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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE**MEMORANDUM**

May 13, 2021

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Krista J. Roche *KJR*
Director, ADR Office

SUBJECT: Recommendation to Dismiss
ADR 999 – Scholten for Congress and Sue Jackson, Treasurer; Hillary Scholten; Michigan 2020 and Judith Zamore, Treasurer; and Serve America Victory Fund and Darryl Tattrie, Treasurer

The Office of General Counsel transferred MUR 7840 on March 9, 2021, and the ADR Office designated the matter as ADR 999. The ADR Office recommends the Commission exercise prosecutorial discretion and dismiss the matter. *Heckler v. Chaney* 470 U.S. 821 (1985). We include a summary and discussion of the matter for your information.

Summary and Analysis of Case: On October 27, 2020, Charles R. Spies filed a Complaint on behalf of Peter Meijer for Congress containing allegations against Scholten for Congress and Sue Jackson, Treasurer; Hillary Scholten; Michigan 2020 and Judith Zamore, Treasurer; and Serve America Victory Fund and Darryl Tattrie, Treasurer (collectively, “Respondents”). The Complaint alleges that Hillary Scholten and Scholten for Congress accepted \$75,029.97 in excessive contributions from Serve America Victory Fund and Michigan 2020. The Complaint states that Scholten for Congress accepted six contributions from these entities between June 12 and July 9, 2020, but that neither entity was listed as an authorized committee of Scholten for Congress at the time those contributions were received.

On November 16, 2020, Michigan 2020 and Judith Zamore, Treasurer, filed a response indicating that it first registered with the FEC as a joint fundraising representative on February 6, 2020. At that time, Michigan 2020 was not a joint fundraising representative of Scholten for Congress. On March 25, 2020, an amended joint fundraising agreement was executed, and Michigan 2020 filed an amended Form 1 (Statement of Organization) to include Scholten for Congress as a participating committee. Accordingly, when the joint fundraising transfers at issue in the Complaint were made, Michigan 2020’s Form 1 reflected that it was an authorized joint fundraising representative of Scholten for Congress.

On December 22, 2020, Serve America Victory Fund and Darryl Tattrie, Treasurer, filed a response indicating that it first registered with the FEC as a joint fundraising representative on January 30, 2020. At that time, Serve America Victory Fund was not a joint fundraising representative of Scholten for Congress. On May 13, 2020, an amended joint fundraising agreement was executed, and Serve America Victory Fund filed an amended Form 1 to include Scholten for Congress as a participating committee. Accordingly, when the joint fundraising transfers at issue in the Complaint were made, Serve America Victory Fund's Form 1 reflected that it was an authorized joint fundraising representative of Scholten for Congress.

In a response filed on December 15, 2020, Hillary Scholten, Scholten for Congress, and Sue Jackson, Treasurer, (the Scholten Respondents) acknowledge that Scholten for Congress's Form 1 was not amended to include Michigan 2020 and Serve America Victory Fund as authorized representatives until September 9, 2020, after the joint fundraising transfers at issue were received. The Scholten Respondents state that, despite this oversight, they treated the receipts in question as joint fundraising transfers by reporting them on regularly filed reports with memo entries indicating "Transfers from Other Authorized Committees."

Because both joint fundraising committees timely amended their filings to reflect themselves as a fundraising representative and the recipient committee has amended its Form 1 to clarify the public record, the ADRO recommends the Commission exercise prosecutorial discretion and dismiss the matter. *Heckler v. Chaney* 470 U.S. 821 (1985).

RECOMMENDATIONS:

1. Dismiss ADR 999 (MUR 7840).
2. Approve the appropriate letters.