APPENDIX A

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

REPORT

Review No. 23-8912

The Board of the Office of Congressional Ethics (hereafter "the Board"), by a vote of no less than four members, on December 1, 2023, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives (hereafter "the Committee").

SUBJECT: Representative Troy Nehls

NATURE OF THE ALLEGED VIOLATION: Rep. Nehls's campaign committee, Nehls for Congress, reported campaign disbursements that may not be legitimate and verifiable campaign expenditures attributable to bona fide campaign or political purposes. If Rep. Nehls converted campaign funds from Nehls for Congress to personal use, or if Rep. Nehls's campaign committee expended funds that were not attributable to bona fide campaign or political purposes, then Rep. Nehls may have violated House rules, standards of conduct, and federal law.

Rep. Nehls may have omitted required information from his annual House financial disclosure statements. If Rep. Nehls failed to disclose required information in his annual House financial disclosure statements, then he may have violated House rules, standards of conduct, and federal law.

RECOMMENDATION: The Board recommends that the Committee further review the above allegation concerning Rep. Nehls because there is probable cause to believe that Rep. Nehls may have converted campaign committee funds to personal use.

The Board recommends that the Committee further review the above allegation concerning Rep. Nehls because there is probable cause to believe that Rep. Nehls failed to disclose required information in his annual House financial disclosure statements.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE: Omar S. Ashmawy, Staff Director & Chief Counsel.

FINDINGS OF FACT AND CITATIONS TO LAW

TABLE OF CONTENTS

I. INTRODUCTION 3

A. Summary of Allegations 3

B. Jurisdictional Statement 4

C. Procedural History 4

D. Summary of Investigative Activity 5

II. REP. NEHLS MAY HAVE CONVERTED CAMPAIGN COMMITTEE FUNDS TO PERSONAL USE 5

A. Applicable Law, Rules, and Standards of Conduct 5

B. The OCE Reviewed Allegations that Rep. Nehls May Have Converted Campaign Funds to Personal Use 7

i. Liberty 1776, LLC 9

III. REP. NEHLS MAY HAVE OMITTED INFORMATION FROM HIS ANNUAL HOUSE FINANCIAL DISCLOSURE STATEMENTS 11

A. Applicable Law, Rules, and Standards of Conduct 11

B. Rep. Nehls May Have Omitted Information from His Annual House Financial Disclosure Statement 12

IV. CONCLUSION 13

V. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATION FOR THE ISSUANCE OF SUBPOENAS 13

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 23-8912

On December 1, 2023, the Board of the Office of Congressional Ethics (hereafter "the Board") adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (*in italics*).

I. INTRODUCTION

A. Summary of Allegations

1. Rep. Troy Nehls was sworn in to represent the 22nd Congressional District of Texas on January 3, 2021.[1] Representative Nehls's congressional campaign committee, Nehls for Congress, (the "campaign committee") may have paid a company registered to Rep. Nehls for reasons other than bona fide campaign purposes.

2. The OCE sought to identify whether the campaign committee payments made to a company registered to Rep. Nehls were for bona fide campaign purposes. Below are the specific issues considered in this review and the Board's recommendations.

3. Rep. Nehls's campaign committee, Nehls for Congress, reported campaign disbursements that may not be legitimate and verifiable campaign expenditures attributable to bona fide campaign or political purposes. If Rep. Nehls converted campaign funds from Nehls for Congress to personal use, or if Rep. Nehls's campaign committee expended funds that were not attributable to bona fide campaign or political purposes, then Rep. Nehls may have violated House rules, standards of conduct, and federal law.

4. Rep. Nehls may have omitted required information from his annual House financial disclosure statements. If Rep. Nehls failed to disclose required information in his annual House financial disclosure statements, then he may have violated House rules, standards of conduct, and federal law.

5. The Board recommends that the Committee further review the above allegation concerning Rep. Nehls because there is probable cause to believe that he converted campaign committee funds to personal use.

6. The Board recommends that the Committee further review the above allegation concerning Rep. Nehls because there is probable cause to believe that he failed to disclose required information in his annual House financial disclosure statements.

[1] Rep. Troy Nehls, *About*, https://nehls.house.gov/about/about (last visited December 5, 2023).

