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IN THE MATTER OF ALLEGATIONS RELATING TO REPRESENTATIVE TROY NEHLS

R E P O R T

OF THE

COMMITTEE ON ETHICS



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119TH CONGRESS, 2D SESSION
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ETHICS

IN THE MATTER OF ALLEGATIONS RELATING TO REPRESENTATIVE TROY NEHLS

NOVEMBER 23, 2026

Mr. GUEST from the Committee on Ethics, submitted the following

REPORT

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LETTER OF TRANSMITTAL

November 23, 2026

The Honorable Kevin F. McCumber
Clerk, House of Representatives
H-154, The Capitol
Washington, DC 20515

Dear Mr. McCumber:

Pursuant to clauses 3(a)(2) and 3(b) of Rule XI of the Rules of the House of Representatives, we herewith transmit the attached report, "In the Matter of Allegations Relating to Representative Troy Nehls."

Sincerely,

Michael Guest
Chairman

Mark DeSaulnier
Ranking Member

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119TH CONGRESS, 2D SESSION
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ETHICS

IN THE MATTER OF ALLEGATIONS RELATING TO REPRESENTATIVE TROY NEHLS

NOVEMBER 23, 2026

Mr. GUEST, from the Committee on Ethics, submitted the following

R E P O R T

In accordance with House Rule XI, clauses 3(a)(2) and 3(b), the Committee on Ethics (Committee) hereby submits the following Report to the House of Representatives:

I. INTRODUCTION

On December 11, 2023, the Office of Congressional Conduct (OCC), then known as the Office of Congressional Ethics, transmitted a Report and Findings (Referral) regarding allegations that: (1) Representative Troy Nehls' campaign committee may have converted campaign funds to personal use in connection with campaign disbursements for rent to Liberty 1776 LLC (Liberty 1776), a company owned by Representative Nehls; and (2) Representative Nehls may have omitted required information from his annual House Financial Disclosure reports.[1]

The Committee reviewed the allegations referred by OCC pursuant to Committee Rule 18(a). Following its review, the Committee found that Representative Nehls improperly used a company that he owned as a political committee; the company, Liberty 1776, received and disbursed funds for the benefit of Representative Nehls' campaign and other unverifiable purposes. Liberty 1776's activities were inconsistent with campaign finance rules and regulations, as well as clause 6 of the Code of Official Conduct. The Committee did not find Representative Nehls made knowing or willful errors on his House Financial Disclosure reports.

[1] Report and Findings from the Office of Congressional Conduct (Review No. 23-8912) (Appendix A) at 3 (hereinafter OCC Referral). For both allegations referred for further review, the OCC Board found "probable cause," rather than "substantial reason" to believe the allegations, largely due to OCC's inability to obtain necessary information regarding the allegations. *See* OCC Rule 9(A) ("The Board shall refer a matter to the Ethics Committee for further review if it determines there is a *substantial reason* to believe the allegation(s) based on all the information then known to the Board. However, in the event [OCC] is unable to obtain information necessary to reach that determination, but the Board does determine there is *probable cause* to believe the allegations, the Board may refer the matter to the Ethics Committee for further review.") (emphasis in original).

While these allegations were under review, the Committee released new and clarifying guidance on the legitimate and verifiable use of campaign funds,[2] after acknowledging that "existing law and guidance" on these issues "is often ambiguous and provides for significant gray areas of spending."[3] The campaign finances in this matter, however, did not involve ambiguous spending regulations, but rather fundamental requirements that candidates raise and spend campaign funds through registered political committees subject to specific disclosure requirements, contribution limits, and other restrictions. The Committee did not determine that Representative Nehls' violations relating to Liberty 1776 were knowing and willful, but rather the result of inattention to the applicable standards of conduct. Nonetheless, by using an unregistered entity for receipts and disbursements of campaign funds, including while serving in Congress, Representative Nehls caused his campaign to accept improper contributions, to fail to properly disclose campaign activity, and to use funds in a manner where the legitimate campaign purpose could not be verified.

Representative Nehls' missteps were far from the most egregious campaign finance violations before the Committee in recent years, and Representative Nehls himself is no longer campaigning for Congress. Nonetheless, the public's trust in the integrity of its legislators is inextricably linked to legislators' adherence to the campaign finance requirements governing them. Representative Nehls did not take those requirements seriously enough, nor did he take the Committee's role in reviewing this matter seriously enough; the Committee must make clear more is expected of House Members.

Accordingly, the Committee voted to issue this Report, which will serve as a Reproval of Representative Nehls' conduct. Upon publication of this report, the Committee considers this matter closed.

II. PROCEDURAL HISTORY

OCC undertook a preliminary review of this matter on July 22, 2023. On August 21, 2023, OCC initiated a second-phase review of this matter. The Committee received the OCC Referral on December 11, 2023. Representative Nehls submitted a written response to the OCC Referral through his attorney on January 23, 2024. On March 26, 2024,[4] the Chairman and then-Ranking Member of the Committee issued a statement announcing that they had jointly decided to extend the Committee's consideration of the OCC Referral regarding Representative Nehls for an additional 45-day period. On May 10, 2024, pursuant to House and Committee Rules, the Committee publicly released the OCC Referral, along with a copy of Representative Nehls' written response.

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[2] Memorandum of the Comm. on Ethics, *Legitimate and Verifiable Use of Campaign Funds* (Dec. 30, 2024) (hereinafter 2024 Pink Sheet), https://ethics.house.gov/campaign-activity-pink-sheets/legitimate-and-verifiable-use-of-campaign-funds/.

[3] Comm. on Ethics, Statement of the Chairman and Ranking Member of the Committee on Ethics Regarding Certain Investigative Matters Involving Allegations of Personal Use of Campaign Funds (Dec. 30, 2024), https://ethics.house.gov/press-releases/statement-of-the-committee-on-ethics-regarding-certain-investigative-matters-involving-allegations-of-personal-use-of-campaign-funds/.

[4] The counting of the 45 and 90-day deadlines related to OCC referrals is tolled during the 60-day blackout period prior to any elections in which the subject of the referral is a candidate.

The Committee reviewed materials provided by OCC, including its Report and Findings. The Committee also requested and received information from Representative Nehls, including documents and narrative responses, as well as other witnesses. In total, Committee staff interviewed eight witnesses, including Representative Nehls and his Chief of Staff, as well as several other individuals associated with Liberty 1776 or the property that it rented on behalf of Representative Nehls' campaign.

In October 2026, the Committee notified Representative Nehls that it was considering the adoption of a public report that would serve as a reproval of him regarding this matter. Consistent with the Committee's longstanding practice when considering a sanction vote, Representative Nehls was provided with a draft of the report under consideration. Representative Nehls submitted a written response to the draft report through counsel, which noted that he was "pleased the report acknowledges that the identified recordkeeping discrepancies, involving relatively minor sums, were inadvertent, and proposes closing the matter without pursuing any formal charges necessitating any investigative subcommittee or statement of alleged violations."[5] The response indicated that Representative Nehls "disputes certain other suggestions in the report on both factual and legal grounds," as raised in his prior responses and testimony to the Committee, but "he will not belabor those points again, given this proposed resolution."[6]

On November 19, 2026, the Committee voted to adopt this Report, which will serve as a reproval of Representative Nehls' conduct.

III. RELEVANT LAWS, RULES, AND OTHER APPLICABLE STANDARDS OF CONDUCT

A. Campaign Finances

The *House Ethics Manual* (*Ethics Manual*) provides that a Member of Congress "must take reasonable steps to ensure that any outside organization over which he or she exercises control" operates in compliance with applicable law, including but not limited to their campaigns, leadership Political Action Committees (PACS), or other political committees.[7]

Federal laws and regulations restrict the use and receipt of funds by a congressional campaign.

The Federal Election Campaign Act of 1971 (FECA) limits the amount of money individuals and groups may contribute each election to candidates and their committees.[8] A contribution includes "a gift, subscription, loan, . . . or anything of value made by any person for the purpose of influencing any election for Federal office."[9] In-kind contributions include "the provision of any goods or services without charge or at a charge that is less than the usual and

[5] Letter from Counsel to Representative Troy Nehls to Committee on Ethics Chairman Michael Guest, Ranking Member Mark DeSaulnier, and Members of the Committee (Nov. 10, 2026) (Appendix B) (hereinafter Representative Nehls' Draft Report Response).
[6] *Id.*
[7] *House Ethics Manual* (2022) at 132 (hereinafter *Ethics Manual*).
[8] 52 U.S.C. § 30116(a)(1)(A), (f); 11 C.F.R. §§ 110.1(b)(1), 110.9.
[9] 11 C.F.R. 100.52(a).

normal charge," such as "facilities, equipment, supplies, personnel," and other things of value.[10] Expenditures coordinated with a candidate are also considered contributions under FECA.[11] The contribution limits for the 2019-2020 election cycle were $2,800 per election. However, "[i]t is unlawful . . . for any corporation whatever . . . to make a contribution or expenditure in connection with any election at which . . . a Senator or Representative in . . . Congress are to be voted for."[12] The federal prohibition on direct corporate contributions to campaigns applies not only to cash contributions but also in-kind contributions.[13]

FECA also requires political committees to report certain disbursements, including all operating expenditures to a vendor that aggregate in excess of $200. The FEC advises that a campaign's statements of the purpose of a disbursement and the identity of its recipient "must be sufficiently specific to make the purpose of the disbursement clear," and has determined "that the description of purpose should be sufficient to allow 'a person not associated with the committee [to] easily discern why the disbursement was made when reading the name of the recipient and the purpose'" and that inadequate descriptions of the purpose of campaign disbursements may violate 52 U.S.C. § 30104(b)(5) and 2 (b)(6) and 11 C.F.R. § 104.3(b)(3) and (b)(4) where there is evidence "that a committee undertook efforts to actively conceal the ultimate payee."[14] The FEC has further determined that "merely reporting the immediate recipient of a committee's payment will not satisfy the requirements of Section 30104(b)(5) when the facts indicate that the immediate recipient is merely a conduit for the intended recipient of the funds."[15]

