

# [***Ted Cruz Is The Subject Of Yet Another Watchdog Complaint***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BS5-5WK1-JBCM-F01K-00000-00&context=1516831)

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**Highlight:** Campaign Legal Center's complaint comes after the Truth and Courage PAC raked in $630,000 from iHeartMedia, which produces the "Verdict With Ted Cruz" podcast.

**Body**

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Sen. Ted Cruz (R-Texas), shown in an October 2022 file photo, is facing a new complaint filed with the Federal Election Commission after ad revenue from his podcast deal went to the Truth and Courage super PAC. (Photo by Kyle Rivas/Getty Images)

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Government watchdogs Campaign Legal Center and End Citizens United accused Ted Cruz of violating federal campaign finance laws by directing ad revenue from his podcast to a super PAC, according to a complaint the groups filed with the Federal Election Commission on Tuesday.

The complaint comes after the pro-Cruz Truth and Courage PAC raked in hundreds of thousands of dollars from iHeartMedia, the company that produces Cruz s podcast.

In October 2022, the Texas Republican announced that the audio companyhad offered to fund and market his bootstrapped podcast, Verdict with Ted Cruz. This thing for the podcast is just a big damn deal, Cruz said on the episode that announced the arrangement. iHeartRadio is a monster. iHeartMedia is also a registered lobbyist, having spent $50 million on lobbying members of Congress since 2003. The Honest Leadership and Open Government Act of 2007 bars lawmakers from knowingly accept[ing] a gift from a registered lobbyist. According to Senate rules, services can qualify as gifts.

The following month,Campaign Legal Center filed a complaintwith the Senate Select Committee on Ethics. Cruz s office, however, contended that the deal was above board. Senator Cruz receives no financial benefit from Verdict, a campaign spokesperson told**Forbes**at the time. There is no difference between Sen. Cruz appearing on a network television show, a cable news show or a podcast airing on iHeartMedia. In February, the Senate Ethics panel informed the watchdog that it determined Cruz did not violate federal law and it would not pursue any further action.

There are notable differences between what Cruz was doing and a typical television appearance, however, according to Campaign Legal Center and End Citizens United s new complaint, this time filed with the FEC.

Last month, Truth and Courage, a super PAC whose focus is ensuring that Ted Cruz is re-elected, reported beingpaid $215,000 by iHeartMedia for digital revenue. A review of the super PAC s past filings revealed four additional payments, dating back to March 2023,bringing Truth and Courage s total haul from iHeartMedia to $630,000.

After the March filing, Rachel Nelson, vice president of public relations at Premiere Networks, the iHeart subsidiary that handles Verdict, told**Forbes**the company sells advertising inventory for the podcast. The revenue the super PAC reported is associated with those advertising sales, she said, which was a common practice. Nelson said Cruz volunteers his time to host this podcast and isn t compensated for it, though the terms of Cruz s agreement with iHeartMedia are not public.

According to Campaign Legal Center and End Citizens United, iHeart s payments to Truth and Courage PAC violate campaign finance laws in two ways.

Federal candidates or people working on their behalf are prohibited from soliciting, receiving, directing, transferring or spending funds if they fail to comply with contribution limits, source prohibitions and reporting requirements. (These types of funds are commonly called soft money. ) Super PACs, like Truth and Courage, are allowed to accept unlimited contributions and can take money from corporations. Campaigns for federal offices, however, can t accept more than $5,000 per election, nor can they take any donations from corporations. As a result, candidates are not allowed to coordinate with super PACs.

Campaign Legal Center and End Citizens United allege that s what happened here. Thegroups argued in their Tuesday filingthat the most reasonable and logical inference to be drawn from these circumstances, however, is that Cruz requested or directed, and iHeartMedia agreed, that iHeartMedia would transmit these funds to the Truth and Courage PAC, which then would use the funds to support Cruz s candidacy.

The complaint also accuses Truth and Courage of misreporting the funds it received from iHeart, stating that the money should have been reported as contributions rather than Other Federal Receipts (Dividends, Interest, etc.). The complaint claims that, iHeartMedia s revenues from ad sales are the corporation s funds, and whenever it transmits those funds to Truth and Courage, it has made a contribution to Truth and Courage that Truth and Courage is required to report accordingly.

Spokespeople for Cruz, Truth and Courage and iHeartMedia did not immediately respond to requests for comment. This article will be updated with any responses.

There is a reason why federal candidates are legally prohibited from using soft money that is, money raised outside the scope of federal election law to power their campaigns. This type of funding risks putting the priorities of wealthy special interests above everyone else and makes our political process more vulnerable to corruption, said Erin Chlopak, Campaign Legal Center s senior director of campaign finance, in a statement. To give Texas voters clarity, the Federal Election Commission must swiftly investigate this matter and determine whether Sen. Cruz played a role in directing this transfer. Cruz is up for re-election this year.

While it could take years for the FEC to wrap up any investigation, iHeart s payments to Truth and Courage may be on the decline anyway. Following the news that the PAC supporting Cruz was getting money with ties to its commercials, at least one advertiser requested its ads stop being served on Verdict.

Houston-based oil company BP America s head of U.S. media affairs and external communications Ross Parman told the **Dallas Morning News**last week it was never informed that media spend was going directly to a super PAC. He saidBP instructed iHeartMedia to remove its advertisingfrom any podcasts that direct advertising revenue to campaigns, PACs or political parties, including Cruz s.

Cruz has been the subject of at least two other complaints in the past few years, in addition to the earlier one regarding his podcast deal. In September, theFEC cleared him of misusing campaign fundsto promote one of his books, but only after he provided an affidavit showing that he donated his royalties to a nonprofit. And in 2021, seven senate Democrats filed a complaint with the Senate Ethics Committee overCruz s alleged role in the January 6 insurrection. Any results of that inquiry have not been made public yet.

Campaign Legal Center is a nonpartisan nonprofit that aims to advance democracy at the federal, state and local levels. It was founded by Trevor Potter, a Republican former chair of the FEC.

End Citizens United aims to get big money out of ***politics*** and protect the right to vote. Its staff consists of veteran Democratic operatives.

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