



# FACT

FOUNDATION FOR  
ACCOUNTABILITY  
AND CIVIC TRUST

February 5, 2025

Commissioner  
Internal Revenue Service  
1500 Pennsylvania Ave. NW  
Washington, D.C. 20229

RE: New Georgia Project

Dear Commissioner,

The Foundation for Accountability and Civic Trust (FACT) is a nonprofit organization dedicated to promoting accountability, ethics, and transparency in government and civic arenas. We request the IRS take action against two affiliated organizations: New Georgia Project, a 501(c)(3) organization, and New Georgia Project Action Fund, 501(c)(4) organization, both of which have admitted to political activity contrary to their status as nonprofit organizations.

New Georgia Project was founded in 2013 by Stacey Abrams to engage in voter registration activities.<sup>1</sup> Abrams left the organization in 2017 and then it was led by now-U.S. Senator Raphael Warnock from 2017 to through January 2020.<sup>2</sup> New Georgia Project was also incorporated in 2017 as a tax-exempt organization under Internal Revenue Code section 501(c)(3).<sup>3</sup> In order to be eligible for nonprofit status, a 501(c)(3) organization cannot be engaged in any political activity.<sup>4</sup> New Georgia Project is “absolutely prohibited from directly or indirectly

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<sup>1</sup> *In re New Georgia Project, Inc. and New Georgia Project Action Fund, Inc.*, Georgia State Ethics Comm’n, Case No. 2019-0050PC (2025) (see attached).

<sup>2</sup> See tax filings listing Raphael Warnock as “chair” between 2017 and 2019 at: <https://projects.propublica.org/nonprofits/organizations/821348307>. Public reporting shows that Warnock served as chair until January 2020. See, Brittany Gibson, *Voting Group Founded by Abrams, Once Led by Warnock, Faces Financial Scrutiny*, Politico (7:00 A.M. EST Nov. 12, 2023), <https://www.politico.com/news/2023/11/12/new-georgia-project-nse-ufot-00122485>.

<sup>3</sup> *In re New Georgia Project, Inc.*, Georgia State Ethics Comm’n, Case No. 2019-0050PC.

<sup>4</sup> 26 U.S.C. §§ 501(a) and 501(c)(3).

participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office.”<sup>5</sup>

New Georgia Project has an affiliated organization, New Georgia Project Action Fund, which claims tax-exempt status under section 501(c)(4).<sup>6</sup> In order to be eligible for nonprofit status, a 501(c)(4) organization cannot have political activity be its primary activity. Under the Internal Revenue Code, New Georgia Project Action Fund must be “operated exclusively for the promotion of social welfare,” which is shown “if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community.”<sup>7</sup>

Recently, in a case before the Georgia State Ethics Commission, it was established that the New Georgia Project and its Action Fund engaged in political campaign activity.<sup>8</sup> The activity included campaign activity for Stacey Abrams during her 2018 gubernatorial campaign and other statewide candidates, which was described as:

“[A]dvocating for Representative Stacey Abrams’ election for Governor of the State of Georgia during the primary and general election, also with Sarah Riggs-Amico, John Barrow, and Charlie Bailey and other state wide candidates for public office during the general election. These expenditures included, but were not limited to canvassing activities, literature expressly advocating for the election of candidates, social media engagement, and operating field offices with paid staff where those electioneering activities were organized.”<sup>9</sup>

The Georgia State Ethics Commission found, and New Georgia Project and its Action Fund fully admitted, that they violated numerous state laws relating to their political activity.<sup>10</sup> This included that they were an independent committee, because they raised and spent funds for a political candidate, and they failed to register as such. They then raised and spent unreported and unregulated funds to influence the election for Abrams and other statewide candidates.<sup>11</sup> In doing so, they ultimately failed to disclose \$4,216,783.07 in campaign contributions and

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<sup>5</sup> IRS, *501(c)(3) Tax-Exempt Orgs.*, available at: <https://www.irs.gov/charities-non-profits/charitable-organizations/restriction-of-political-campaign-intervention-by-section-501c3-tax-exempt-organizations#:~:text=Under%20the%20Internal%20Revenue%20Code,candidate%20for%20elective%20public%20office> (last visited Jan. 29, 2025); IRS, *Exemption Requirements — 501(c)(3) Orgs.*, available at: <https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-501c3-organizations> (last visited Jan. 29, 2025) (“[I]t may not participate in any campaign activity for or against political candidates.”).