Both House Rules and Federal law prohibit personal use of campaign funds. House Rule XXIII, clause 6 states that "[a] Member . . . shall keep the campaign funds of such individual separate from the personal funds of such individual; . . . may not convert campaign funds to personal use in excess of an amount representing reimbursement for legitimate and verifiable campaign expenditures; and . . . may not expend funds from a campaign account . . . that are not attributable to bona fide campaign or political purposes."[16] Under FECA, contributions or donations "received by an individual as support for activities of the individual as a holder of Federal office" may not be "converted by any person to personal use."[17] The term "personal use" is defined as using campaign funds "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."[18]

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[10] 11 C.F.R. 100.52(d)(1).
[11] *See, e.g.*, 52 U.S.C. § 30116(a)(7)(B).
[12] *United States v. Emmons*, 8 F.4th 454, 458, 465 (6th Cir. 2021) (quoting 52 U.S.C. § 30118(a)); *see also Citizens United v. Fed. Election Comm'n*, 558 U.S. 310, 320 (2010) (federal law "still does prohibit—corporations and unions from using general treasury funds to make direct contributions to candidates.").
[13] *See* MUR 5409, First Gen. Counsel's Rpt. at 10.
[14] MUR 7923, Notification with Factual and Legal Analysis to Friends of David Schweikert, et al. at 11-14 (citing Statement of Policy: "Purpose of Disbursement" Entries for Filings with the Commission, 72 Fed. Reg. 887-88 (Jan. 9, 2007)).
[15] *Id*. at 14 (citing MUR 6724, Notification with Factual and Legal Analysis to Bachmann for President, et al. at 9).
[15] House Rule XXIII, cl. 6.
[16] House Rule XXIII, cl. 6.
[17] 52 U.S.C. § 30114(a), (b)(1).
[18] 11 C.F.R. § 113.1(g) (defining the term "personal use"); *see also* 52 U.S.C. § 30114(b)(2).

FECA and related FEC regulations set forth several categories of spending that are automatically considered to be personal use, including "[m]ortgage, 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."[19] The *Ethics Manual* cautions Members that "certain kinds of campaign outlays, such as expenditures for travel, meals, and the purchase of goods and services 'by their nature raise a concern of personal use.'"[20]

Both federal and House standards also impose recordkeeping requirements on Members' campaign committees. Federal regulations require a political committee to keep an account of all disbursements made by or on behalf of the committee, including the name and address of every person to whom any disbursement is made, as well as the date and amount of the disbursement and a brief statement or description of why the disbursement was made.[21] In addition, for disbursements in excess of $200, a campaign committee must retain certain records including a receipt or invoice from the payee,[22] or a canceled check or record of electronic transfer to the payee, or, for credit card transactions, a monthly billing statement or customer receipt.[23] Federal regulations require these records and accounts to be preserved for three years.[24] The treasurer is expected to "use his or her best efforts" to obtain and maintain the required records "and shall keep a complete record of such efforts."[25] House Rules prohibiting the personal use of campaign funds impose an additional verification requirement that is "separate from, and in addition to," the recordkeeping requirements imposed by the FEC or by applicable state or local law, and requires that Members be able to verify that campaign disbursements are legitimate.[26] Specifically, House Rule XXIII, clause 6 prohibits "convert[ing] campaign funds to personal use in excess of an amount representing reimbursement for legitimate and verifiable campaign expenditures."[27]

Federal law requires campaign receipts and disbursements be made from designated campaign accounts. Each candidate committee must identify at least one banking institution as the official campaign depository and "shall notify the Commission of the campaign depository(ies) it has designated."[28] Under 11 C.F.R. § 103.3(a)(1)-(2), all receipts by a committee shall be returned or "deposited in account(s) established pursuant to 11 CFR 103.2," and the committee "shall make all disbursements . . . from an account at its designated campaign depository, except

[19] 11 C.F. R. § 113.1(g)(1)(i)(E)(2).
[20] Comm. on Ethics, *In the Matter of Allegations Relating to Representative George Santos*, H. Rept. 118-274, 118th Cong. 1st Sess. 36 (2023) (hereinafter *Santos*) (citing *Ethics Manual* at 176).
[21] 11 C.F.R. § 102.9(b)(1); *see also* Comm. on Ethics, *In the Matter of Allegations Relating to Representative David Schweikert*, H. Rept. 116-465, 116th Cong. 2d Sess. 50 (2020) (hereinafter *Schweikert*).
[22] "Payee" means the person who provides the goods or services to the committee or agent thereof in return for payment. 11 C.F.R. § 102.9(b)(2)(i)(A).
[23] 52 U.S.C. § 30104(b)(3)(A), (5)(A); 11 C.F.R. §§ 102.9(b)(2), 104.3.
[24] 11 C.F.R. § 102.9(c).
[25] 11 C.F.R. § 102.9(d) (the treasurer will not be deemed to have made best efforts to obtain, maintain and submit the records unless he or she has made at least one written effort per transaction to obtain a duplicate copy of the invoice, receipt, or cancelled check).
[26] *See Santos* at 30-31 (citing *Ethics Manual* at 174) (Members "must be able to verify that campaign resources have not been so misused" and that "the verification requirement imposed by House rules is separate from, and in addition to," the recordkeeping requirements imposed by the FEC or by applicable state or local law). *See also* 2024 Pink Sheet.
[27] House Rule XXIII, cl. 6.
[28] 52 U.S.C. 30102(h)(1); 11 C.F.R. §§ 103.1-103.3.

for expenditures of $100 or less made from a petty cash fund." Campaign funds must be kept segregated from other funds. The FEC has found that an individual knowingly and willfully violates 52 U.S.C. § 30102(h)(1) and 11 C.F.R. § 103.3 by failing to deposit receipts in or make disbursements from an account at a properly designated campaign depository.[29]

FECA prohibits individuals and committees from directing or transferring non-federal funds in connection with a federal election.[30] This prohibition extends not only to federal candidates and their agents, but also precludes entities they directly or indirectly establish, finance, maintain, or control, or that are acting on their behalf, from "solicit[ing], receiv[ing], direct[ing], transfer[ing], or spend[ing] funds in connection with an election for Federal office, including funds for any Federal election activity, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act."[31]

B. Gifts

A federal statute, 5 U.S.C. § 7353, prohibits federal officials, including Members of Congress, from soliciting or accepting anything of value, except as provided in rules and regulations issued by their supervising ethics office. For House Members, either the Committee or the "House of Representatives as a whole" is the "supervising ethics office."[32] Accordingly, the House, through House Rule XXV, clause 5 (the Gift Rule), has defined the gifts Members may accept consistent with federal law. The Gift Rule prohibits a Member from knowingly accepting a gift unless it fits within one of the rule's enumerated exceptions.[33] The Gift Rule defines a "gift" broadly, as "a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value."[34] It includes "gifts of services, training, transportation, lodging, and meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred." The gift prohibition does not apply to anything for which the Member pays the Fair Market Value (FMV) or does not use and promptly returns to the donor.[35] One of the exceptions is for a "contribution, as defined in section 301(8) of [FECA], that is lawfully made under that Act.[36] Acceptance of an unlawful contribution may violate the Gift Rule.[37]

C. Financial Disclosures

[29] MUR 7678, Conciliation Agreement at 4.
[30] 52 U.S.C. § 30125(e)(1)(A).
[31] *Id*.
[32] 5 U.S.C. § 7353(d).
[33] House Rule XXV, cl. 5(a)(1)(A)(i). If no exception applies, House Rules permit a Member to accept a gift not otherwise prohibited if the Member "reasonably and in good faith believes" the gift has a value of less than $50 and a cumulative value from one source during a calendar year of less than $100. House Rule XXV, cl. 5(a)(1)(B)(i).
[34] House Rule XXV, cl. 5(a)(2)(A).
[35] House Rule XXV, cl. 5(a)(3)(A). The Committee's Gift Guidance provides that "[t]angible gifts are generally valued at the item's fair market value, even if the item is not typically for sale. Fair market value is the item's retail price, not the wholesale price, or the reasonable estimate of an item's cost if it were available for sale." Comm. on Ethics, *Gift Guidance*, https://ethics.house.gov/house-ethics-manual/gifts (citing House Rule XXV) (last visited Nov. 16, 2026).
[36] House Rule XXV, cl. 5(a)(3)(B).
[37] *See Ethics Manual* at 83.

Title I of the Ethics in Government Act (EIGA) requires annual financial disclosures by Members of the House, candidates for the House, and senior House employees. Members and qualifying candidates must annually disclose personal financial interests, including positions, income, and liabilities.[38] House Rule XXVI adopts Title I of EIGA as a rule of the House.

Violations of the laws governing House Financial Disclosure (FD) Statements may implicate House Rule XXIII, clauses 1 and 2, which state, "[a] Member . . . of the House shall behave at all times in a manner that shall reflect creditably on the House," and "shall adhere to the spirit and the letter of the Rules of the House."

The Committee has previously noted that inadvertent errors in FD Statements are common and, absent evidence that errors or omissions are knowing and willful, the Committee's general practice is to notify the filer of the error and require an amendment.[39] However, if a filer knowingly and willfully falsifies or fails to file or to report any required information, the Committee may take appropriate action, including referring the filer to the Attorney General, pursuant to Section 13106 of EIGA. This Section further states that "[t]he Attorney General may bring a civil action . . . against any individual who knowingly and willfully falsifies or who knowingly and willfully fails to file or report any information that such information is required to report" and can impose a civil penalty of up to $71,316.

