

REPORTS ANALYSIS DIVISION REFERRAL
 TO
 ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: October 20, 2020

ANALYST: Jill Sugarman

I. COMMITTEE: Montana League of Rural Voters
 C90009341
 Leah Barry, Representative
 (3/1/2020 – Present)
 Anna Lucas, Representative
 (1/1/2017 – 2/29/2020)
 P.O. Box 522
 Billings, MT 59103

II. RELEVANT STATUTE: 52 U.S.C. § 30104(c)
 52 U.S.C. § 30104(g)
 11 CFR § 109.10

III. BACKGROUND:

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

Montana League of Rural Voters (“Montana League”) failed to timely file three (3) 24-Hour Reports to support nine (9) independent expenditures totaling \$31,713.76, disclosed in the 2017 July Quarterly Report, made after the 20th day but more than 24 hours before the 2017 Montana Special General Election (Attachment 2).

On June 23, 2017, Montana League filed one (1) 48-Hour Report¹ to support nineteen (19) independent expenditures totaling \$54,217.59, disseminated from May 18 through May 31, 2017 (Images 201706239065091947-54).

On August 18, 2017, Montana League filed its 2017 July Quarterly Report covering the period from April 1, 2017 through June 30, 2017. Schedule 5-E (Itemized Independent

¹ The report was marked as a 48-Hour Report, but the activity disclosed in it occurred in the 24-Hour reporting period.

RAD Referral 20L-06
Montana League of Rural Voters
Page 2 of 3

Expenditures) of the report disclosed twenty (20) independent expenditures totaling \$58,987.20, made in support of one (1) federal candidate (Images 201708189070465400-06).

On March 22, 2018, a Request for Additional Information (RAFI) was sent to Montana League referencing their 2017 July Quarterly Report. Among other items, the RAFI noted that Montana League may have failed to timely file 24-Hour Reports for seven (7) independent expenditures disclosed on Schedule 5-E of the report (Image 201803230300001449).

On April 24, 2018, Reports Analysis Division (RAD) Management spoke with Anna Lucas, a representative of Montana League, about the RAFI. Ms. Lucas said she followed the reporting schedule in the Federal Register for PACs and Party Committees involved in the Montana special election. RAD Management explained that schedule was not applicable to a Form 5 filer like Montana League. Ms. Lucas said she would amend the 2017 July Quarterly Report to correct the date for some entries, as she disclosed the payment date instead of the dissemination date. She said she would address other issues in an FEC Form 99 (Miscellaneous Electronic Submission). RAD Management noted that the issues of late or missing 24-Hour and 48-Hour Reports could be referred to other Commission offices for potential further action (Attachment 3).

On the same date, Montana League filed an Amended 2017 July Quarterly Report. Schedule 5-E of the report disclosed twenty-two (22) independent expenditures totaling \$58,987.20, made in support of one (1) federal candidate. The report disclosed no changes regarding the seven (7) independent expenditures that were referenced in the March 22, 2018 RAFI (Images 201804249111726987-94).

On April 26, 2018, Montana League filed an FEC Form 99 regarding the late 24-Hour Reports, which stated, in part:

“...The Federal Register (Vol 82, No. 48/Tuesday, March 14, 2017) stated that PAC and Party Committees not filing monthly were to file a pre-general report on 05/31/2017 and a post-general report on 06/24/2017. The federal register had no reporting requirements listed for a Form 5 filer (which is how Montana League of Rural Voters is defined), so I was working off of the deadlines for PAC and Party Committees not filing monthly, as evidenced by the filing on ... 06/23/2017. After a call with Jill Sugarman on 04/24/2018, I was made aware that there was a separate reporting calendar for Independent Expenditures in connection with Special Elections that was not listed in the Federal Register under "Filing Dates for the Montana Special Congressional Election.

In the online filing process for the Montana Special Election Form 5 filers, there was no option in the drop down menu to select the type of filing that was required for the special election. 48 hour reports were selected in the drop down menu in place of a pre-general and post-general report, which were not options, but were deadlines Montana League of Rural Voters thought pertained to us.

... Because the 48 hour report form was filed according to the dates on the federal register, the dates of expenditures fall outside the 48 hour window as required on the form. The amended July Quarterly report filed on 04/24/2018 reflects the date of dissemination dates and amount of expenditures” (Image 201804269111734600).

On July 17, 2018, RAD Management left a voicemail for Ms. Lucas indicating Montana League would receive an RFAI on the Amended 2017 July Quarterly Report for late 24-Hour Reports. RAD Management noted this was because entries initially disclosed with dates after the election were now disclosed with earlier dissemination dates (Attachment 3).

On July 18, 2018, an RFAI was sent to Montana League referencing the Amended 2017 July Quarterly Report. The RFAI noted that Montana League may have failed to timely file 24-Hour Reports for two (2) independent expenditures disclosed on Schedule 5-E of the report (Image 201807190300014142).

On August 22, 2018, Montana League filed an FEC Form 99 in response to the RFAI that stated, in part:

“The expenditure for Winning Connections in the amounts of \$17,544.11 and \$2,728.86 were initially listed as the date of payment (May 26, 2017). This was subsequently changed in the amended July quarterly filing to reflect the date of the start of dissemination (May 17, 2017). The work was for digital ads and phone calls, which began on May 17 but ran through Election Day on May 25. The vendor (Winning Connections) began ads and calls starting on a date and continued through until polls close on Election Day. The vendor is given a budget and timeframe from Montana League of Rural Voters and asked to work within those parameters. Since the expenditure is based on number of clicks and views, we were not clear on how much was being expended out on each day” (Image 201808229121509783).

To date, no further communications have been received from Montana League regarding this matter.

Montana League of Rural Voters (C90009341)

Amended 2017 July Quarterly Report, received 4/24/2018

24-Hour Reports Not Timely Filed

Name of Payee	Date of Dissemination (Schedule 5 E)	Expenditure Amount	Candidate Supported	State and Date of Election	24 Hour Report Filed
Winning Connections	5/17/2017	\$17,544.11	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017
Winning Connections	5/17/2017 ¹	\$2,728.86 <i>24-Hour Report Required</i>	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017
Northern Broadcasting System	5/18/2017	\$5,000 <i>24-Hour Report Required</i>	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017
CCR Williston	5/22/2017	\$1,950.00	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017
KATQ Radio	5/22/2017	\$420.00	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017
New Media Broadcasting	5/22/2017	\$799.20	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017
Newell Broadcasting System	5/22/2017	\$816.00	Rob Quist	Montana – 2017 Special	6/23/2017

¹ The date disclosed on the 24-Hour Report is 5/26/2017, which is after the election. The date disclosed on the Amended 2017 July Quarterly Report is 5/17/2017.

				General (5/25/2017)	
Paula Berg	5/22/2017	\$7.59	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017
Staradio Corp	5/22/2017	\$2,448.00 <i>24-Hour Report Required</i>	Rob Quist	Montana – 2017 Special General (5/25/2017)	6/23/2017