B. Jurisdictional Statement

7. The allegations that were the subject of this review concern Rep. Nehls, who represents the 22nd Congressional District of Texas. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics ("OCE") directs that, "[n]o review shall be undertaken … by the [B]oard of any alleged violation that occurred before the date of adoption of this resolution."[2] The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, review by the Board is in accordance with the Resolution.

C. Procedural History

8. The OCE received a written request for a preliminary review in this matter signed by at least two members of the Board on July 21, 2023. The preliminary review commenced on July 22, 2023.[3]

9. On July 25, 2023, the OCE notified Rep. Nehls of the initiation of the preliminary review, provided him with a statement of the nature of the review, notified him of his right to be represented by counsel in this matter, and notified him that invoking his right to counsel would not be held negatively against him.[4]

10. At least three members of the Board voted to initiate a second-phase review in this matter on August 15, 2023. The second-phase review commenced on August 21, 2023.[5] The second-phase review was scheduled to end on October 4, 2023.

11. On August 18, 2023, the OCE notified Rep. Nehls of the initiation of the second-phase review in this matter, and again notified him of his right to be represented by counsel in this matter, and that invoking that right would not be held negatively against him.[6]

12. The Board voted to extend the second-phase review by an additional period of fourteen days on September 5, 2023. The additional period ended on October 18, 2023.

13. The Board voted to refer the matter to the Committee for dismissal and adopted these findings on December 1, 2023.

[2] H. Res. 895 of the 110th Congress § 1(e) (2008) (as amended) (hereafter the "Resolution").
[3] A preliminary review is "requested" in writing by members of the Board of the OCE. The request for a preliminary review is received by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is 30 days from the date of receipt of the Board's request.
[4] Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Nehls (July 25, 2023).
[5] According to the Resolution, the Board must vote (as opposed to make a written authorization) on whether to conduct a second-phase review in a matter before the expiration of the 30-day preliminary review. If the Board votes for a second phase, the second phase commences the day after the preliminary review ends.
[6] Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Nehls (August 18, 2023).

14. The report and its findings in this matter were transmitted to the Committee on December 11, 2023.

D. Summary of Investigative Activity

15. The OCE requested documentary and in some cases testimonial information from the following sources:

(1) Rep. Troy Nehls;
(2) Robert Schroeder, Chief of Staff;
(3) Taylor Hulsey, Communications Director;
(4) Michael Curto, Legislative Director;
(5) Mandi Bronsell, Campaign Staffer;
(6) Thomas Datwyler, Campaign Treasurer;
(7) EBP Property Holdings LTD;
(8) Liberty 1776 LLC; and
(9) Robert Phillips, AX Capital Compliance.

16. The following individuals and entities refused to cooperate with the OCE's review:

(1) Rep. Troy Nehls;
(2) Robert Schroeder, Chief of Staff;
(3) Taylor Hulsey, Communications Director;
(4) Michael Curto, Legislative Director;
(5) Mandi Bronsell, Campaign Staffer;
(6) Thomas Datwyler, Campaign Treasurer;
(7) EBP Property Holdings LTD;
(8) Liberty 1776 LLC; and
(9) Robert Phillips, AX Capital Compliance.

II. REP. NEHLS MAY HAVE CONVERTED CAMPAIGN COMMITTEE FUNDS TO PERSONAL USE

A. Applicable Law, Rules, and Standards of Conduct

17. Federal Statutes

52 U.S.C. § 30114 (a)(1) states that, "[a] contribution accepted by a candidate, and any other donation received by an individual as support for activities of the individual as a holder of Federal office, may be used by the candidate or individual for otherwise authorized expenditures in connection with the campaign for Federal office of the candidate or individual[.]"

52 U.S.C. § 30114(b)(2)(D) states that "a contribution or donation shall be considered to be converted to personal use if the contribution or amount is used to fulfill any commitment,

obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal office…"

11 C.F. R. § 113.1(g) states that, "[p]ersonal use means any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate's campaign or duties as a Federal officeholder."

11 C.F. R. § 113.1(g)(1)(i)(E)(2) states that "[p]ersonal use includes but is not limited to the use of funds in a campaign account for any item listed in paragraphs (g)(1)(i)(A) through (J) of this section: Mortgage, rent or utility payments … for real or personal property that is owned by the candidate or a member of the candidate's family and used for campaign purposes, to the extent the payments exceed the fair market value of the property usage."