D. Additional Standards of Conduct

House Rule XXIII, clause 1 states, "[a] Member . . . of the House shall behave at all times in a manner that shall reflect creditably on the House." House Rule XXIII, clause 2 states that Members "shall adhere to the spirit and the letter of the Rules of the House."

IV. FACTUAL BACKGROUND

Representative Nehls has served as a Member of the House since 2021, representing the 22nd Congressional District of Texas. According to Representative Nehls, in late 2019, while contemplating his bid for Congress, he and three state and local candidates sought out a "location for campaign headquarters/activities," and agreed to pursue property at 1612 Crabb River Road in Richmond, Texas for that purpose.[40] 1612 Crabb River Road is a commercial property that sits on 6.7440 acres and was previously operated as a bar.[41] The property, which was later commonly

[38] 5 U.S.C. app. §§ 101(c), 103(h)(1)(A)(i)(I), 101(f). An individual becomes a "candidate" for purposes of EIGA when the individual meets the definition of "candidate" as codified in 52 U.S.C. § 30101(2)(A) ("if such individual has received contributions aggregating in excess of $5,000 or has made expenditures aggregating in excess of $5,000").
[39] *See* Comm. on Ethics, *In the Matter of Allegations Relating to Representative Lori Trahan*, H. Rept. 116-451, 116th Cong. 2d Sess. 16 (2020) (hereinafter *Trahan*).
[40] Letter from Counsel to Representative Nehls to the Committee on Ethics (Jan. 23, 2024) (Appendix B) (hereinafter Jan. 23, 2024 Letter); Letter from Representative Nehls to the Committee on Ethics Counsel (Sept. 6, 2024) (Appendix B) (hereinafter Sept. 6, 2024 Letter).
[41] KHOU Staff, *Popular Richmond-area bar closes following drug raid*, KHOU 11 (Feb. 1, 2019), https://www.khou.com/article/news/popular-richmond-area-bar-closes-following-drug-raid/285-7f8e8e76-8e14-408e-8b3d-f4ec6420a510. Representative Nehls was sheriff of the Fort Bend police force at the time of the raid.

referred to as Freedom Hall,[42] was owned by Crabb River – Z Bar, L.P., in partnership with EPB Property Holdings, LTD (EPB Property), until it was sold in September 2023.[43] Representative Nehls has never had an ownership interest in the property.

According to Representative Nehls, he and the other candidates "decided that an LLC should be established to enter into [a] lease agreement" for Freedom Hall because it would "offer the typical liability protections important for such engagements."[44] On November 21, 2019, Representative Nehls registered Liberty 1776, LLC as a single-member limited liability company in Texas.[45] On December 7, 2019, Representative Nehls announced his congressional candidacy.[46] Shortly thereafter, on December 11, 2019, Representative Nehls opened a bank account for Liberty 1776.[47] That same day, Nehls for Congress reported its first disbursement to Liberty 1776 for "Office rent."

Nehls for Congress continued to report sporadic disbursements of inconsistent amounts to Liberty 1776 for "Rent" and "Rent expense[s]" from late 2019 through December 2021. OCC opened an investigation in July 2023 to review "whether rent payments made by Rep. Nehls' company, Liberty 1776, were for bona fide campaign purposes," noting that "[t]he sporadic nature 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."[48] OCC was unable to determine the nature of the relationship between Representative Nehls, Liberty 1776, and Freedom Hall, as well as the purpose of rent payments made to Liberty 1776 by the campaign.[49]

On December 11, 2023, OCC referred the matter to the Committee, recommending that the Committee further review allegations that: (1) Representative Nehls' campaign committee, Nehls for Congress, may have converted campaign funds to personal use, or otherwise expended funds that were not attributable to bona fide campaign or political purposes; and (2) Representative Nehls may have omitted required information from his FD Statements. OCC's Board found "probable cause," rather than "substantial reason" to believe the allegations; this finding was largely based on OCC's inability to obtain information regarding the allegations due to a lack of cooperation from Representative Nehls, his staff, and third parties.[50]

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[42] *See* Fort Bend County Republican Party website, referring to the venue as Freedom Hall, available at https://fbcgop.org/venue/freedom-hall/?eventDisplay=past.

[43] In 2004, Crabb River – Z Bar, L.P., a Texas limited partnership whose general partner is EPB General Partner, Inc., purchased 1612 Crabb River Road. *See* General Warranty Deed with Vendors Lien (Sept. 8, 2004). On September 28, 2023, EPB Property Holdings, Inc., sold 1612 Crabb River Road to Madrasah Islamiah, Inc. *See* Special Warranty Deed with Vendor's Lien in Favor of Mortgagee (Sept. 28, 2023).

[44] Jan. 23, 2024 Letter; Sept. 6, 2024 Letter.

[45] *See FRANCHISE TAX ACCOUNTS STATUS*, TEXAS COMPTROLLER OF PUBLIC ACCOUNTS, https://comptroller.texas.gov/taxes/franchise/account-status/search/32072613006 (last visited Oct. 23, 2026).

[46] Jasper Scherer, *Fort Bend's Nehls announces bid for Congress*, THE HOUSTON CHRONICLE (Dec. 8, 2019) (hereinafter Houston Chronicle Article), https://www.houstonchronicle.com/news/houston-texas/houston/article/Fort-Bend-s-Nehls-announces-bid-for-Congress-14890393.php.

[47] Representative Nehls was the only initial signatory on the account. A second signatory was added in March 2022. The other signatory worked as a fundraising consultant for Representative Nehls' congressional campaign, and was also a consultant for his brother's, Trever Nehls', campaign.

[48] OCC Referral at 9.

[49] *See* OCC Referral.

[50] *See* OCC Rule 9(A).

1. Lease Agreement

In 2019, the Crabb River Road site was vacant, as the bar that previously operated on the property had been shut down earlier that year. Representative Nehls was considering a run for Congress at that time, and sometime before he announced his candidacy, he contacted the property's Landlord to inquire about using it as a campaign space.[51] Subsequently, Liberty 1776 entered into an oral agreement with Landlord's company to lease Freedom Hall for use as his campaign headquarters. According to Representative Nehls' counsel, the agreement between the parties was to "pay rent periodically and to make certain improvements to the property and maintain it during the lease as necessary."[52] Specifically, Liberty 1776 agreed "to pay $1,000 monthly beginning on or around November 2019" but, because of the poor condition of the property, Liberty 1776 "was making substantial expenditures for improvements and upkeep (including much accomplished through volunteer labor), [so] the landlord accepted such improvements and maintenance as exceeding the value of the rent requirement, which is why rent payments were sporadic."[53] Representative Nehls reiterated this understanding of the agreement in his testimony to the Committee.[54] However, Landlord provided a different account, and contemporaneous records show that a written lease agreement, including terms inconsistent with Representative Nehls' assertions, was drafted but never signed.

On November 8, 2019, Representative Nehls requested Landlord's email address via text "so I can send you a lease agreement[.]"[55] Landlord provided his personal email address and Concorde Realty's[56] email address in response and Representative Nehls confirmed, "I just sent it to you" shortly thereafter.[57] A copy of the original draft lease agreement has not been located. On November 25, 2019, Landlord's Assistant emailed a "revised lease agreement" to Representative Nehls' counsel.[58] The contemplated lease agreement stated, among other terms, that "Tenant shall pay to Landlord $1,500 rent each month," "at Tenant's sole cost and expense, make mutually agreeable improvements to the property", and pay "any applicable utilities expenses directly to the vendors/providers of such utilities."[59] The revised lease agreement was not signed by either party.[60]

The unsigned agreement was then emailed back to Representative Nehls at his personal email address by Landlord's Assistant on December 23, 2019.[61] She also sent him a utilities invoice for the property later that same day;[62] the utilities bill was paid by Liberty 1776 on January

[51] 18(a) Deposition of Representative Nehls.
[52] Letter from Counsel for Representative Nehls to the Committee on Ethics (Apr. 22, 2024) (Appendix B) (hereinafter Apr. 22, 2024 Letter).
[53] *Id.*
[54] 18(a) Deposition of Representative Nehls ("I thought and [Landlord] felt that a thousand dollars would be fair because you couldn't do anything with the property.").
[55] Exhibit 1.
[56] Concorde Realty is also owned by Landlord.
[57] Exhibit 1.
[58] Exhibit 2.
[59] *Id.*
[60] *Id.*
[61] *Id.*
[62] Exhibit 3.

