

# FEDERAL ELECTION COMMISSION

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## Weekly Digest Week of April 18 – 22

### COMMISSION MEETINGS AND HEARINGS

No Commission open meetings or executive sessions were scheduled this week.

### ADVISORY OPINIONS

#### Drafts

[Advisory Opinion 2016-03 \(Holding for Congress\)](#). On April 19, the Commission made public a [draft](#) of Advisory Opinion 2016-03. Requestor asks whether Representative George Holding may raise additional contributions subject to a new contribution limit for a primary election that was postponed. Public comments on the draft are due by noon on April 27.

#### Extension of Time Received

[Advisory Opinion Request 2016-02 \(Enable Midstream Services, LLC\)](#). On April 19, the Commission received an [Extension of Time](#) until April 29 on Advisory Opinion Request 2016-02. Enable owns, operates, and develops midstream natural gas and crude oil infrastructure assets. Enable was formed as part of a joint venture between two publicly traded companies, CenterPoint and OGE Energy, and private investors. Enable intends to create a separate, segregated fund (SSF) and asks whether this SSF will be affiliated with the separate segregated funds of either CenterPoint Energy, Inc. or OGE Energy Corporation, or both.

### ENFORCEMENT

The Commission made public five closed cases, one Concurring Statement and Supplemental Statements in five matters as follows. For more information, see the case documents in the [Enforcement Query System](#).

#### [MUR 6784](#)

COMPLAINANT: Nick Maietta

RESPONDENTS: Lizbeth Benacquisto; Lizbeth Benacquisto for Senate and Gary S. Splain, in his official capacity as treasurer (state committee); and Lizbeth Benacquisto for Congress and Nancy H. Watkins, in her official capacity as treasurer (federal committee)

SUBJECT: The complaint alleged that images used in the state committee's television advertisements later appeared in television advertisements for the federal committee, resulting in an impermissible transfer of assets from the state to the federal committee. Benacquisto was both a Florida State Senator and a 2014 special primary election candidate for Florida's 19th Congressional District. The complaint alleged further that the federal committee failed to file a statement of organization within 10 days of becoming a political committee.

DISPOSITION: The Commission found no reason to believe an impermissible transfer of assets occurred because the federal committee paid fair market value to a third party for use of the images at issue. The Commission closed the file in connection with the remaining allegation.

#### [MUR 6814](#)

COMPLAINANT: Chuck Meth

RESPONDENTS: Erin Bilbray-Kohn; and Erin Bilbray for Congress and William Stanley, in his official capacity as treasurer (the Committee)

SUBJECT: The complaint alleged that Bilbray-Kohn and the Committee failed to include proper disclaimers on emails sent to prospective contributors. Bilbray-Kohn was a 2014 candidate for Nevada's 3rd Congressional District.

DISPOSITION: The Commission found no reason to believe a violation occurred in connection with Bilbray-Kohn. The Commission exercised its prosecutorial discretion and dismissed the allegations in connection with the Committee. The Commission observed that because the email at issue contained information identifying it as a communication from the Bilbray campaign, it was unlikely to have misled the public.

#### [MUR 6888](#)

COMPLAINANT: American Democracy Legal Fund and Brad Woodhouse

RESPONDENTS: Republican National Committee and Anthony Parker, in his official capacity as treasurer (RNC) American Crossroads and Caleb Crosby, in his official capacity as treasurer (American Crossroads) ; Crossroads GPS; Americans for Prosperity (AFP); GOP Data Trust LLC (Data Trust); i360, LLC; National Republican Senatorial Committee and Keith A. Davis, in his official capacity as treasurer; Freedom Partners Action Fund, Inc., and Thomas F. Maxwell III, in his official capacity as treasurer; four State Party Committee-Respondents; 47 Candidate Respondents; and 47 Candidate Committee-Respondents

SUBJECT: The complaint alleged that (1) AFP, Freedom Partners, American Crossroads and Crossroads GPS made excessive contributions to the RNC, the state party respondents, and the candidate and authorized committee respondents in the form of coordinated communications, (2) Data Trust made prohibited in-kind contributions to the RNC in the form of data management services, and (3) the RNC illegally "established, financed, maintained, and/or controlled" Data Trust and as a result improperly solicited, received, or directed contributions or other things of values that are not subject to the prohibitions, limitations, and reporting requirements of the Federal Election Campaign Act of 1971, as amended (the Act).

DISPOSITION: The Commission found no reason to believe the respondents violated the Act and Commission regulations because (1) Data Trust and i360 did not satisfy the common vendor standard of the coordination regulations, (2) the allegations connected with data management

services did not appear to be substantiated, and (3) the available information appeared to show that Data Trust was operating a commercial enterprise and any things of value it received were given in exchange for the products and services it provided to its clients or partners.