The FEC's Final Rule regarding the Personal Use of Campaign Funds – Discussion Regarding Rental of Office Space Owned By Candidate, 60 Fed. Reg. 7862, 7865 (Feb. 9, 1995) provides that candidates may rent office space owned in whole or in part by the candidate provided the candidate does not pay more than fair market value and provided that the property is not part of the candidate's personal residence.[7]

18. House Rules

House Rule 23, clause 6(b) states that, "a Member may not convert campaign funds to personal use in excess of an amount representing reimbursement for legitimate and verifiable campaign expenditures."

House Rule 23, clause 6(c) states that, "a Member except as provided in clause 1(b) of rule XXIV, may not expend funds from his campaign account that are not attributable to bona fide campaign or political purposes."

19. House Ethics Manual

The House Ethics Manual explains that, "[a] Member's use of campaign funds for federal office is permissible only if it complies with the provisions of ***both*** *the House Rules* ***and*** *[the Federal Election Campaign Act]."*[8]

The House Ethics Manual states that "[w]hile FECA and other statutes on campaign activity are not rules of the House, Members and employees must also bear in mind that the House Rules require that they conduct themselves 'at all times in a matter that shall reflect creditably on the House' (House Rule 23, clause 1). In addition, the Code of Ethics of Government Service, which applies to House Members and staff, provides in ¶ 2 that government officials should '[u]phold the Constitution, laws and legal regulations of the United States and of all governments therein and never be a party to their evasion.' Accordingly, in violating FECA or another provision of

[7] *See also In the Matter of Hon. Bart T. Stupak, FEC Advisory Opinion 1995-8, at 2 (Apr. 21, 1995).*
[8] Committee on Standards and Official Conduct, HOUSE ETHICS MANUAL (2022 Print) at 161. https://ethics.house.gov/sites/ethics.house.gov/files/documents/2022/House-Ethics-Manual-2022-Print.pdf [hereinafter "HOUSE ETHICS MANUAL"] (emphasis in original).

statutory law, a Member or employee may also violate these provisions of the House rules and standards of conduct . . . ."[9]

Moreover, under these rules, "a Member or employee must take reasonable steps to ensure that any outside organization over which he or she exercises control – including the individual's own authorized campaign committee or, for example, a 'leadership PAC' – operates in compliance with applicable law."[10]

The House Ethics Manual notes that the House Rules require that campaign disbursements not only be "legitimate," but also capable of being verified as such. The House Ethics Manual notes that "[t]his requirement that the proper purpose of each outlay be 'verifiable' is a commonsense requirement. With the huge number of outlays that Members' campaigns typically make, often on a nearly continuous basis, the propriety of particular outlays may not be subject to review for months or years after the fact, when recollections as to the circumstances or specific purposes of an outlay may well have faded. Absent a requirement for verification, the prohibition against converting campaign funds to personal use would be nullified in substantial part. Furthermore, the verification requirement should serve to cause Members and their campaign staffs to exercise caution in spending campaign funds, and to ensure that no outlay is for an impermissible personal purpose."[11]

The House Ethics Manual notes that there are two requirements if a Member wishes to rent space for their campaign, specifically that: "(1) there is a bona fide campaign need for the goods, services, or space, and (2) the campaign does not pay more than fair market value in the transaction."[12]

The Manual goes on to state: "Whenever a Member's campaign is considering entering into a transaction with either the Member or one of his or her family members, it is advisable for the Member to seek a written advisory opinion on the transaction from the Standards Committee. If a Member's campaign does enter into such a transaction with the Member or a member of his or her family, the campaign's records must include information that establishes both the campaign's need for and actual use of the particular goods, services or space, and the efforts made to establish fair market value for the transaction."[13]

B. The OCE Reviewed Allegations that Rep. Nehls May Have Converted Campaign Funds to Personal Use

20. Rep. Nehls's campaign committee lists its operating location as "Freedom Hall," located at 1612 Crabb River Rd., Richmond, TX 77469.[14] As of March 2023, this location was a bar or