6, 2020.[63] When asked why she sent the lease agreement at that time, Landlord's Assistant said that Landlord had asked her to send it "because th[e] agreement wasn't signed."[64] Landlord, who lives abroad and has delegated most of the business' operation to his assistant, stated that he was not aware the agreement had never been signed until he was contacted by the Committee.[65]

Landlord also did not share Representative Nehls' understanding that the rent was set at $1,000 per month. He informed the Committee that "[i]t was a temporary lease, it was $1,500, they had to pay expenses. It was a real simple little thing."[66] Landlord also provided the Committee with a text message sent to a potential tenant after Representative Nehls asking for $1,500 on a "month to month basis as is" and stating that the tenant would "pay for any expenses, garbage, electric etc[.] as a reimbursement."[67] Landlord testified that he had been made aware that Landlord's Assistant had difficulty collecting the rent from Representative Nehls.[68] He testified that she "was at her wit's end. She didn't know what to do. And I said, okay, let me go call Trever. And I called Trever, and he said, 'we're not really in there anymore.'"[69] Landlord was referring to the congressman's brother, Trever Nehls, who was running for local office at the time. Landlord also spoke to Representative Nehls directly about collecting rent and said that he ultimately accepted an arbitrary sum so that bills could be paid for the property:

> He called me, because I was trying to get rent. And I didn't know how much exact rent was owed or how much exact expenses were owed because I didn't get involved with the day to day. I just knew money was owed. So I was on the phone with the Representative, and I said, hey, Troy, I got to get paid here, right. And in that conversation he says, well, if I send you a check for $5,000, will you be happy, because, you know, we're kind of out of it now? And I said, send me the $5,000, and I'll be happy, right, because I just wanted some money to pay some bills.[70]

Landlord did not specify when the phone call occurred, but records reflect a $5,000 payment to Landlord by Patriot Media LLC on September 30, 2022. Representative Nehls' counsel has indicated that Patriot Media LLC was a campaign vendor providing political consulting and media services to the campaign whose principal, Daniel Gribble, "was embedded with the campaign" and worked out of the 1612 Crabb River Road location.[71] Counsel stated that after Liberty 1776 closed its bank account in 2022, some rent was paid to Landlord by Patriot Media LLC, with funds provided by Nehls for Congress.[72]

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[63] *See* Exhibit 4.
[64] 18(a) Interview of Landlord's Assistant.
[65] *See* 18(a) Interview of Landlord (also stating, "And then I found out much later, I think when this whole event happened, I asked my assistant, do you have the lease, and she told me she never got it back. I said, well, that's great. He never told me that.").
[66] 18(a) Interview of Landlord.
[67] Exhibit 5.
[68] *Id.*
[69] *Id.*
[70] *Id.*
[71] Jan. 23, 2024 Letter.
[72] *Id*. Records indicate three additional payments to Landlord from Patriot Media LLC between July and September 2022.

Landlord also did not agree with Representative Nehls' assertion that there was an agreement that repair costs eliminated the need for monthly rent payments:

> [Representative Nehls] told me he was going to do [the repairs], and that was part of his rationale that I shouldn't be bugging him about the rent, that we spent a lot of money, you've gotten value. I go, look, you know, I didn't really care; I just wanted to sell the land. But, you know, you still have to pay me. But that was one of his rationales, that he spent a lot of money on the space.[73]

Landlord reiterated this view multiple times in his testimony to the Committee—that he still expected to collect monthly rent from Representative Nehls despite any repairs made to the property.[74] Representative Nehls testified that he did not specifically recall Landlord saying he would accept lower rent payments at the outset, but that he later had a conversation with Landlord about the substantial repair costs.[75]

Landlord also testified to the Committee that Representative Nehls informed him he would be renting Freedom Hall through a Political Action Committee (PAC).[76] Specifically, Landlord testified that Representative Nehls "said that it would be a PAC, he said that there would be a bunch of local politicians, you know, organizing. They would be doing it all together."[77] He also recalled that they intended to call the PAC "Freedom House."[78] However, Representative Nehls, through his counsel, denied that he "ever intended or conceived of using Liberty 1776 as a political committee, state or federal."[79] When later asked whether he ever contemplated operating Liberty 1776 as a PAC, he testified, "I don't believe so."[80]

2. Deposits into Liberty 1776's Bank Account

According to Representative Nehls, he agreed to rent Freedom Hall with three other state and local candidates—Local Candidate 1, Local Candidate 2, and Local Candidate 3. They "mutually agreed that each of us would deposit funds into a dedicated Liberty 1776 bank account and that rent due and payable to the landlord would be paid from those Liberty 1776 funds," and that "expenses related to the repair, restoration, maintenance, and operat[ion] of the property" would be paid from the account.[81] As discussed further below, Liberty 1776 did receive deposits

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[73] 18(a) Interview of Landlord.
[74] *Id.* ("I think that's how he used it in justification. And -- or trying not to pay me, I think that was more his brother Trever. Oh, you know, we already spent money. And I'm going, no, you have to pay rent.").
[75] 18(a) Deposition of Representative Nehls. Representative Nehls further testified that Landlord was not himself inclined to make repairs on the property. *Id.*
[76] 18(a) Interview of Landlord (also stating, "And he told me that the lease would be done in the name of a PAC, and it wasn't going to be in his name. I don't know why he said it like that. Maybe he was trying to assure me, well, don't worry about, it's going to be in the name of a PAC.").
[77] *Id*.
[78] *Id*.
[79] Letter from Counsel for Representative Nehls to Committee on Ethics Counsel (Feb. 24, 2025) (Appendix B) (hereinafter Feb. 24, 2025 Letter).
[80] 18(a) Deposition of Representative Nehls.
[81] Sept. 6, 2024 Letter.

of varying amounts from each of the candidates, and also reportedly received $10,000 in deposits from the local campaign of Trever Nehls, according to Trever Nehls' disclosures to the Texas Ethics Commission (TEC).[82]

Representative Nehls further stated through counsel that "[e]ach of the participating candidates was responsible for determining how much to contribute to the Liberty 1776 bank account"[83] that was "based on the fair market value of that participant's use of the property;" and that his own campaign was the largest user of the property, and therefore contributed the most financially.[84] However, when asked how they determined how much each candidate would pay, Representative Nehls testified to the Committee, "I think I asked them for 2500."[85] When asked why he chose that amount, Representative Nehls said, "I just came up with a number. Hell, I don't know. I said, 'Boys, let's start with this.'"[86] He said he then asked for additional funds when the bank account got low.[87]

Although the Committee received and reviewed Liberty 1776's bank statements, the records do not provide information about the source of deposits into the account.[88] Some of the candidates' deposits have been verified by checks produced by Representative Nehls and/or the candidates' TEC reports. However, for other deposits totaling $8,500, there are neither check records nor corresponding campaign reports for verification. Representative Nehls, through his counsel, informed the Committee of the source of those deposits (and others in the account) based on his recollection, reproduced in part in the chart below:

Deposit Date	Amount	Source (per counsel)	Supporting Documentation
12/17/19	$2,500	Local Candidate 1	No check record; No campaign report
3/13/20	$2,000	Local Candidate 2 campaign fund	No check record; No campaign report
4/21/20	$2,000	Local Candidate 1	No check record; No campaign report
8/10/20	$2,000	Local Candidate 3 campaign fund	No check record; No campaign report

However, Local Candidate 1 informed the Committee that he had no recollection of making either of the above payments attributed to him by Representative Nehls.[89] Local Candidate 1's counsel also searched for documentation of any payments associated with Representative Nehls or

[82] Specifically, Trever Nehls' campaign reported disbursing two payments of $5,000 each on November 1, 2021, and March 1, 2022; Liberty 1776's bank account records confirm incoming deposits in those amounts on or around those dates, but there are no check records or other documentation confirming the source of the deposits.
[83] Sept 6, 2024 Letter.
[84] *Id.*
[85] 18(a) Deposition of Representative Nehls.
[86] *Id.*
[87] *Id.*
[88] The bank was acquired by another entity after Liberty 1776's account was closed; staff at the bank indicated to Committee staff that they are unable to locate deposit records associated with the account.
[89] 18(a) Interview of Local Candidate 1.

Liberty 1776 and found record of only one $5,000 payment made on February 1, 2022; this payment was also reported in Local Candidate 1's TEC report and had already been reported to the Committee by Representative Nehls. Documentation of that payment indicated, however, that it was made via check from Local Candidate 1's incorporated company, rather than from Local Candidate 1 individually.[90] Local Candidate 1 also informed the Committee that while he did attend a March election results watch party at the property (and possibly other events), he did not hold any events of his own there.[91] When asked if he believed that the money he contributed was for his use of Freedom Hall, Local Candidate 1 stated that he "didn't look at it that way."[92] He "just knew it was for that event [the March watch party] -- to help pay for whatever the expenses were."[93] Representative Nehls testified to the Committee, "I think [Local Candidate 1] didn't do much at all" at the property[94] and that he did not recall whether Local Candidate 1 ever held events of his own at Freedom Hall.[95]

Similarly, Local Candidate 2 informed the Committee that he did not make any additional payments, including the one attributed to him by Representative Nehls, aside from what was documented in his campaign reports.[96] Committee staff were unable to make contact with Local Candidate 3 to attempt to verify the additional deposit attributed to him.[97] Representative Nehls indicated Local Candidate 3 used Freedom Hall for his birthday party.[98]

However, Representative Nehls testified that he knew the unverified deposits were from the other local candidates because "I didn't collect any money -- there was no money deposited from outside sources other than those three, and I believe one time my twin brother, my brother Trever. So it had to have come from them."[99] When asked how he knew which candidates contributed on the specific dates he attributed to them in the table provided to the Committee, he conceded "[i]t is a guess."[100]

3. Expenditures from Liberty 1776's Bank Account

Despite reports to federal, state, and local campaign finance regulators asserting that approximately $50,000 of campaign funds went to Liberty 1776 for rent ($25,319.20 of which was disbursed from Nehls for Congress), bank records indicate that only $9,809.20 was paid directly from the Liberty 1776 account to Landlord.

Liberty 1776 Payments to EPB Property/Concorde Realty		
Date[101]	**Stated Purpose**	**Amount**

[90] Exhibit 6.
[91] 18(a) Interview of Local Candidate 1.
[92] *Id.*
[93] *Id.*
[94] 18(a) Deposition of Representative Nehls.
[95] *Id.*
[96] 18(a) Interview of Local Candidate 2.
[97] 18(a) Deposition of Representative Nehls.
[98] *Id.*
[99] *Id.*
[100] *Id.*
[101] The date included in the chart is the date that the check was written, not the date that the funds were withdrawn from the account.

January 6, 2020	Utilities Freedom Hall	$348.38
January 31, 2020[102]	[R]ent Liberty Hall	$2,000
April 26, 2020	Rent Freedom Hall	$2,000
August 20, 2020	[R]ent Z Bar	$2,000
March 26, 2022	Utilities 1612 Crabb River	$3,460.82
		$9,809.20

Representative Nehls has asserted that additional "rent" payments were made through in-kind costs to repair or maintain the property. In response to the Committee's request for documentation relating to the expenses for repairs and improvements made to the property, Representative Nehls, through his counsel, produced some narrative explanations, bank records, his check register, and a handwritten list of some of the expenditures.