#### MUR 6916

COMPLAINANT: Foundation for Accountability and Civic Trust

RESPONDENTS: Democratic National Committee; Democratic Senatorial Campaign Committee; Democratic Congressional Campaign Committee; Catalist, LLC; NGP VAN, LLC; 11 State & Local Party Committee–Respondents; and 384 Authorized Committee Respondents

SUBJECT: The complaint alleged that Catalist, a limited liability company and government contractor, made excessive or prohibited in-kind contributions to the respondent committees by providing data and services at below-market rates. The complaint alleged further that Catalist and NGP VAN, a technology provider, acted as “common vendors” and shared voter data they received from the respondent committees with other non-campaign clients make independent expenditures, resulting in excessive or prohibited in-kind contributions to respondent committees in the form of coordinated communications. Third, the complaint alleged the DNC established, financed, maintained or controlled Catalist and through Catalist has accepted contributions in violation of the ban on money that is not subject to the prohibitions, limitations and reporting requirements of the Act.

DISPOSITION: The Commission found no reason to believe a violation occurred because (1) Catalist’s sworn affidavit and information from the respondent committees were sufficiently persuasive to rebut the inferences in the complaint, (2) no information suggested that either Catalist or NGP VAN provided services to “create, produce, or distribute” communications, a requirement for the “common vendor standard”; and (3) the totality of evidence does not support a finding that the DNC established, financed, maintained, or controlled Catalist and there is no information to suggest that any funds Catalist receives are not provided in exchange for the goods and services it provides its clients or as part of a legitimate business venture on the part of its investors.

#### MUR 7025

COMPLAINANT: Maryann Martindale and the Alliance for a Better Utah

RESPONDENTS: Mike Lee; Friends of Mike Lee and Mike McCauley, in his official capacity as treasurer (the Committee); JPMorgan Chase & Company (JPMC); and Ronald McMillan

SUBJECT: The complaint alleged that JPMC made a prohibited national bank contribution to Lee when it approved the short sale of Sen. Lee’s house and waived the balance that Lee still owed on the mortgages. The complaint alleged further that (1) McMillan made potentially excessive contributions to Lee when he purchased Lee’s house and then rented another house to Lee, (2) the Committee failed to disclose these alleged contributions, and (3) Lee converted the alleged contributions to personal use. Lee was a 2010 candidate for Utah’s United States Senate seat.

DISPOSITION: The Commission found no reason to believe violations occurred. The available information does not indicate contributions were made or received because either nothing of value was provided to Lee or his Committee, or there was no nexus between these personal transactions and Lee’s campaign.

[MUR 6485](#) – W Spann LLC; Edward Conard; and Restore Our Future and Charles R. Spies, in his official capacity as treasurer. On April 18, Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman issued a [Supplemental Statement](#).

[MURs 6487 and 6488](#) – F8 LLC; Unknown Respondents; Steven J. Lund; Eli Publishing, L.C.; and Restore Our Future and Charles R. Spies, in his official capacity as treasurer. On April 18, Chairman Petersen and Commissioners Hunter and Goodman issued a [Supplemental Statement](#).

[MUR 6711](#) – Specialty Investment Group, Inc.; Kingston Pike Development, LLC; William S. Rose, Jr.; FreedomWorks for America and R. Russ Walker, in his official capacity as treasurer; Richard J. Stephenson; and Adam Brandon. On April 18, Chairman Petersen and Commissioners Hunter and Goodman issued a [Supplemental Statement](#).

[MUR 6779](#) – Joel Gilbert; Highway 61 Entertainment, LLC; and DFMRF, LLC. On April 18, Commissioner Goodman issued a [Concurring Statement of Reasons](#).

[MUR 6930](#) – Prakazrel “Pras” Michel; SPM Holdings LLC/SPM 2012 Holdings LLC; and Black Men Vote and William Kirk, Jr., in his official capacity as treasurer. On April 18, Chairman Petersen and Commissioners Hunter and Goodman issued a [Supplemental Statement](#).

## **ALTERNATIVE DISPUTE RESOLUTION**

The Commission made public one campaign finance enforcement matter that was resolved through its Alternative Dispute Resolution (ADR) program, as follows. For more information, see the case documents in the [Enforcement Query System](#).

[ADR 785](#) – House Conservatives Fund and Lisa Lisker, in her official capacity as treasurer. The respondent agreed to (1) certify the implementation of internal controls consistent with the Commission’s Best Practices for Committee Management, (2) file any amended report(s) promptly upon receipt of any additional information regarding additional embezzled contributions, and (3) provide a certification that report(s) have been filed or that no additional information has been received one year from the effective date of this agreement.

