

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: October 20, 2020

ANALYST: Jill Sugarman

- I. COMMITTEE: Montana Rural Voters
C90019571
Leah Barry, Representative
(3/1/2020 – Present)
Anna Lucas, Representative
(7/2/2019 – 2/29/2020)
P.O. Box 178
Billings, MT 59103
- II. RELEVANT STATUTE: 52 U.S.C. § 30104(c)
52 U.S.C. § 30104(g)
11 CFR § 109.10

III. BACKGROUND:

A. Independent Expenditure Reporting Problems – Persons Other Than Political Committees (Form 5) (Failure to File 48-Hour Reports)

Montana Rural Voters (“MRV”) failed to file one (1) 48-Hour Report to support three (3) independent expenditures totaling \$109,008.21, disclosed in the 2018 Year-End Report, made during the period up to and including the 20th day before the 2018 General Election (Attachment 2).

On July 3, 2019, MRV filed its 2018 Year-End Report¹ covering the period from October 1, 2018 through December 31, 2018. Schedule 5-E of the report disclosed sixteen (16) independent expenditures totaling \$156,564.68, made in support of one (1) federal candidate (Images 201907059150449008-13).

¹ The 2018 Year-End Report was filed under an incorrect FEC identification number, C90009341.

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On December 30, 2019, a Request for Additional Information¹ (RFAI) was sent to MRV referencing the 2018 Year-End Report. Among other items, the RFAI noted that MRV may have failed to file 48-Hour Reports for three (3) independent expenditures disclosed on Schedule 5-E of the report (Image 201912310300053160).

B. Independent Expenditure Reporting Problems – Persons Other Than Political Committees (Form 5) (Failure to File 24-Hour Reports)

MRV failed to file three (3) 24-Hour Reports to support four (4) independent expenditures totaling \$30,614.47, disclosed in the 2018 Year-End Report, made after the 20th day but more than 24 hours before the 2018 General Election (Attachment 2).

On July 3, 2019, MRV filed its 2018 Year-End Report² covering the period from October 1, 2018 through December 31, 2018. Schedule 5-E of the report disclosed sixteen (16) independent expenditures totaling \$156,564.68, made in support of one (1) federal candidate (Images 201907059150449008-13).

On December 30, 2019, an RFAI³ was sent to MRV referencing the 2018 Year-End Report. Among other items, the RFAI noted that MRV may have failed to file 24-Hour Reports for four (4) independent expenditures disclosed on Schedule 5-E of the report (Image 201912310300053160).

On February 10, 2020, Reports Analysis Division (RAD) Management spoke with Anna Lucas, a representative of MRV, about the missing 24-Hour and 48-Hour Reports cited in the December 30, 2019 RFAI. RAD Management encouraged her to provide clarification. When Ms. Lucas said she did not receive the RFAI, RAD Management emailed her a link to it (Attachment 3).

On March 4, 2020, MRV filed an FEC Form 99 (Miscellaneous Electronic Submission) that stated, in part:

“The quarterly report discloses independent expenditures on the date they were publicly distributed, not the date of payment. In 2018, when Montana Rural Voters decided to engage in some limited independent expenditures in support of federal candidates, staff contacted the FEC to determine the appropriate manner in which to report these activities. Based on this conversation, MRV filed a Statement of Organization (FEC Form 1) and filed subsequent reports on Form 3X⁴. We now understand that the registration and reports were filed in error because MRV does not qualify as a political committee. MRV should not have registered as a political committee and instead should have reported its activities on Form 5 and

¹ The RFAI references identification number C90009341 and the associated name, Montana League of Rural Voters.

² See Footnote 1.

³ See Footnote 2.

⁴ On February 2, 2019, MRV filed a 2018 Year-End Report under FEC identification number C00689414. The 24-Hour Reports and 48-Hour Reports cited as missing in this referral were not filed under C00689414 or C90019571.

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followed the 24 /48 hour reporting rules. This was an error on our part... As described above, it appears that some 24/48 hour reports were required but not filed due to an incorrect statement of organization. Montana Rural Voters committee addressed these concerns, corrected the issues by updating the quarterly filing reports, and closed its committee with the FEC on July 30, 2019¹” (Image 202003049203743804).

To date, no further communications have been received from MRV regarding these matters.

¹ FEC identification number C00689414 has been terminated.

Montana Rural Voters (C90019571)¹

2018 Year-End Report, received 7/3/2019

48-Hour Reports Not Filed

Name of Payee	Date of Dissemination (Schedule 5 E)	Expenditure Amount	Candidate Supported	State and Date of Election
Montana Rural Voters Action Fund	10/1/2018	\$262.50	Jon Tester	Montana – 2018 General (11/6/2018)
Petel and Company	10/3/2018	\$56,110.90	Jon Tester	Montana – 2018 General (11/6/2018)
Petel and Company	10/3/2018	\$52,634.81 <i>48-Hour Report Required</i>	Jon Tester	Montana – 2018 General (11/6/2018)

Montana Rural Voters (C90019571)²

2018 Year-End Report, received 7/3/2019

24-Hour Reports Not Filed

Name of Payee	Date of Dissemination (Schedule 5 E)	Expenditure Amount	Candidate Supported	State and Date of Election
Hamburger Gibson Creative	10/24/2018	\$20,000.00 <i>24-Hour Report Required</i>	Jon Tester	Montana – 2018 General (11/6/2018)
Montana Native Vote Action Fund	10/28/2018	\$335.00	Jon Tester	Montana – 2018 General (11/6/2018)
Northern Plains Resource Council	10/29/2018	\$7,801.83 <i>24-Hour Report Required</i>	Jon Tester	Montana – 2018 General (11/6/2018)
Spotify	11/1/2018	\$2,477.64 <i>24-Hour Report Required</i>	Jon Tester	Montana – 2018 General (11/6/2018)