Counsel for Representative Nehls asserted that he and Liberty 1776 were "required to restore the property includ[ing making] electrical repairs, plumbing repairs, painting, flooring, landscaping (including corrective actions after severe weather events, such as ice storms), roof repairs, repairing machinery (such as an ice machine), etc."[103] Although Landlord disputed that the repairs were part of the rental agreement, he did confirm that various repairs were made to the property during Representative Nehls' lease, including replacing the flooring, painting, and refurbishing the ceiling of the building.[104]

The Committee did not receive receipts relating to any of the repairs or improvements Representative Nehls alleges he made to the property. However, counsel produced a December 23, 2019, check made out to Troy Nehls in the amount of $5,956.12 for "Reimb Freedom Hall" from Liberty 1776's bank account, along with a handwritten ledger of the expenditures for reimbursement.[105] The ledger included notations for $2,588.42 in expenditures at Home Depot and two expenditures totaling $753.27 for "flooring" from Local Candidate 1's company, among other expenditures. An excerpt of additional expenses included in the handwritten account is included below:



[102] Although the first rent payment was not made to Landlord until January 31, 2020, Representative Nehls held his first campaign event at the property on December 7, 2019. *See* Houston Chronicle Article.
[103] Sept. 6, 2024 Letter.
[104] 18(a) Interview of Landlord.
[105] The ledger does not account for $50.05 of the reimbursement. According to counsel, "[a]s it relates to an alleged discrepancy of $50.05, Rep. Nehls is unable to recall the specifics related to this amount as the events that are the subject of this Response occurred almost five years ago." Sept. 6, 2024 Letter.

During his deposition, Representative Nehls testified that this ledger was not made contemporaneously but rather constructed by him in response to the Committee's inquiry, using his "files," including his check register.[106]

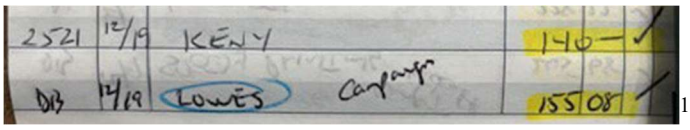
When asked about repairs and improvements made to the property, Local Candidate 1 informed the Committee that he sent some of his employees to assist with the work, perhaps for up to seven to ten days.[107] He did not recall specifically what work was performed by the crew but thought they "might have done something in the bathrooms. But mainly, the flooring and the Sheetrock."[108] Local Candidate 1 was adamant that he would not have invoiced Representative Nehls for any materials used on the project;[109] he believes he would have told his employees to use materials from one of the company's nearby construction properties.[110] Local Candidate 1's counsel also searched the company's records to see if they could locate any invoices or payments matching those described in the ledger. Counsel confirmed that the company has no such records. Representative Nehls also testified that the work performed at Freedom Hall was done on a "[v]oluntary basis."[111]

Liberty 1776's bank records also showed a significant number of other transactions from the account which are not on their face identifiable as expenditures for either "rent" or "rent expenses" related to the property.[112] For example, in December 2021 alone, Liberty 1776 made various debit purchases from e-Bay, CVS Pharmacy, Hobby Lobby, several gas stations, and McCoy's Fine Cigars,[113] as well as a $970.82 payment to Radius Global Solutions,[114] among other expenditures, despite counsel's assertion that there was "less activity [connected with the property] in 2021."[115] Similarly, Liberty 1776 made hundreds of dollars in payments to Uber, DirecTV, Comcast, the Houston Chronicle, and Firestone Complete Auto Repair in January 2022, among other expenditures that do not appear to be related to rent for Freedom Hall. When asked specifically about the purchase of cigars and whether that was related to "rent" or rent-related expenses as reported to the FEC, Representative Nehls said, "No – I'm sure we had an event out there and we wanted to purchase some cigars for the event."[116] He maintained his belief that treating it as an operational expense was not inappropriate.[117]

When asked for additional documentation demonstrating the campaign purpose of the expenses, or how they related to rental expenses, counsel pointed the Committee to Representative

[106] 18(a) Deposition of Representative Nehls.
[107] 18(a) Interview of Local Candidate 1.
[108] *Id*.
[109] *Id.*
[110] *Id.*
[111] 18(a) Deposition of Representative Nehls.
[112] *See* Sept. 6, 2024 Letter.
[113] Representative Nehls has made other purchases at McCoy's Fine Cigars for "office supplies." *See* House Statements of Disbursement.
[114] Counsel for Representative Nehls indicated to the Committee that the Radius Global Solutions expenditure was related to a past due AT&T account associated with the 1612 Crabb River Road property. Related documentation indicates that the account was opened by Campaign Manager Daniel Gribble. Feb. 24, 2025 Letter. It is not clear what the AT&T account was related to; Liberty 1776 also made regular payments to Comcast of Houston.
[115] Apr. 22, 2024 Letter.
[116] 18(a) Deposition of Representative Nehls.
[117] *Id.*

Nehls' check register which had "markings designated 'HQ' or 'campaign' or 'campaign kickoff' next to certain entries, with many of those entries circled in blue," as indicated in the below excerpt:[118]



[119]

The check register provides no additional detail about these expenditures,[120] and Representative Nehls testified that he is unaware of the circumstances of many of the expenditures from the account as Mr. Gribble would likely have been the person to make the purchases.

Bank records also indicated several large payments from Liberty 1776's bank account via Venmo and cash withdrawals. Specifically, more than $2,000 was paid to individuals via Venmo, which Representative Nehls has indicated were for bartending and handyman services; no records were provided to verify these assertions.[121] Similarly, Liberty 1776's bank records indicate that $820 in cash had been withdrawn, on five separate occasions, between December 30, 2021, and March 8, 2022. Representative Nehls' counsel initially responded that the "cash withdrawals were to pay for cleaning services at the property. There are no records related to these payments."[122] Counsel later acknowledged that one $240 withdrawal may have instead been for "security, paid in cash to an off-duty sheriff's deputy to work during an event, which, based on the date, was likely a New Years-related celebration."[123] Counsel for Representative Nehls has indicated that the ATM withdrawals were made by Mr. Gribble, so Representative Nehls "cannot verify with certainty that the funds withdrawn by Mr. Gribble were devoted to cleaning services (as opposed to another Liberty 1776 related expense), [but] he believes it is the most likely purpose of these withdrawals."[124] Representative Nehls also asserted that because Mr. Gribble had access to a debit card associated with the account, and he did not, Mr. Gribble was responsible for some of the other purchases at issue.[125] The Committee was unable to reach Mr. Gribble.

4. Additional FEC Reporting and Compliance Issues

Representative Nehls' counsel acknowledged that the campaign's FEC reports need to be amended to address several reporting issues. For example, Nehls for Congress reported a disbursement of $5,000 to Liberty 1776 for "Rent expense" on August 26, 2022, but Liberty 1776's bank records do not show an incoming deposit on or around this date as the account was closed in May 2022. It is therefore unclear why the campaign would have made the disbursement to Liberty 1776 to begin with. In response to a request for documentation of this deposit, counsel stated that a "check issued around this time for $5,000 was destroyed after getting wet while sitting in the

[118] Sept. 6, 2024 Letter.
[119] *See* Exhibit 7.
[120] *See id.*
[121] *See* Sept. 6, 2024 Letter.
[122] *Id.*
[123] Letter from Counsel for Representative Nehls to Committee on Ethics Counsel (Nov. 8, 2024) (Appendix B) (hereinafter Nov. 8, 2024 Letter).
[124] Feb. 24, 2025 Letter.
[125] 18(a) Deposition of Representative Nehls.

mailbox at Freedom Hall. Respondent recalls that a wire transaction went out in late September[] 2022 for $5,000 to replace this check and pay the final rental sum owed."[126] The Committee received evidence that the campaign reported a disbursement of $5,000 to Patriot Media LLC in late September 2022, which Patriot Media LLC then paid to Landlord.[127] Counsel also indicated that two other disbursements to Patriot Media LLC require clarification and will need to be amended:

> The September 20, 2022 payment to Patriot Media LLC for $5000 should have been separated through memo entries to show a rent payment of $4,467.48 on September 13, 2022 to the landlord and then a payment of $532.52 to Patriot Media LLC for "Media and political consulting services[.]" The September 22, 2022 payment for $5,000 also needs to be revised from "Rent Expense" to "Media and political consulting services[.]"[128]

However, to date, no amendments have been made to the campaign's FEC reports to address these errors.

5. Financial Disclosures

OCC also recommended that the Committee further review allegations that Representative Nehls may have omitted information from his House FD Statements in connection with his failure to disclose his position with or any income derived from Liberty 1776. During the Committee's review, Representative Nehls acknowledged, through counsel, that his affiliation with Liberty 1776 should have been included as a position on Schedule E of his FD Statements and that his failure to report it was an oversight that was brought to his attention as a result of OCC's referral. Representative Nehls has now amended his FD Statements from 2019 through 2022 to disclose on Schedule E his position as "Member (proprietor)" of Liberty 1776 LLC, including a comment stating "[n]o salary or compensation received."[129]

V. FINDINGS

A. Campaign Finance Violations

All candidates for federal office have an obligation to act in accordance with federal campaign finance laws and regulations. Elected Members of the House must also act in a manner consistent with the House ethical standards. The Committee has cautioned that, even where the use of campaign funds is permitted under applicable laws or rules, Members should take care to avoid even the appearance that such resources are abused for personal gain.

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[126] Sept. 6, 2024 Letter.
[127] *Id.*; Exhibit 8.
[128] Sept. 6, 2024 Letter.
[129] *See* 2019 Amended Financial Disclosure Statement (filed February 16, 2024); 2020 Amended Financial Disclosure Statement (filed February 22, 2024); 2021 Amended Financial Disclosure Statement (filed February 22, 2024); 2022 Amended Financial Disclosure Statement (filed February 22, 2024).

