and provide advocacy for local groups addressing these priorities in their communities.

An Independence Movement for Iowa (I'M for Iowa)
Des Moines, IA
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Fallon Faces Campaign Finance Questions

by: Chase Martyn
Mar 20, 2008 at 10:27 PM

Former State Rep. Ed Fallon is quick to note his support of campaign finance reform in his primary campaign against U.S. Rep. Leonard Boswell, but his political advocacy organization raises complicated campaign finance questions of its own.

Chase Martyn :: Fallon Faces Campaign Finance Questions

Fallon founded the organization, known under the acronym I'M For Iowa (an "Independence Movement For Iowa"), months after losing a bid for the Democratic party's gubernatorial nomination in 2006.

Although I'M For Iowa participates in political advocacy and relies on contributions to stay afloat, its financial status does not fit the typical mold for this type of organization. Rather than registering it as a nonprofit organization with the Internal Revenue Service under sections 501(c)(3), 501(c)(4) or 527, Fallon runs the organization as a for-profit general partnership, making its tax status no different from most home businesses. He and his current campaign manager, Lynn Heuss, co-own the business.

But there is a difference between I'M For Iowa and most typical businesses: Rather than sell products and services to customers, it accepts donations for its political advocacy work. While the donations are not tax-deductible, the business can accept unlimited amounts of money. And because of its tax status, it is not required to disclose information about its sources of funding.

Although Fallon continued to receive paychecks from his gubernatorial campaign account through the end of 2006 and earned a nominal amount of money for consulting on former Sen. John Edwards' presidential campaign during the Iowa caucuses, he said that he also earned some money from I'M For Iowa during 2007. "I think both Lynn and I took a small draw on the business, but again, it was just getting going," he said. Currently the business is Fallon's only apparent source of income.

But I'M For Iowa is not just a source of income for Fallon. It is also an outlet to promote his congressional campaign through e-mails to its long list of subscribers. Fallon denies that the business has been used for campaign purposes, claiming that "there has been no connection between I'M For Iowa and the campaign. I have been very meticulous about that."

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An Independence Movement for Iowa



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Funding Appeal

Friday, March 7, 2008

Dear Friends,

Once a year – ok, maybe twice a year, if necessary – Lynn and I make a pitch for financial support for I'M for Iowa. It's the only fundraising we do, so it's pretty important. I'd like to ask each person receiving this update to consider a donation of \$100, \$50, \$25 or more if possible.

If enough people pitch in, we'll be able to continue our efforts through 2008 without having to make a second appeal. Donations can be sent to I'M for Iowa, 752 16th Street, Des Moines, Iowa 50314.

In 2007, we were able to do some good things with our network of nearly 7,000 Iowans.

We helped five city council candidates last fall, three of whom won.

We played a key role in promoting campaign finance reform (VOICE) legislation at the Iowa Statehouse.

We also played a key role in legislative efforts to create fairer laws regulating confined animal feeding operations (CAFOs).

And we helped lead grassroots efforts to address global climate change.

This year, we'll continue to weigh-in on election reform, CAFOs, eminent domain, water quality, transportation and climate change. If you know of friends or co-workers who would like to receive these updates, please let us know. I reiterate our commitment to keeping these e-mail contacts to once a week. Thanks!

Ed Fallon

An Independence Movement for Iowa (I'M for Iowa)

Des Moines, IA

(515) 281-0405 (main)

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An Independence Movement for Iowa



I'M for Iowa

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Running for Congress!

Saturday, January 12, 2008

Dear Friends,

As some of you know, I've decided to run for Congress. Lynn and I will continue to publish *I'M for Iowa* updates and maintain the *I'M for Iowa* website. Through those tools, we'll encourage your involvement with key state issues, including campaign finance reform, hog confinements, climate change, eminent domain, health care, and improving the integrity of our voting system.

Through my congressional campaign organization, I'll share with you once each week an update on how the campaign is unfolding. (Please let me know if you do not want to receive that update.)

Last summer, after much thought, I decided I could best make a difference in the world as a member of Congress. In 2006, Americans said they were tired of Bush's policies, so we elected a Democratic Congress. Yet on key issues, congressional Democrats have let America down. Simply stated, too many of them, including Leonard Boswell, vote too often with President Bush and against the priorities of the American people.

As the Iowa Caucuses made abundantly clear, people are ready for change. While Leonard Boswell is an honorable man who has served with dignity, I feel his positions on many key issues are wrong.

Boswell accepts donations from PACs and lobbyists. Of the \$600,167 he raised between February and September 2007, 73% came from PACs. During my 14 years as a state representative and when I ran for governor, I refused donations from PACs and lobbyists and won't accept them in my congressional campaign either.

In 2003, he voted for the Iraq War and has continued to support additional funding with no timetable to bring the troops home. I opposed Bush's war from the start and believe we need a more diplomatic approach to foreign policy, not just in Iraq but throughout the Middle East.

In 2005, Boswell voted to provide \$14 billion in tax breaks and incentives for oil and gas companies. He also supports greater use of coal. I have been a leader in the fight against government handouts to big business. I support a moratorium on new coal-fired power plants and have helped lead efforts in Iowa to fight global warming.

Boswell voted for No Child Left Behind. I have always spoken against this unfunded, ineffective mandate, and believe NCLB should be repealed, or at a minimum severely overhauled.

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Boswell supported the Patriot Act, and in August 2007, voted for a bill to increase unwarranted surveillance on the American people. Iowa's other Democratic Congressmen, Bruce Braley and Dave Loebsack, voted against it. I have a long track record of fighting for civil rights and personal liberties.

In November 2007, Boswell joined Congressmen Steve King and Tom Latham – both Republicans – to vote for a NAFTA-like trade agreement with Peru. I am a vocal opponent of NAFTA and other so-called “free” trade agreements and believe in fair trade that protects American jobs, our environment, and workers' safety.

I'm ready to take on the corporate interests who have corrupted our federal government. I'm ready to give working families and the poor a voice in national politics. I'm ready to do what I can to see that environmental issues are taken seriously inside the beltway. I'm ready to apply what I've learned during 23 years of public service in Iowa and be a part of the solution in Washington.

Thank you for your interest, and if you'd like to contact our campaign team, we can be reached at fallon@fallonforcongress.com, (515) 277-0424, or 2715 Cottage Grove Avenue, Des Moines 50311.

Ed Fallon

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