MINUTES OF AN OPEN MEETING

OF THE

FEDERAL ELECTION COMMISSION

THURSDAY, JULY 11, 2019

PRESENT:

Ellen L. Weintraub, Chair, presiding

Matthew S. Petersen, Vice Chair

Steven T. Walther, Commissioner

Caroline C. Hunter, Commissioner

Alec Palmer, Staff Director¹

Lisa Stevenson, Acting General Counsel²

Laura E. Sinram, Acting Secretary and Clerk

¹ Deputy Staff Director for Management and Administration Kate Higginbothom represented Staff Director Palmer.

² Deputy General Counsel for Administration Greg Baker represented Acting General Counsel Stevenson.

Chair Ellen L. Weintraub called the Federal Election Commission to order in an open meeting at 10:09 A.M. on Thursday, July 11, 2019 with a quorum present.

Chair Weintraub recognized Vice Chair Petersen who

MOVED to suspend the rules on the timely submission of agenda documents in order that the Commission may consider the late submission of Agenda Documents No. 19-28-A, 19-29-A, 19-30-A, and 19-30-B.

The motion carried by a vote of 4-0 with Commissioners Hunter, Petersen, Walther, and Weintraub voting affirmatively for the decision.

I. INTERNET AD DISCLAIMERS RULEMAKING PROPOSAL FOR REG 2011-02
(INTERNET COMMUNICATION DISCLAIMERS AND DEFINITION OF
"PUBLIC COMMUNICATION")

Memorandum from Chair Ellen L. Weintraub dated June 13, 2019

Agenda Document No. 19-26-A

Memorandum from Vice Chair Matthew S. Petersen and Commissioner Caroline C. Hunter dated June 19, 2019

Agenda Document No. 19-26-B

(Held over from the meeting of June 20, 2019)

Chair Weintraub stated that she hoped to be further along but that there have been productive meetings. She further noted that this item will remain on the agenda because this is an important thing for the Commission to do.

Vice Chair Petersen stated that he shared the same assessment with Chair Weintraub about having a productive meeting and noted that he looked forward to continuing those discussions on this matter.

II. DRAFT ADVISORY OPINION 2019-08

Omar2020 by Omar Reyes

Agenda Document No. 19-29-A (Draft A) (Submitted Late)

Chair Weintraub welcomed Mr. Omar Reyes, who was participating by phone, and then recognized Mr. Kevin Paulsen of the General Counsel's Office who presented the draft advisory opinion request from Omar2020. The requestor asks whether the acting Commission regulations permit the committee to distribute digital blockchain tokens with no monetary value to volunteers and supporters as an incentive to engage in volunteer activities.

Draft A concludes that the committee may distribute the blockchain tokens as proposed because the tokens do not constitute a form of compensation. The tokens have no monetary value, are not a type of crypto-currency, and cannot be used to purchase goods or services. The tokens are materially indistinguishable from traditional forms of campaign souvenirs. Nothing in the

Act or Commission regulations prohibits a campaign committee from distributing free campaign souvenirs to volunteers or supporters.

Chair Weintraub recognized Mr. Reyes who expressed his appreciation for the process and noted that he was looking forward to what the vote outcome was.

Chair Weintraub recognized Vice Chair Petersen who

MOVED to approve Agenda Document No. 19-29-A, otherwise known as Draft A.

The motion carried by a vote of 4-0 with Commissioners Hunter, Petersen, Walther, and Weintraub voting affirmatively for the decision.

III. DRAFT ADVISORY OPINION 2019-09

Mad Dog PAC by Claude A. Taylor

Agenda Document No. 19-30-A (Draft A) (Submitted Late)

<u>Agenda Document No. 19-30-B (Revised Draft A)</u> (Submitted Late)

Chair Weintraub recognized Ms. Cheryl Hemsley of the General Counsel's

Office who presented the draft advisory opinion request from Mad Dog PAC. The
requestor asks if it may sell on its website t-shirts containing graphic depictions
based on free open-source photos and the names of candidates for the 2020

Democratic Presidential nomination. The committee will neither communicate
nor share the proceeds with any candidate and will treat the entire purchase

price of the t-shirts as contributions from the purchasers. Additionally, prior to checkout, the committee will continue to screen for prohibited contribution sources and will collect required information from the purchasers so it can ensure the aggregation of contribution limitations and reporting requirements are met. Finally, the committee website contains a statement that the website is paid for by Mad Dog PAC and that the website's contents are not authorized or approved by any candidate. Revised Draft A concludes that the committee may make the proposed sales because it will treat the full amount of the purchase price as contributions and will comply with the applicable disclaimer, source, amount, and reporting requirements.

Chair Weintraub recognized Mr. Blair Schuman, a compliance consultant for the requestor, who expressed his appreciation to the Commission for considering this question. Discussion followed.

Chair Weintraub recognized Vice Chair Petersen who

MOVED to approve Agenda Document No. 19-30-B, which is Revised Draft A.

Discussion followed on the motion.

The motion carried by a vote of 4-0 with Commissioners Hunter, Petersen, Walther, and Weintraub voting affirmatively for the decision.

IV. DRAFT ADVISORY OPINION 2019-12

Area 1 Security, Inc. by Daniel Petalas, Esq. and Garvey Barer, P.C.

Agenda Document No. 19-28-A (Draft A)

Chair Weintraub introduced the matter and stated that the Commission had a new request from Area 1 Security, Inc. She then recognized Mr. Daniel Petalas, who participated via telephone. Discussion followed.

Chair Weintraub recognized Mr. Joseph Wenzinger of the General Counsel's Office who presented the draft advisory opinion request from Area 1 Security, Inc. The requestor asks whether it may offer cybersecurity services to federal candidates and political committees under a low to no cost pricing tier that Area 1 offers to all qualified customers. Draft A concludes that because the requestor would offer these services in the ordinary course of business and on the same terms and conditions as offered to similarly situated non-political clients, the proposal would not result in prohibited in-kind contributions and, thus, is permissible.

Chair Weintraub recognized Mr. Petalas, who expressed his support of Draft A. Discussion followed.

Chair Weintraub recognized Vice Chair Petersen who

MOVED to approve Agenda Document No. 19-28-A, otherwise known as Draft A.

The motion carried by a vote of 4-0 with Commissioners Hunter, Petersen, Walther, and Weintraub voting affirmatively for the decision.

V. MANAGEMENT AND ADMINISTRATIVE MATTERS

There being no further business to come before the Commission, the meeting adjourned at 10:20 A.M.

Signed:

Ellen L. Weintraub

Chair of the Commission (2019)

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Attest:

Laura E. Sinram

Acting Secretary and Clerk of the Commission