As discussed below, the Committee found that Representative Nehls and his campaign committee did not comply with campaign finance laws and related regulations promulgated by the FEC, including the acceptance of impermissible contributions, as well as recordkeeping and reporting requirements. The Committee further found that because of the issues with the campaign's recordkeeping, it could not verify the legitimacy of certain expenditures, resulting in a violation of campaign finance laws and House Rule XXIII, clause 6. While the Committee did not find that he intended to misuse campaign funds, Representative Nehls is ultimately responsible for ensuring his campaign's compliance with applicable laws and regulations.

1. Representative Nehls Violated Campaign Reporting and Recordkeeping Requirements

As a candidate, Representative Nehls was subject to the reporting and accounting requirements established by FECA and the FEC's implementing regulations. Representative Nehls had a bank account and a duly registered political committee for his campaign, Nehls for Congress. But Representative Nehls instead conducted campaign transactions through Liberty 1776, funded in part by Nehls for Congress and in part by other campaigns and entities, without disclosing Liberty 1776's financial activity in the manner required of political committees.[130]

Members are permitted to pay rent to entities they own, "so long as the committee pays no more than fair market value for the property usage."[131] House Rules similarly provide that a Member may lease office space to the Member's campaign "only if (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."[132] OCC reviewed payments to Representative Nehls' company that were reported as being for "rent," but was unable to determine if the payments were for bona fide campaign purposes.[133] The Committee found that while Nehls for Congress disbursed $25,319.20 to Liberty 1776 for the reported purposes of rent and rent-related expenses, and Liberty 1776 received $52,872.03 in total deposits, only $9,809.20 was ever paid directly from the Liberty 1776 account to Landlord. Representative Nehls initially asserted to the Committee that the remaining $43,062.83 was spent on maintenance and improvements to the property that were accepted by Landlord in lieu of rental payments. In his testimony, however, he acknowledged that at least some of the funds were used for purposes other than rent when presented with Liberty 1776's bank records. Moreover, Representative Nehls' assertions that the "maintenance and improvement" expenses were part of his rental costs, as well as that Landlord agreed to generally

[130] As discussed further, *infra*, Representative Nehls also failed to timely disclose his interest in Liberty 1776 on his FD Statements.

[131] 60 Fed. Reg. 7861, 7865 (Feb. 9, 1995). The FEC has provided specific guidance on how to calculate the fair market value of property usage. In an enforcement matter regarding allegations that a candidate received an excessive in-kind contribution in the form of reduced rent, the FEC calculated the fair market value of an office space rental by estimating what the candidate would have paid on the "open market," and looked at "the value of similarly sized office space [] in the [same] area during the approximate period at issue." MUR 6040, Second Gen. Counsel's Rpt. at 16 n.21.

[132] *Ethics Manual* at 170. The Committee also recommends that Members seek a written advisory opinion from the Committee before entering such a transaction. *Id.* In 2020, OCC referred allegations relating to Representative Steven Palazzo; in that case, the Member did not request Committee guidance regarding whether Representative Palazzo could lease space to his campaign on property the Member owns, but he did obtain informal guidance advising him the property must be leased at fair market value.

[133] OCC Referral at 9.

accept $1,000 a month in rent, are disputed by Landlord, with whom Liberty 1776 had no signed, written lease.

Once he became a Member of Congress, in January 2021, Representative Nehls was further subject to clause 6 of the Code of Official Conduct, which includes a requirement that expenditures be "verifiable" and an explicit prohibition on commingling campaign and personal funds. The *Ethics Manual* explains:

> 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.[134]

The Committee has previously found a Member to be in violation of this rule even where it did not conclude that campaign funds were converted to personal use.[135] For example, *In the Matter of Representative E.G. "Bud" Shuster*, a matter involving significantly larger sums than those received and spent by Liberty 1776, the Committee found that "the number and dollar amount" of vague expenditures, "combined with the record-keeping practices followed by" the Member's campaign, "created the appearance that certain expenditures may not have been attributable to bona fide campaign or political purposes."[136]

Representative Nehls' campaign does appear to have used Freedom Hall as its campaign headquarters during most, if not all, of the period of time during which Liberty 1776 was making and receiving payments. However, Representative Nehls was unable to produce contemporaneous records showing a legitimate campaign purpose for most of the more than $40,000 that Liberty 1776 disbursed in non-rental payments. While Representative Nehls produced bank records and copies of some incoming and outgoing checks, he could not provide the underlying receipts for many of the transactions from the account. He instead produced handwritten notes added to his personal check ledger and a handwritten list of items that he reimbursed himself for from the account; yet neither were written at the time the expenditures were made. Representative Nehls also directed the Committee to Mr. Gribble as the party responsible for certain withdrawals of cash and other expenditures from Liberty 1776's account. The Committee's inability to contact Mr. Gribble thus hindered its ability to verify the campaign purpose of those expenditures, or to verify Representative Nehls' own account of the spending. Nonetheless, Representative Nehls is

[134] *Ethics Manual* at 173-74.
[135] *See, e.g.*, Comm. on Ethics, *In the Matter of Allegations Relating to Representative E.G. "Bud" Shuster*, H. Rept. 106-979, 106th Cong. 2d Sess. (2000) (hereinafter *Shuster*); Comm. on Ethics, *In the Matter of Allegations Relating to Representative Bill Huizenga*, H. Rept. 118-541, 118th Cong. 2d Sess. (2024) (hereinafter *Huizenga*).
[136] *Shuster* at 64-65.

ultimately responsible for the oversight of his campaign staff[137] and proper recordkeeping would have minimized the impact of Mr. Gribble's noncooperation.

Further, as noted above, questions have been raised about some of the line items that were reimbursed, such as the cost of flooring from Local Candidate 1's company. Some of the expenditures, such as purchases at Home Depot or Lowe's, are plausibly for expenses associated with maintenance or improvement of the property; many others, however, such as charges at various restaurants (including $2,849.76 at Lomonte's Italian Restaurant and Bar), gas stations, cigar shops, and an auto shop, are unlikely to be related to maintaining the property. Representative Nehls' opaque method of making these disbursements through his LLC functioned to avoid the disclosure of those individual expenditures that campaigns are generally required to make. While Representative Nehls was not subject to the separate "verification" requirement of clause 6 prior to his election, he was subject to the FEC's 3-year record retention requirement; many of the expenditures at issue occurred after he was sworn into Congress and/or within the three years of when OCC initiated its review. Thus, while the Committee is unable to determine whether those expenditures were for personal or campaign use, it was able to determine that the recordkeeping was deficient.

Additionally, Representative Nehls' campaign misreported these payments. For tens of thousands of dollars in campaign disbursements, the campaign reported only Liberty 1776 or Patriot Media LLC as the payees of tens of thousands of dollars. However, the Committee received evidence that the companies then made payments to Landlord and other third parties with those funds, thus serving merely as intermediaries which, deliberately or not, obscured the true purpose and payee of those campaign disbursements. In another matter, the FEC noted that a Member's campaign committee "misreported payees for approximately $50,000 in disbursements by, for example, reporting disbursements to [campaign manager's] personal credit card companies instead of the underlying vendor and disclosing that [the campaign manager] made the underlying disbursement to the underlying vendor." The FEC also found that the campaign manager submitted invoices listing his own single-member LLC "as the payee instead of the underlying vendor and an inaccurate purpose of the disbursement," which contributed to "the filing of inaccurate disclosure reports." The FEC found this conduct violated FECA and FEC regulations by "failing to maintain records."[138] Notably, the FEC also found that although "[n]either [FECA] nor the Commission's relevant implementing regulations address the concepts of ultimate payees, vendors, agents, contractors, or subcontractors in the context of payee reporting,"[139] the FEC has determined "that merely reporting the immediate recipient of a committee's payment will not satisfy the requirements of Section 30104(b)(5) when the facts indicate that the immediate recipient is merely a conduit for the intended recipient of the funds."[140]

Federal law requires campaign receipts and disbursements be made from designated campaign accounts,[141] and that campaign funds be kept separate from other funds.[142] The FEC

[137] *See, e.g.*, Comm. on Ethics, *In the Matter of Allegations Relating to Representative Alexandria Ocasio-Cortez*, H. Rept. 119-219, 119th Cong. 1st Sess. (2025) (hereinafter *Ocasio-Cortez*).
[138] MUR 7923, Richard Oliver Schwab Conciliation Agreement at 3.
[139] *Id*. (citing Advisory Op. 1983-25).
[140] *Id*. (citing Notification with Factual and Legal Analysis to Bachmann for President, et al. at 9, MUR 6724).
[141] 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3
[142] 52 U.S.C. § 30102(b)(3); 11 C.F.R. § 102.15.

previously found a campaign treasurer violated these requirements when she deposited receipts and made campaign expenditures from the treasurer's own LLC's checking account.[143] During the same period, the account "also contained multiple deposits from other sources" and "transactions related to other political entities, and business-related expenses to vendors," as well as "disbursements for personal expenses of [the campaign treasurer]."[144] House Rule XXIII, clause 6(a) also expressly requires Members to keep campaign funds separate from personal funds.

Based on the above, the Committee has similarly determined that Representative Nehls' campaign failed to keep adequate records to verify the bona fide campaign purposes of disbursements made to Liberty 1776, misreported and/or failed to report the ultimate payee of those funds, and deposited and disbursed campaign funds from a non-campaign bank account. This conduct occurred both in connection with Representative Nehls' first successful election to Congress, as well as his reelection campaign. Accordingly, the Committee found Representative Nehls in violation of federal campaign registration, recordkeeping, and accounting requirements, as well as House Rule XXIII clause 6(a) and (b).