<sup>6</sup> *In re New Georgia Project, Inc.*, Georgia State Ethics Comm’n, Case No. 2019-0050PC.

<sup>7</sup> 26 U.S.C. §§ 501(a) and 501(c)(4); 26 C.F.R. §§ 1.501(c)(4)-1(a)(1) and 1.501(c)(4)-1(a)(2)(i).

<sup>8</sup> *In re New Georgia Project, Inc.*, Georgia State Ethics Comm’n, Case No. 2019-0050PC.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

\$3,200,449 in campaign expenditures during the 2018 election cycle.<sup>12</sup> Ultimately, New Georgia Project and its Action Fund stated the findings and legal conclusions were true and agreed to pay a \$300,000 fine.<sup>13</sup>

New Georgia Project and its Action Fund have admitted to political activity—and their actions have federal consequences. This is a straightforward case, the nonprofits participated in a political campaign on behalf of candidates for elective public office. New Georgia Project is “absolutely prohibited” from any campaign activity. Not only was this obviously campaign active, but it was extensive—they raised over \$4 million in political contributions and spent over \$3 million in political campaign expenditures which were required to be disclosed under state campaign finance laws during the 2018 election cycle alone. The illegal nature of this extensive activity also demonstrates that New Georgia Project Action Fund’s primary purpose was political activity. As established in the State Ethics case, the groups are not acting in accordance with federal law and we respectfully request the IRS investigate this matter fully and, if appropriate, revoke the organizations’ status as a tax-exempt 501(c)(3) and (4) organizations and impose financial penalties.

Sincerely,

/s/Kendra Arnold

Kendra Arnold  
Executive Director  
Foundation for Accountability & Civic Trust  
1717 K Street NW, Suite 900,  
Washington, D.C., 20006

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<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

**BEFORE THE  
STATE ETHICS COMMISSION  
STATE OF GEORGIA**

<b>IN THE MATTER OF</b>	*	<b>CASE NO.:</b>
	*	
<b>NEW GEORGIA PROJECT, INC.</b>	*	<b>2019-0050PC</b>
<b>AND</b>	*	
<b>NEW GEORGIA PROJECT ACTION</b>	*	
<b>FUND, INC.</b>	*	

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**CONSENT ORDER**

This matter comes before the State Ethics Commission (hereinafter the “Commission”) pursuant to a Complaint filed by Commission Staff on or about September 20<sup>th</sup>, 2019 (hereinafter the “Complaint”), and an Amended Complaint filed on or about June 17<sup>th</sup>, 2022, against New Georgia Project, Inc. and New Georgia Project Action Fund, Inc. (hereinafter “Respondents”). Respondents and the Commission hereby agree to resolve the above-styled matter by Consent Order under the terms and conditions herein.

**FINDINGS OF FACT**

Respondent New Georgia Project was founded in 2013 by Stacey Abrams as a project organized to engage in voter registration activities and was later incorporated in 2017. Respondent New Georgia Project Action Fund, Inc. was founded as a 501(c)(4) social welfare organization. New Georgia Project Action Fund is affiliated with New Georgia Project. As used in this Consent Order, “Respondents” refers to either or both of New Georgia Project and New Georgia Project Action Fund, Inc.