## **LITIGATION**

[CREW, et al. v. FEC](#) (Case 1:16-cv-00259-BAH). On April 19, the Commission filed a [Partial Motion to Dismiss](#) in the United States District Court for the District of Columbia.

[FEC v. Lynch](#) (Case 9:15-cv-81732-KAM). On April 15, the Commission filed its [Memorandum of Law in Opposition to Defendants' Motion to Dismiss](#) in the United States District Court for the Southern District of Florida.

[McChesney, et al. v. FEC](#) (Case 8:16-cv-00168-LSC-FG3). On April 15, Robert C. McChesney, in his official capacity as Treasurer of Bart McLeay for U.S. Senate, Inc. and Bart McLeay for U.S. Senate, Inc. filed a [Complaint](#) in the United States District Court for the District of Nebraska.

[Republican Party of Louisiana et al. v. FEC](#) (Case 1:15-cv-01241-CRC-SS-TSC). On April 19, Plaintiffs filed a [Memorandum Opposing Commission's Motion to Dissolve Three-Judge Court or Dismiss](#) in the United States District Court for the District of Columbia.

[Stop Reckless Economic Instability caused by Democrats, et al. v. FEC](#) (Case 15-1455). On April 8, [Appellants filed a Motion for Panel Rehearing and Rehearing En Banc](#) in the United States Court of Appeals for the Fourth Circuit. On April 22, the Court issued an [Order denying the petition for rehearing and rehearing en banc](#).

## **OUTREACH**

On April 17, Commissioner Ellen L. Weintraub was a featured speaker at the "Democracy Awakening" rally on the National Mall in Washington, DC.

On April 18, Commissioner Ann M. Ravel spoke about the regulation of dark money and disclosure at the "Money in Politics Forum" hosted by the San Diego Ethics Commission in San Diego, California.

On April 21, Commissioner Ravel was the featured lecturer on campaign finance, the role of the Federal Election Commission and the importance of civic engagement at the Seventh Annual Justin L. Quackenbush Lecture Series hosted by Gonzaga University School of Law in cooperation with the Federal Judges of the Eastern District of Washington in Spokane, Washington.

On April 22, Commissioner Ravel spoke to students in Stanford University's "Fixing U.S. Politics: Political Reform in Principle and Practice" course about the Federal Election Commission and the impact of campaign finance law in the 2016 elections in Palo Alto, California.

On April 22, Communication Specialist Zainab Smith met with members of a delegation from Thailand to discuss issues related to U.S. elections.

## **CAMPAIGN FINANCE REPORTS**

April 20: April Monthly Reports were due. For more information on monthly reporting dates, refer to the [2016 Monthly Reporting page](#) of the Commission website.

## **EDUCATIONAL PROGRAMS**

On April 19-20, the Commission hosted a Regional Conference for House & Senate Campaigns, National, State, District & Local Party Committees, and Corporate, Labor, Membership and Trade Organization PACs in Orlando, FL.

## **PRESS RELEASES**

[FEC Cites Committees for Failure to File 12-Day Pre-Primary Financial Report](#) (issued April 22)

## **UPCOMING COMMISSION MEETINGS AND HEARINGS**

April 26: The Commission is scheduled to hold an [executive session](#).

April 28: The Commission is scheduled to hold an [open meeting](#).

Meeting dates are subject to change. Please contact the Press Office the week of the scheduled meeting for confirmation.

## **UPCOMING EDUCATIONAL PROGRAMS**

May 11: Webinar for Corporations and their PACs. Additional information is available on the [Educational Outreach](#) page of the Commission website.

May 25: Webinar for Trade Associations and their PACs. Additional information is available on the [Educational Outreach](#) page of the Commission website.

## **UPCOMING REPORTING DUE DATES**

May 20: May Monthly Reports are due. For more information on monthly reporting dates, refer to the [2016 Monthly Reporting page](#) of the Commission website.

## **DISCLOSURE INITIATIVES**

Commission staff, together with our partners at 18F, continue to add new features to the agency's [beta.fec.gov](#) website. The Commission encourages website visitors to submit comments and questions by clicking on the “Feedback” tab at the bottom of each page.

## **ADDITIONAL RESEARCH MATERIALS**

Additional research materials about the agency, campaign finance information, and election results are available through the [Library section](#) of the Commission website.

The Commission has published the [April Record](#) newsletter. [Sign up](#) to receive email notification when new Record articles are posted.

The 2016 edition of [Title 11 of the Code of Federal Regulations](#) can be downloaded from the website. To order printed copies, call (800) 424-9530 (press 6) or send an email to [info@fec.gov](mailto:info@fec.gov).

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