2. Representative Nehls May Have Accepted Impermissible Contributions

The Committee also considered whether Representative Nehls received impermissible campaign contributions through Liberty 1776, through payments or services provided to Liberty 1776 that were intended to benefit the campaign, or because Representative Nehls converted payments to Liberty 1776 to his campaign's use, making those funds reportable contributions.

Federal laws and regulations restrict the use of funds raised by a congressional campaign. FECA limits the amount of money individuals and groups may contribute each election to candidates and their committees.[145] A contribution includes "a gift, subscription, loan, . . . or anything of value made by any person for the purpose of influencing any election for Federal office."[146] In-kind contributions include "the provision of any goods or services without charge or at a charge that is less than the usual and normal charge," such as "facilities, equipment, supplies, personnel," and other things of value.[147] Expenditures coordinated with a candidate are also considered contributions under FECA.[148]

The contribution limits for the 2019-2020 election cycle were $2,800 per election. However, "[i]t is unlawful . . . for any corporation whatever . . . to make a contribution or expenditure in connection with any election at which . . . a Senator or Representative in . . . Congress are to be voted for."[149] The federal prohibition on direct corporate contributions to campaigns applies not only to cash contributions but also in-kind contributions.[150]

a. Funds, Services, and Materials from Local Candidate 1 and his

[143] MUR 7678, Conciliation Agreement at 3-4.
[144] *Id.* at 2-4.
[145] 52 U.S.C. § 30116(a)(1)(A), (f); 11 C.F.R. §§ 110.1(b)(1), 110.9.
[146] 11 C.F.R. 100.52(a).
[147] 11 CFR 100.52(d)(1).
[148] 52 U.S.C. § 30116(a)(7)(B).
[149] *Emmons*, 8 F.4th at 458, 465 (quoting 52 U.S.C. § 30118(a)); *see also Citizens United*, 558 U.S. at 320.
[150] MUR 5409, First Gen. Counsel's Rpt. at 10.

Company

Liberty 1776 received a check for $5,000 from Local Candidate 1's corporation.[151] While Representative Nehls indicated that these funds were for Local Candidate 1's rental of Freedom Hall—and Local Candidate 1 reported the payment as associated with rent—Local Candidate 1 testified that he did not recall holding any events of his own and that he did not view the funds he contributed as associated with his own use of the property; rather, he intended them to help with any expenses associated with a March watch party. Because Local Candidate 1 and his campaign were not benefiting from use of the property, his company's payment of $5,000 raises questions, including whether it could be considered an impermissible corporate contribution to Representative Nehls' campaign. Further, Representative Nehls' campaign benefitted from renovations to Freedom Hall which were provided at no cost by the corporation owned by Local Candidate 1. While there is some dispute as to whether Local Candidate 1's corporation was paid for the materials used in the renovations, both Local Candidate 1 and Representative Nehls agreed that the labor for the renovations was provided free of charge to the benefit of Representative Nehls' campaign. This was likely an in-kind contribution, which was not reported as such, in violation of FECA's prohibition on federal campaign contributions by corporations.

b. Contributions from other Candidates

The Committee was unable to determine whether Representative Nehls' campaign benefitted from a disproportionate share of the benefits of Freedom Hall, relative to the respective contributions of each candidate to Liberty 1776, which may have effectively subsidized his campaign's headquarters expenses and represented in-kind contributions from the other candidates to Representative Nehls' campaign. Despite apparent confusion over the purpose of the payments each candidate made to Liberty 1776, the Committee did not determine whether these payments were deliberately concealed contributions to Representative Nehls' campaign.

c. Contribution through Rent Forbearance

The Committee received inconsistent evidence about the amount of rent agreed upon between the parties. Representative Nehls asserted the parties agreed to $1,000 per month, and Landlord asserted that it was $1,500. In addition to conflicting testimony, the draft agreement circulated between the parties (although not signed) listed $1,500 per month; Landlord testified that he requested the same amount from a potential tenant after Representative Nehls. Further, the Committee received no evidence other than Representative Nehls' assertions supporting a deviation from that amount. However, even if the FMV was determined to be $1,000 per month, Representative Nehls did not pay that amount for the space.

The Committee has previously considered whether a Member's use of a campaign headquarters without paying the full agreed upon rent was an impermissible gift or campaign contribution.[152] In that matter, the Committee determined the rent-free use of the space was a gift to the Member personally, rather than a campaign contribution, noting that the space was initially

[151] Exhibit 7.
[152] Comm. on Ethics, *In the Matter of Allegations Relating to Representative Bobby Rush*, H. Rept. 115-618, 115th Cong. 2d Sess. 11-14 (2018).

leased for the Member's use in his non-federal elected office, prior to his service in Congress, rather than any campaign use.[153] Accordingly, the Committee assessed the extent to which the rent-free use of the space constituted an improper gift during the time the Member served in Congress. Representative Nehls was similarly subject to the Gift Rule once he was sworn into Congress, and thus any use of the property that he did not pay for could implicate that Rule. However, in this instance, the Landlord was aware that Representative Nehls intended to use the property for campaign purposes. Accordingly, the Committee considered whether the continued rental of the space to Representative Nehls despite his failure to make rental payments on a consistent and complete basis constituted a campaign contribution by Landlord.

After Representative Nehls was sworn into office in January 2021, he occupied the space at Freedom Hall in some capacity for the next 22 months. The rental amount of the property would have been between $22,000 and $33,000 for that time period, depending on the rental value used. Liberty 1776 directly transferred $9,809.20 to Landlord. Additionally, Patriot Media transferred a total of $10,000 to Landlord, using funds from Nehls from Congress. Although some of the funds transferred to Landlord were for utilities and not base rent, even if the full amount transferred was considered rent, the campaign's payments (both directly and through Patriot Media) fell short by approximately $2,190.80 to $13,190.80 (using a range of $1,000 to $1,500 per month for FMV). Landlord did not make any direct monetary donations to Nehls for Congress during that cycle, which had a contribution limit of $2,800 per election, per candidate. Representative Nehls asserted in written submissions to the Committee that Landlord accepted repairs and improvements to the property in lieu of rental payments. Landlord disputed these assertions, as noted above, and Representative Nehls acknowledged that Landlord did not explicitly agree to that arrangement at the outset.[154] However, Landlord also did not take any action to collect the rent owed and received some benefit from the improvements made to the property.

To the extent that Representative Nehls' campaign failed to pay agreed upon rent, or received use of campaign headquarters without paying for the space, this was a gift or contribution that was at minimum improperly reported and may have been in excess of what is permitted. However, the lack of proper recordkeeping, both with respect to the agreement between the parties, and the spending associated with Freedom Hall, hindered the Committee's ability to fully and accurately assess the value of any contribution or gift.

B. Representative Nehls Did Not Make Knowing or Willful Errors on his House Financial Disclosure Reports

EIGA requires annual financial disclosures by Members of the House, candidates for the House, and senior House employees. Members and qualifying candidates must annually disclose personal financial interests, including positions, income, and liabilities.[155] House Rule XXVI adopts Title I of EIGA as a rule of the House. Violations of the laws governing FD Statements may also implicate House Rule XXIII, clauses 1 and 2, which state, "[a] Member . . . of the House shall behave at all times in a manner that shall reflect creditably on the House," and "shall adhere to the spirit and the letter of the Rules of the House." If a filer knowingly and willfully falsifies or

[153] *Id.* at 12.
[154] 18(a) Deposition of Representative Nehls.
[155] 5 U.S.C. app. §§ 101(c), 103(h)(1)(A)(i)(I), 101(f).

fails to file or to report any required information, the Committee may take appropriate action.[156] However, the Committee has previously noted that inadvertent errors in FD Statements are common and, absent evidence that errors or omissions are knowing and willful, the Committee's general practice is to notify the filer of the error and require an amendment.[157]

Following OCC's Referral, which included the finding 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," Representative Nehls, through counsel, informed the Committee that Representative Nehls' "affiliation with Liberty 1776 LLC should have been included as a position on Schedule E of Respondent's financial disclosure form. This was an oversight that was just brought to Respondent's attention with OC[C]'s referral. Respondent will amend the relevant reports."[158] On February 16 and February 22, 2024, Representative Nehls filed amended FD Statements disclosing in Schedule E his position as "Member (proprietor)" of Liberty 1776, with the added comment "No salary or compensation received."[159]

The Committee did not find evidence that this omission was either knowing or willful and Representative Nehls took prompt corrective action by amending his FD Statements. Therefore, the Committee will take no further action on this allegation.