[9] HOUSE ETHICS MANUAL at 132.
[10] *Id*.
[11] *Id.* at 173-174.
[12] *Id.* at 173.
[13] *Id.* (referencing *In the Matter of Rep. Earl F. Hillard*, in which the Standards Committee issued a lengthy report finding Rep. Hillard had improperly paid more than the fair market value for rental space that he had an interest in).
[14] Family Community – Troy Nehls for Congress (available at: https://nehlsforcongress.com/) (last visited December 5, 2023).

tavern operated by an entity called "Z-Bar, LP.[15]" At some point between March 2023 and October 2023, this location was converted into an Islamic center and boarding school.[16] Despite this location being listed as his campaign headquarters, the campaign's disbursements do not show any rent paid to either Z-Bar or Freedom Hall.

21. Instead, Representative Nehls's campaign committee made disbursements for rent payments in 2020 and 2022 to an entity known as Liberty 1776, LLC ("Liberty 1776").[17] The campaign committee has made a variety of disbursements to Liberty 1776 since 2019 for rent expenses. Rep. Nehls and all other witnesses contacted by the OCE provided no information about what the campaign committee was renting from Liberty 1776 or if the campaign committee received anything for these payments. A table of the expenses is below:[18]

2022

Date	Amount	Entity	Purpose
3/1/2022	$5,000	Liberty 1776, LLC	Rent Expense
8/26/2022	$5,000	Liberty 1776, LLC	Rent Expense

2021

Date	Amount	Entity	Purpose
12/7/2021	$5,000	Liberty 1776, LLC	Rent

2020

Date	Amount	Entity	Purpose
6/4/2020	$2,000	Liberty 1776, LLC	Rent Expense
8/7/2020	$2,000	Liberty 1776, LLC	Rent
9/10/2020	$3,819.20	Liberty 1776, LLC	Rent

2019

Date	Amount	Entity	Purpose
12/11/2019	$2,500	Liberty 1776, LLC	Office Rent

22. Generally, campaign funds may only be spent for "bona fide campaign or political purposes." Federal law also provides certain examples of how campaign funds may not be spent, of which one prohibited category of spending is for "personal use." Personal use includes: "the purchase or lease of goods, services, or space from the Member himself, an entity he owns,

[15] Fort Bend County Tax Office Inquiry and Payment System (available at: https://actweb.acttax.com/act_webdev/fbc/showdetail2.jsp?can=0049000000092901) (last visited December 5, 2023).
[16] *See* Madrasah Islamiah, *DarulQuran*, https://madrasahislamiah.org/darul-quran (last visited December 5, 2023)
[17] *See* Nehls for Congress, 2019 to 2022 FEC Quarterly Reports of Receipts and Disbursements (listing campaign committee disbursements to Liberty 1776, LLC from 2019 through 2022) (last visited December 5, 2023).
[18] *Id*.

or his family."[19] If a member provides bona fide services to the campaign, any payment in excess of the fair market value of the services provided is personal use.[20]

23. Rep. Nehls is the primary beneficiary of any payments to Liberty 1776. A review of Texas Comptroller of Public Accounts records reveals that the registered agent of Liberty 1776 is Representative Nehls.[21] Additionally, publicly available information reveals that Liberty 1776 is a single-member LLC owned and operated by Representative Nehls and started in 2019.[22]

24. The OCE reviewed whether rent payments made to Rep. Nehls's company, Liberty 1776, were for bona fide campaign purposes. The sporadic nature of the payments, as well as the lack of publicly available information linking Liberty 1776 to the campaign headquarters, raises concerns regarding the personal use of campaign funds.

25. The OCE sought information from Rep. Nehls, several current staffers, Rep. Nehls's campaign treasurer, as well as other third parties, including the owner of the property located at 1612 Crabb River Road. However, despite various attempts at gathering relevant information, Rep. Nehls, his staff and all third parties contacted by the OCE refused to cooperate with this review.[23]

26. As discussed in more detail below, due to the lack of cooperation, no witness could confirm that the payments made to Rep. Nehls's company, Liberty 1776, were for bona fide campaign purposes.

