

Allegations Against Tide Turners of Wilmington, NC

Summary:

Tide Turners, an organization operating in Wilmington, NC, has engaged in numerous violations of campaign finance laws and reporting requirements in order to evade legal requirements for campaign contribution reporting. These activities involve both an independent expenditure PAC and their 501(c)(4) organization, raising concerns about the legality of their operations, their adherence to reporting obligations, and potential misuse of organizational structures for political purposes.

Background:

On October 7, 2021, Tide Turners formed an independent expenditure PAC and initially began reporting on a regular schedule as required by law. See attached Exhibit A. However, the organization has since failed to maintain consistent reporting, violating fundamental campaign finance transparency requirements.

Subsequently, on July 25, 2022, Tide Turners formed a 501(c)(4) organization in North Carolina. The Internal Revenue Service issued a determination letter recognizing their 501(c)(4) status on April 6, 2023. See attached Exhibit B. The formation of this separate entity raises questions about the division of activities between the PAC and the 501(c)(4), particularly given the lack of clear delineation in their operations.

Illegal Activities:

Tide Turners has allegedly engaged in several activities that violate campaign finance laws and reporting requirements:

- 1. Failure to Maintain Proper Reporting:** Despite initial compliance, the independent expenditure PAC has not maintained a regular reporting schedule as mandated by law. This lack of transparency obscures the organization's financial activities from public scrutiny. According to a search of public records on the NC State Board of Elections website, the Tide Turners independent expenditure PAC has not filed any disclosure report since the fourth quarter of 2022.
- 2. Unclear Separation of Activities:** There is a concerning lack of distinction between the work performed by the 501(c)(4) organization and the independent expenditure PAC. This ambiguity potentially allows for the improper use of tax-exempt resources for political purposes.
- 3. Coordinated Political Activities:** Tide Turners appears to be paying to sponsor numerous political events to support political candidates for office. These activities appear to be closely coordinated with the candidates, which is inconsistent with the legal requirements for independent expenditures. Furthermore, they have failed to report these as in-kind or cash

contributions to the supported candidates, as required by law. See attached Exhibit C for documentation of these events.

4. Unlawful Fundraising: The organization does not possess a charitable solicitation license (CSL) from the North Carolina Secretary of State's office, yet it appears to be actively fundraising for their organization and sponsoring fundraising events for candidates. This activity potentially violates state law.

Application of Law:

Tide Turners' activities raise serious concerns about compliance with multiple aspects of campaign finance law:

1. If Tide Turners is running independent expenditures through their 501(c)(4), they are failing to report these activities as required by law. Moreover, the apparent coordination with candidates would disqualify these as true independent expenditures, making such activities impermissible for a 501(c)(4).

2. Similarly, if expenditures are being made through the independent expenditure PAC, the failure to report these activities and the evident coordination with candidates violate the legal requirements for such PACs.

3. The organization's fundraising activities without a proper charitable solicitation license may violate state regulations governing nonprofit fundraising.

These actions potentially violate various state and federal campaign finance laws, including but not limited to N.C.G.S. § 163-278.9, N.C.G.S. § 163-278.11, N.C.G.S. § 163-278.12, and N.C.G.S. § 163-278.15, as well as State Charitable Solicitation Laws codified in Chapter 131F of the North Carolina General Statutes. Furthermore, the blurring of lines between the 501(c)(4) and PAC activities may run afoul of IRS regulations governing the political activities of tax-exempt organizations.