C. Representative Nehls' Conduct During the Investigation Did Not Reflect Creditably Upon the House

Public office is a public trust, and the Ethics Committee is charged with safeguarding that trust. The Committee is most effective when Members under review are cooperative and diligent, and indeed, most Members are. The Committee always begins its investigations by providing a Respondent with an opportunity to address the allegations in good faith. In some instances, however, Members have not only failed to be cooperative and forthcoming, but have engaged in conduct that intentionally delays or misleads the Committee in its review, or otherwise unnecessarily wastes the Committee's limited resources.[160]

The Committee has previously found Members to be in violation of clause 1 of the Code of Official Conduct as a result of their conduct during an investigation.[161] In one matter, the

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[156] 5 U.S.C. app. 4 § 104(c); *Ethics Manual* at 274.
[157] *See Trahan* at 16.
[158] Jan. 23, 2024 Letter.
[159] *See* 2019 Amended Financial Disclosure Statement (filed February 16, 2024); 2020 Amended Financial Disclosure Statement (filed February 22, 2024); 2021 Amended Financial Disclosure Statement (filed February 22, 2024); 2022 Amended Financial Disclosure Statement (filed February 22, 2024).
[160] Comm. on Ethics, *In the Matter of Allegations Relating to Representative George Santos*, H. Rept. 118-274, 118th Cong. 1st Sess. 55 (2023) (hereinafter *Santos*); Comm. on Ethics, *In the Matter of Allegations Relating to Delegate Michael F. Q. San Nicolas*, H. Rept. 117-387, 117th Cong. 2d Sess. 5 (2022) (hereinafter *San Nicholas*); *Schweikert* at 6.
[161] *See, e.g.*, Comm. on Ethics, *In the Matter of Allegations Relating to Representative Matt Gaetz*, H. Rept. 118-943, 118th Cong. 2d Sess. 34-35 (2024) (finding Representative Gaetz failed to produce "exonerating" evidence, declined to provide voluntary testimony and failed to appear pursuant to a subpoena, and "routinely ignored or significantly delayed producing relevant information" and that these "attempts to mislead and deter the Committee from investigating him" were inconsistent with the duty of candor); *Santos* at 51 (explaining that "[Respondents] are

Committee reproved a Member for interfering with its investigation, noting that "the Committee cannot perform its essential functions, which are critical to upholding the public's trust in the institution of the House, without the full cooperation of the House Members and staff."[162] In another matter, the Committee noted that a Member's efforts "to delay and impede [an investigative subcommittee's] investigation were not only highly detrimental to the Committee's work and the reputation of the House, they were themselves sanctionable misconduct."[163] In that matter, the Member advised the Committee that he "intended to cooperate in order to reach an expeditious resolution," and did provide some relevant documents and testimony; however, the ISC found that although "these steps were appreciated and consistent with the general efforts all Members are expected to make in response to the Committee's investigations," the Member in that matter did not "treat[] the allegations of misconduct raised by OC[C]'s Referral with sufficient seriousness" and "made statements that could not be reconciled with the evidence."[164] The ISC noted that "[h]is actions instead suggested that he was more concerned with bringing the matter to a close as quickly as possible, while not inclined to actually familiarize himself with all of the allegations[.]"[165] In yet another recent matter, the Committee noted that despite a Member's eventual participation in a voluntary interview with the Committee, the Member provided inconsistent answers, limited relevant documents, and refused to answer certain questions directly relevant to the Committee's investigation.[166]

Representative Nehls' conduct during the investigation caused unnecessary delays and resource burdens. While Representative Nehls produced documents to the Committee and submitted several rounds of written responses, his answers were at times inconsistent and contradictory. For example, Representative Nehls was requested to confirm whether a written lease agreement had ever been executed, drafted, and/or contemplated for Freedom Hall, and he responded that it had not, despite other evidence suggesting that he personally sent a draft written lease agreement to Landlord. He was not able to explain why he did not produce the lease despite it being sent through his personal email account. Representative Nehls also maintained in written responses to the Committee that expenditures made by Liberty 1776 were for the "upkeep and maintenance" of the property or otherwise for the furtherance of its "operations and management." However, when asked about various particular purchases, Representative Nehls conceded that

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not entitled to provide misleading responses and engage in delay tactics" and finding Representative Santos did not meet the duty of candor); *Schweikert* at 5 ("Representative Schweikert violated House Rule XXIII, clause 1 by failing to exercise the proper diligence necessary in responding to the allegations and the ISC determined that his testimony lacked credibility."); *San Nicholas* at 2 ("Delegate San Nicolas did not meaningfully address the allegations against him, and chose to ignore a duly authorized subpoena rather than account for his conduct."); Comm. on Ethics, *In the Matter of Allegations Relating to Representative Laura Richardson*, H. Rept. 112-642, 112th Cong. 2d Sess. 32, 95 (2012) (finding that "Respondent's conduct, including her conduct after receiving notice of the Committee's investigation, evidences a pattern of indifference or disregard for the laws, rules or regulations of the United States or the House of Representatives" and that she "engaged in a pattern of behavior intended to obstruct th[e] investigation.").

[162] *In the Matter of Allegations Relating to Representative Judy Chu*, H. Rept. 113-665, 113th Cong. 2d Sess. 11, 14-15 (2014) (hereinafter *Chu*) ("Regardless of Representative Chu's intentions, interference with a Committee investigation is a very serious matter, and Representative Chu's actions here were clearly improper and reflected very poor judgment").

[163] *Schweikert* at 6.

[164] *Id.* at 106-07.

[165] *Id.*

[166] Comm. on Ethics, *In the Matter of Allegations Relating to Representative Mike Kelly*, H. Rept. 119-218, 119th Cong. 1st Sess. 22 (2025).

several of them were not for rent or maintenance.[167] Through counsel, Representative Nehls also submitted a chart indicating the source of all deposits into Liberty 1776's bank account, but when later asked how he identified the source of specific deposits for which there was no supporting documentation, he conceded that he had guessed.[168]

Representative Nehls also ultimately refused to provide voluntary testimony. When asked in January 2026 for his availability for an interview, Representative Nehls' counsel informed the Committee that he could be available in "September or October." When asked for earlier availability, he then declined to participate in an interview voluntarily, causing the Committee to take the unusual step of issuing a subpoena for his testimony. Under the Committee's Rules for the 119th Congress, subpoenas must be voted on by the full Committee, taking time on the Committee's agenda away from the many other matters before it.

After being informed that the Committee was considering whether his conduct during the investigation should itself be considered a violation, Representative Nehls' counsel asserted that it is "entirely inappropriate to characterize a Member's declining to provide a voluntary interview as reflecting a lack of candor or a desire to simply delay or impede."[169] Counsel further stated that Representative Nehls "simply wanted to exercise his prerogative under the rules to elevate the matter to ensure the *[C]ommittee itself* reviewed it at that stage to decide whether it thought an interview was warranted, or if the matter should be closed" and that Representative Nehls "exercised his prerogative under the Committee's Rules to have the Committee decide whether a subpoena was warranted."[170] Counsel also noted that Representative Nehls promptly agreed to dates suggested for his deposition once the subpoena had been issued and appeared in compliance with the subpoena.[171]

While the Committee recognizes Representative Nehls' cooperation in certain aspects of its investigation, so too must it acknowledge that he unnecessarily exacerbated the amount of Committee time and resources needed to resolve the referral. Rather than being prompt, direct, and forthcoming in his communications with the Committee, Representative Nehls' limited cooperation was often inconsistent and inaccurate. As a whole, Representative Nehls demonstrated an unwillingness to take the allegations before the Committee seriously. Those allegations were the subject of a referral that the Committee was required to address under the Rules of the House, and Representative Nehls should have recognized his shared interest with the Committee in accurately and completely addressing the public allegations. Instead, Representative Nehls approached the review with an undue antagonism that impeded the ability of the Committee to timely and efficiently meet its obligations to the House and the public. Accordingly, the Committee found that Representative Nehls' conduct during the Committee's review did not reflect creditably upon the House.

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[167] 18(a) Deposition of Representative Nehls.
[168] *Kelly* at 22.
[169] Email from Counsel to Representative Troy Nehls to Committee on Ethics Counsel (Nov. 10, 2026) (Appendix B) (hereinafter Representative Nehls' Supplementary Draft Report Response).
[170] *Id.*
[171] *Id.*

D. Representative Nehls' Conduct Merits Reproval

In determining how to resolve campaign finance matters, the Committee has looked to the "totality of the circumstances."[172] In a 2024 matter, the Committee noted that there was no "clear pattern of misspending" or "intentional circumvention" by the Member, who provided "consistent cooperation" and undertook "significant remedial steps"; although the Member was found to have violated clause 6 of the Code of Official Conduct, the Committee determined no sanction was necessary.[173] In contrast, the Committee has either pursued or encouraged the House to consider the most severe sanctions for campaign finance violations where a Member knowingly and intentionally misused substantial sums, including for personal enrichment.[174]

Representative Nehls' conduct is far from the most egregious campaign finance violations brought before the Committee. It involves relatively minor sums and there is no evidence that it was part of an intentional scheme to circumvent the law. However, his conduct was more than a mere misunderstanding of nebulous campaign finance rules, and he never fully took responsibility for his misconduct. Representative Nehls is no longer campaigning for Congress, but it is incumbent upon the Committee to make clear that the conduct that brought him to Congress was a problem, negatively impacting the integrity of this institution and denying his constituents the transparency they were owed. Accordingly, the Committee has determined that this Report shall serve as a Reproval of Representative Nehls' conduct.

VI. CONCLUSION

Members are permitted to engage in a broad array of financial transactions through their campaigns, including renting property for a campaign headquarters and making certain expenditures on behalf of the campaign. Members are also afforded broad discretion in determining which expenses constitute a campaign expense. However, to uphold the integrity of the House and protect themselves against the appearance of misconduct, Members must strictly observe the requirements set forth in federal law and regulations and House Rules when engaging in such transactions.

Representative Nehls engaged in numerous transactions employing an impermissible process for pooling funds with local campaigns and paying campaign-related expenses; this process obscured the existence and true purpose of these transactions and resulted in reasonable questions as to the propriety of these payments. At the core of these issues was Representative Nehls' failure to fully appreciate and abide by these requirements, and, upon discovering his errors, to remedy these shortcomings, thus leading to the Committee's findings.

The Committee has recently recognized the complexity of the various campaign financial requirements imposed on Members of Congress, both through federal statutes as well as House Rules. The Committee remains committed to working with the House community to ensure there is clear and consistent guidance on how to meet those requirements. Members and their staff are free to seek guidance from the Committee and/or the Federal Election Commission on how to

[172] *Huizenga* at 2.
[173] *Id.*
[174] *See Santos*.

ensure campaign activity complies with the applicable standards, and such outreach can help prevent even the appearance of impermissible campaign activity.

VII. STATEMENT UNDER HOUSE RULE XIII CLAUSE 3(c)

The Committee made no special oversight findings in this Report. No budget statement is submitted. No funding is authorized by any measure in this Report.