i. Liberty 1776, LLC

27. Liberty 1776, LLC is registered to Representative Nehls' home address at 4002 Scenic Orchard Lane, Richmond, TX 77407.[24] The LLC's right to do business in the state of Texas was terminated for failure to pay franchise taxes in 2022.[25] The campaign committee made at least one reported payment to Liberty 1776 after the entity was terminated by the state of Texas for failing to pay franchise taxes.[26]

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[19] HOUSE ETHICS MANUAL at 176.
[20] *Id*. at 179.
[21] Taxable Entity Search Results – Texas Comptroller of Public Accounts (available at: https://mycpa.cpa.state.tx.us/coa/coaSearchBtn#) (last visited December 5, 2023).
[22] *Id*.
[23] The OCE made exhaustive efforts to contact witnesses involved, but regrettably none of them cooperated. It is noteworthy that Rep. Nehls and all staffers contacted by the OCE were represented by the same attorney. In a letter dated September 8, 2023, from Rep. Nehls' attorney, he stated that "the unreasonable scope of the [OCE's] requests highlights the concern that current personnel employed by the OCE—which was created by then-Speaker Nancy Pelosi to intimidate and harass opposing candidates and Members—may all too easily wield their authority to drive at the result they desire regardless of the volume of documents or information a respondent may provide…as stated above, respondent will be glad to cooperate with the House Committee on Ethics to the extent the Committee has any questions about any campaign matter."
[24] Taxable Entity Search Results – Texas Comptroller of Public Accounts (available at: https://mycpa.cpa.state.tx.us/coa/coaSearchBtn#) (last visited December 5, 2023).
[25] *Id*.
[26] *See supra.*note 15.

28. A review of publicly available records does not show that Representative Nehls is associated with the ownership of the Crabb River Road property. However, Liberty 1776 has paid property taxes on personal property at that location. On March 29, 2022, Liberty 1776 paid $159.52 for items listed as "Personal Property Supplies, Furn, Fix & Equip Located @ 1612 Crabb River Rd. Near Richmond."[27] Due to Rep. Nehls' lack of cooperation, the OCE received no clarification regarding what personal property Liberty 1776 owned at 1612 Crabb River Rd.

29. Of note, information obtained from the FEC's website reveals that the campaign committee also made "rent" payments to another entity located at Rep. Nehls' campaign headquarters called Patriot Media, LLC.

2022

Date	Amount	Entity	Reason
9/20/2022	$5,000	Patriot Media, LLC	Rent Expense
9/22/2022	$5,000	Patriot Media, LLC	Rent Expense

30. These rent payments were in addition to another rent payment in 2020 to a different entity called Pogie USA, LLC, a Texas Domestic Limited-Liability company, incorporated on January 2, 2008.[28]

2020

Date	Amount	Entity	Reason
11/5/2020	$2652.62	Pogie USA, LLC	Rent Expense

31. A review of publicly available information did not reveal any ownership connection between Representative Nehls and Pogie USA, LLC or Patriot Media, LLC. However, the multiple rent payments to different entities raise concerns about the legitimacy and purpose of these payments.

32. The OCE requested information from EBP Property Holdings, LTD ("EBP Property"), which at the time of this report, owned the 1612 Crabb River Rd. property, known as Freedom Hall.[29] EBP Property is a company incorporated in Texas in December of 2013.[30] In its

[27] *See* Fort Bend County Tax Office Inquiry and Payment System (available at: https://actweb.acttax.com/act_webdev/fbc/reports/paymentinfo.jsp?can=9960062210053901&ownerno=0) (last visited December 5, 2023).
[28] *See* Pogie USA, LLC, Articles of Org. for Texas Limited Liability Company, TEXAS SECRETARY OF STATE, filed January 2, 2008.
[29] The OCE staff had a telephone conversation with the seller's agent for EBP Property Holdings LTD. During this conversation, the seller's agent confirmed that EBP Property owned the property located at 1612 Crabb River Road and was in the process of selling it to the owners of the Islamic Center. *See* Memorandum of Conversation, September 13, 2023 (On file with the OCE).
[30] *See* EBP Property Holding, LTD, Articles of Org. for Texas Limited Liability Company, TEXAS SECRETARY OF STATE, filed December 12, 2013.

request, the OCE sought to obtain information regarding any lease or rental agreements between Rep. Nehls, his campaign and the property. EBP Properties refused to cooperate.