The Commission’s Complaint alleged that during the 2018 election cycle, Respondents advocated for Representative Stacey Abrams’ election for Governor of the State of Georgia during the primary and general election, along with Sarah Riggs-Amico, John Barrow, and Charlie Bailey and other state-wide candidates for public office during the general election. These expenditures included, but were not limited to, canvassing activities, literature expressly advocating for the election of candidates, social media engagement, and operating field offices with paid staff where those electioneering activities were organized. In 2019, Respondents expressly advocated for a ballot initiative encouraging the approval of MARTA expansion into Gwinnett County. This included canvassing activities, text message and phone banking, literature, signs, and social media engagement expressly advocating citizens of Gwinnett County to vote “Yes” on this ballot referendum.

Following a Preliminary Hearing on August 1<sup>st</sup>, 2022 the Commission found probable cause that Respondents had violated various provisions of the Georgia Government Transparency and Campaign Finance Act, and failed to disclose approximately \$4,216,783.07 in contributions and \$3,200,449.00 in expenditures during the 2018 election cycle. The Commission additionally found probable cause that Respondents violated various provisions of the Campaign Finance Act and failed to disclose \$646,422.89 in contributions and \$173,643.00 in expenditures related to the 2019 MARTA referendum in Gwinnett County.

Now, prior to an administrative hearing on this matter, Respondents and the Commission agree to resolve the above-styled matter by a Consent Order under the terms and conditions described herein.

### CONCLUSIONS OF LAW

The Commission finds that pursuant to O.C.G.A. § 21-5-34(e) and Ga. Comp. R. & Regs. 189-4-.01, any person who makes contributions to, accepts contributions for, or makes expenditures on behalf of candidates, and any **independent committee**, shall file a registration in the same manner as is required of campaign committees prior to accepting or making contributions or expenditures (Emphasis added). In this case, the Commission finds that Respondents failed to register as an independent committee prior to the acceptance of contributions and expenditure of independent expenditures for communications of express advocacy in the 2018 election cycle, and thereby spent unreported and unregulated monies to influence the election for Governor to the benefit of Stacey Abrams' candidacy along with other statewide candidates.

The Commission additionally finds that pursuant to O.C.G.A. § 21-5-34(f)(1) any independent committee which accepts contributions or makes expenditures for the purpose of affecting the outcome of an election or advocates the election or defeat of any candidate shall register with the commission prior to accepting contributions or making expenditures and shall file campaign contribution disclosure reports (CCDR) in substantially the same manner as the candidate or candidates that they are supporting or opposing.

The Commission additionally finds that pursuant to O.C.G.A. § 21-5-34(a), any campaign committee which accepts contributions or makes expenditures designed to bring about the approval or rejection by the voters of any proposed question which is to appear on the ballot in this state shall register with the commission and additionally shall file campaign contribution disclosure reports.

With respect to Respondents' actions, the Commission finds that:

1. Respondents failed to register with the Commission as an Independent Committee in 2017 and 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
2. Respondents failed to file a disclosure report two months before the primary election which was held on May 22, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
3. Respondents failed to file a disclosure report one month before the primary election which was held on May 22, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
4. Respondents failed to file a disclosure report two weeks before the primary election which was held on May 22, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
5. Respondents failed to file a supplemental disclosure report which was due on June 30, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
6. Respondents failed to file a disclosure report two months before the general election which was held on November 6, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
7. Respondents failed to file a disclosure report one month before the general election which was held on November 6, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
8. Respondents failed to file a disclosure report two weeks before the general election which was held on November 6, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).