33. Without cooperation from Rep. Nehls, his staff or EBP Property Holdings, the OCE was unable to verify that the rent disbursements were properly made and used for appropriate purposes.

34. Based on the foregoing, the Board finds that there is probable cause[31] to believe that Rep. Nehls converted campaign funds to personal use.

III. REP. NEHLS MAY HAVE OMITTED INFORMATION FROM HIS ANNUAL HOUSE FINANCIAL DISCLOSURE STATEMENTS

A. Applicable Law, Rules, and Standards of Conduct

35. Federal Statutes

5a U.S.C. § 102(a)(6)(A) states that, "[e]ach report pursuant to section 101(d) and (e) shall include a full and complete statement with respect to the following:…[t]he identity of all positions held on or before the date of filing during the current calendar year (and, for the first report filed by an individual, during the two-year period preceding such calendar year) as an officer, director, trustee, partner, proprietor, representative, employee, or consultant of any corporation, company, firm, partnership, or other business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. This subparagraph shall not require the reporting of positions held in any religious, social, fraternal, or political entity and positions solely of an honorary nature."

Pursuant to the Ethics in Government Act of 1978, the contents of a financial disclosure report must include "[t]he identity and category of value of any interest in property held during the preceding calendar year in a trade or business, or for investment or the production of income, which has a fair market value which exceeds $1,000 as of the close of the preceding calendar year . . . ."[32]

The Ethics in Government Act states that each report must include a statement of "[t]he source, type, and amount or value of income . . . from any source (other than from current employment by the United States Government) . . . aggregating $200 or more in value. . . ."[33]

The Ethics in Government Act states that "[i]t shall be unlawful for any person to knowingly and willfully—(i)falsify any information that such person is required to report under section 102; and (ii) fail to file or report any information that such person is required to report under section 102."[34]

[31] OCE Rules for the Conduct of Investigation, Rule 9(a) Standard of Proof (Dec. 9,2022)
[32] 5 U.S.C. app. 4 § 102(a)(3).
[33] 5 U.S.C. app. 4 § 102(a)(1)(A).
[34] 5 U.S.C. app. 4 § 104(a)(2)(A)(i)-(ii).

36. House Rules

House Rule 26, clause 2 states that "[f]or the purposes of this rule, the provisions of Title I of the Ethics in Government Act of 1978 shall be considered Rules of the House as they pertain to Members, Delegates, the Resident Commissioner, officers and employees of the House."

37. House Ethics Guidance

In the Matter of Allegations Relating to Representative Vernon G. Buchanan, the Committee noted that inadvertent errors and omissions "are not uncommon" in financial disclosure statements.[35] The Committee described the potential for concern with respect to errors and omissions that "are knowing or willful, or appear to be significantly related to other potential violations."[36] The Committee went on to explain that "accurate and complete reporting on Financial Disclosure Statements should be every filer's goal and is necessary to be in compliance with House Rules and federal law. All filers are encouraged to promptly file amendments whenever they learn of errors or omissions. Failure to do so may constitute a knowing and willful violation."[37]

B. Rep. Nehls May Have Omitted Information from His Annual House Financial Disclosure Statement

38. The OCE reviewed Rep. Nehls's financial disclosure reports filed since his candidacy through 2022 and found that Rep. Nehls did not disclose his position, or any income derived from Liberty 1776, LLC, on his financial disclosure forms either as a Member or as a candidate for office.[38] This failure to disclose contradicts the public filings regarding Rep. Nehls' ownership of Liberty 1776 and the reported campaign disbursements for rental expenses.

39. Without cooperation from Rep. Nehls, it is not possible to confirm that the failure to report his position, or any income derived from Liberty 1776, was a result of carelessness or, given the information discussed above, a deliberate act to conceal the misuse of campaign funds.

40. Based on the foregoing, the Board finds that there is probable cause to believe that Rep. Nehls omitted required information in his annual House financial disclosure report.[39]

[35] *In the Matter of Allegations Relating to Representative Vernon G. Buchanan*, 112th Cong., 2d Sess. (July 10, 2012) at 5.
[36] *Id.*
[37] *Id.* at 6.
[38] *See* Rep. Nehls 2021 Candidate Financial Report filed August 11, 2021; *See also* Rep. Nehls 2021 Annual Financial Disclosure Report. filed June 14, 2022; *See also* Rep. Nehls 2022 Annual Financial Disclosure Report. filed August 13, 2023.
[39] OCE Rules for the Conduct of Investigation, Rule 9(a) Standard of Proof (Dec. 9,2022)

IV. CONCLUSION

41. Based on the foregoing information, the Board finds that there is probable cause to believe that Rep. Nehls may have converted campaign funds to personal use by expending funds that were not attributable to bona fide campaign or political purposes.

42. Based on the foregoing information, the Board finds that there is probable cause to believe that Rep. Nehls failed to disclose required information in his annual House financial disclosure statements.

43. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Nehls may have converted campaign funds to personal use by expending funds that were not attributable to bona fide campaign or political purposes.

44. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Nehls failed to disclose required information in his annual House financial disclosure statements.

V. INFORMATION THE OCE WAS UNABLE TO OBTAIN AND RECOMMENDATION FOR THE ISSUANCE OF SUBPOENAS

45. The Board notes the significance of Rep. Nehls' decision not to cooperate with the OCE's review, particularly in light of the fact that every individual who also declined to cooperate was represented by his attorney, or an entity or individual closely associated with him. This raises questions about whether all parties involved received equal and unbiased representation and cast doubt on the credibility of Rep. Nehls as the subject of this review.

46. Of note, through his counsel, Rep. Nehls declined to cooperate with the OCE's review, citing allegations that the OCE abused its authority and that OCE personnel engage in acts of intimidation and harassment against members of congress.[40] Further, through counsel, Rep. Nehls makes clear that while he will not cooperate with the OCE, he "will be glad to cooperate with the House Committee on Ethics to the extent the Committee has any questions about any campaign matter."[41]

47. In the matter of allegations against Representative David Schweikert, the Committee stated that "…public office is a public trust, and as part of that public trust, public officials should take seriously allegations that threaten the integrity of the institution and seek to be forthright and cooperative with the body designed to review such allegations."[42]

[40] In a letter dated September 8, 2023, from Rep. Nehls' attorney, he stated that "the unreasonable scope of the [OCE's] requests highlights the concern that current personnel employed by the OCE—which was created by then-Speaker Nancy Pelosi to intimidate and harass opposing candidates and Members—may all too easily wield their authority to drive at the result they desire regardless of the volume of documents or information a respondent may provide…as stated above, respondent will be glad to cooperate with the House Committee on Ethics to the extent the Committee has any questions about any campaign matter." *See* Letter from Rep. Nehls Counsel to the OCE Board, September 8, 2023.

[41] *Id.*

[42] Comm. on Ethics, In the Matter of Allegations Relating to Representative David Schweikert, H. Rept. 116-465, 116th Cong., 2d Sess. 14 (2020)

48. The refusal of Rep. Nehls to cooperate with the OCE's review, while expressing willingness to cooperate with the Ethics Committee, raises concerns about selective engagement and potential bias. By choosing to bypass the OCE, which serves as an independent body responsible for reviewing allegations of misconduct, Rep. Nehls is undermining the transparency and the integrity of the investigation.

49. The following witnesses, by declining to provide requested information to the OCE, did not cooperate with the OCE review:

    (1) Rep. Troy Nehls;
    (2) Robert Schroeder, Chief of Staff;
    (3) Taylor Hulsey, Communications Director;
    (4) Michael Curto, Legislative Director;
    (5) Mandi Bronsell, Campaign Staffer;
    (6) Thomas Datwyler, Campaign Treasurer;
    (7) EBP Property Holdings LTD;
    (8) Liberty 1776 LLC; and
    (9) Robert Phillips, AX Capital Compliance.

50. The Board recommends that the Committee on Ethics issue subpoenas to:

    (1) Rep. Troy Nehls;
    (2) Robert Schroeder, Chief of Staff;
    (3) Taylor Hulsey, Communications Director;
    (4) Michael Curto, Legislative Director;
    (5) Mandi Bronsell, Campaign Staffer;
    (6) Thomas Datwyler, Campaign Treasurer;
    (7) EBP Property Holdings LTD;
    (8) Liberty 1776 LLC; and
    (9) Robert Phillips, AX Capital Compliance.