9. Respondents failed to file a disclosure report two weeks before the general run-off election which was held on December 4, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
10. Respondents failed to file a supplemental disclosure report which was due on December 31, 2018 in violation of O.C.G.A. § 21-5-34(f)(1).
11. Respondents violated O.C.G.A. § 21-5-34(f)(2)(A) when they failed to disclose approximately \$4,216,783.07 in contributions.
12. Respondents violated O.C.G.A. § 21-5-34(f)(2)(B) when they failed to disclose approximately \$3,200,449.00 in expenditures.
13. Respondents violated O.C.G.A. § 21-5-34(a)(2) when they failed to register with the Gwinnett County election superintendent as a ballot committee prior to the acceptance of contributions and making of expenditures for an election that occurred on March 19, 2019.
14. Respondents failed to file a disclosure report fifteen (15) days before the election held on March 19, 2019 in violation of O.C.G.A. § 21-5-34(a)(2)(b).
15. Respondents failed to disclose approximately \$646,422.89 in contributions in violation of O.C.G.A. 21-5-34(a)(2) for an election that occurred on March 19, 2019.
16. Respondents failed to disclose approximately \$173,643.00 in expenditures in violation of O.C.G.A. 21-5-34(a)(2) for an election that occurred on March 19, 2019.

### AGREEMENT

In resolving this matter, Respondents hereby agree to the following:

Respondents agree to pay to the Commission a civil penalty in the amount of \$300,000.00 for violating the Georgia Government Transparency and Campaign Finance Act. Said penalty shall be paid in two equal installments with the first such installment of \$150,000.00 being paid to the State Ethics Commission within thirty (30) days from the date of this Order. The second and remaining installment of \$150,000.00 will be due no later than one (1) year from date of this Order. Said \$300,000.00 civil penalty balance will not be subject to the assessment of interest, unless Respondents default on this agreement at which time statutory interest pursuant to O.C.G.A. § 7-4-12 shall accrue,<sup>1</sup> and there shall be no prepayment penalty associated with advanced payments made by or on behalf of Respondents. However, in the event that the Respondents are more than 15 days past due on any payment under the terms of this agreement, the outstanding balance, less payments already made, will be accelerated and the Commission may demand full payment of said outstanding balance within thirty (30) days from the date of its Demand and Notice of Acceleration to Respondent. Commission and Respondents agree Respondents are jointly and severally liable for the payment of civil penalty, but Respondents may apportion payments between themselves as they so choose.

Further, Respondents agree not to knowingly commit any further violations of the Georgia Government Transparency and Campaign Finance Act and corresponding Commission Rules.

Respondents represent that the foregoing findings of facts are true, agree with the conclusions of law, and further agrees to abide by all terms of this Order. By signing this Order, Respondents waive any right to appeal pursuant to the procedures outlined in the Administrative Procedures Act (APA), O.C.G.A. § 50-13-1 *et. seq.*

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<sup>1</sup> Default shall be deemed to have occurred upon a failure to pay a required installment payment within fifteen (15) days from the date said payment became due and payable to the Commission.

Failure to comply with the terms herein, absent a showing of good faith, will constitute a willful and knowing violation of said terms by Respondents. Respondents' failure to comply with said terms shall constitute a breach of this agreement and thereby authorize the Commission to seek enforcement action against the Respondents in Superior Court. The parties agree that all costs and attorneys' fees incurred by the Commission in any enforcement action shall be assessed against Respondent pursuant to O.C.G.A. § 21-5-6(b)(14)(C).

The Commission adopts the foregoing findings of fact and conclusions of law and orders the implementation of the terms of this Consent Order.



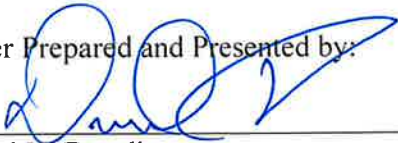
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Aria Branch, Esq.  
Attorney for Respondents

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/s/ Bryan L. Sells  
Bryan Sells, Esq..  
Ga. State Bar No.: 635562  
Attorney for Respondents

Order Prepared and Presented by:



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David H. Emadi  
Executive Secretary  
State Ethics Commission  
Ga. State Bar No.:272428

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**STATE ETHICS COMMISSION**

**BY:**

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James D. Kreyenbuhl  
Chairman  
State Ethics Commission