



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Jonathan Waclawski
P.O. Box 620437
Middleton, WI 53562

MAY - 1 2019

RE: MURs 6917 and 6929
Governor Scott Walker
Scott Walker, Inc. and
Kate Lind in her official capacity
as treasurer

Dear Mr. Waclawski:

On March 2, 2015, and March 30, 2015, the Federal Election Commission (the "Commission") notified your clients, Governor Scott Walker and Scott Walker, Inc. and Kate Lind in her official capacity as treasurer, of a complaint and supplement to the complaint, respectively, in MUR 6917 alleging violations of the Federal Election Campaign Act of 1971, as amended (the "Act"). The Commission also notified your clients on April 3, 2015, of a complaint in MUR 6929 alleging violations of the Act.

On April 23, 2019, the Commission found that there is reason to believe that: Governor Scott Walker violated 52 U.S.C. §§ 30116(f) and 30102(e)(1) and 11 C.F.R. §§ 100.72(a), 100.131(a), and 101.1(a); and Scott Walker, Inc. and Kate Lind in her official capacity as treasurer violated 52 U.S.C. §§ 30116(f) and 30104(b) and 11 C.F.R. §§ 100.72(a) and 100.131(a).

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of these matters. Please submit such materials to the Office of the General Counsel within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. *See* 52 USC § 30109(a)(4).

Please note that you and your clients have a legal obligation to preserve all documents, records and materials relating to these matters until such time as you are notified that the Commission has closed its file in these matters. *See* 18 U.S.C. § 1519.

If your clients are interested in pursuing pre-probable cause conciliation, you should make such a request by letter to the Office of the General Counsel. *See* 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make

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recommendations to the Commission either proposing an agreement in settlement of the matters or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into in order to complete its investigation of the matters. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been delivered to the respondents.

Requests for extensions of time are not routinely granted. Requests must be made in writing at least five days prior to the due date of the response and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days. Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at http://www.fec.gov/em/respondent_guide.pdf.

Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.¹ These matters will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that your clients wish the matters to be made public.

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Jonathan Peterson, the attorney assigned to these matters, at (202) 694-1525 or jpeterson@fec.gov.

On behalf of the Commission,



Ellen L. Weintraub
Chair

Enclosures
Factual and Legal Analysis

¹ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

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2
3 RESPONDENTS: Governor Scott Walker MURs 6917 & 6929
4 Scott Walker, Inc. and Kate Lind in her
5 official capacity as treasurer
6 Our American Revival and Andrew Hitt
7 in his official capacity as treasurer
8

I. INTRODUCTION

9
10
11 Wisconsin Governor Scott Walker publicly announced that he was running for President
12 of the United States on July 13, 2015, two weeks after announcing he was testing the waters for a
13 possible candidacy. The Complaints make three primary allegations about the months leading up
14 to Walker's declaration of candidacy. First, that Walker began testing the waters for a potential
15 candidacy as early as November 2014. Second, that Our American Revival ("OAR"), a 527
16 organization that Walker helped create in January 2015, made, and Walker accepted, excessive,
17 unreported contributions by paying for testing the waters activity for Walker in the five months
18 leading up to Walker's announcement.¹ Third, that Walker became a candidate prior to his July
19 2015 declaration of candidacy and thereby failed to file timely statements and disclosure reports,
20 and used impermissible non-federal funds from OAR for campaign activity.²

21 The record indicates that Walker may have conducted testing the waters activities prior to
22 June 17, 2015, that those activities were funded by OAR, and that the Committee failed to report
23 expenses related to those activities, either as disbursements or as in-kind contributions. The
24 Commission therefore finds reason to believe that OAR violated 52 U.S.C. §§ 30116(a) and
25 30118 by making, and Walker and the Committee violated 52 U.S.C. §§ 30116(f) and 30125(e)

¹ MUR 6917, Compl. at 1, 2 (Feb. 23, 2015); MUR 6929, Compl. ¶¶ 1, 4, 5 (Mar. 31, 2015).

² MUR 6917, Supp. Compl. at 1-2 (Mar. 26, 2015); MUR 6929, Compl. ¶ 2.

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1 by accepting, excessive in-kind contributions. The Commission also finds reason to believe that
2 the Committee violated 52 U.S.C. § 30104(b) by failing to report testing the waters expenses and
3 in-kind contributions from OAR. Additionally, the Commission finds reason to believe that
4 Walker violated 52 U.S.C. § 30102(e)(1) by failing to timely file a Statement of Candidacy.

5 **II. FACTUAL AND LEGAL ANALYSIS**

6 **A. Factual Analysis**

7 According to Walker's response, he first received and disbursed funds for testing-the-
8 waters activity on June 17, 2015.³ Two weeks later, on July 2, 2015, the Committee filed a
9 Statement of Organization with the Commission,⁴ and Walker revealed his federal campaign
10 logo on his Twitter account.⁵ Walker then publicly announced that he was running for President
11 on July 13, 2015,⁶ and filed his formal Statement of Candidacy with the Commission on August
12 5, 2015.⁷

13 Though Walker asserts that he did not engage in any testing the waters activities until two
14 weeks prior to his announcement, the Complaints allege that Walker engaged in a variety of

³ Response of Scott Walker Inc. at 2-3. The Committee, however, disclosed that it made its first disbursements on June 4, 2015. Scott Walker, Inc., Amended 2015 October Quarterly Report at 1945 (Mar. 23, 2016). The report does not indicate whether the Committee's earliest reported disbursements were advance payments for services rendered at a later date or whether they are related to testing the waters activities.

⁴ The Committee amended the Statement of Organization on July 31, 2015, to include the name of the candidate on Line 5 of the form. *See* Scott Walker, Inc., Amended Statement of Organization (July 31, 2015).

⁵ Twitter, Governor Scott Walker, @ScottWalker (July 2, 2015).

⁶ Scott Walker, FACEBOOK, Statement (Sept. 21, 2015), <https://www.facebook.com/scottkwalker/posts/>. Walker ultimately withdrew from the election on September 21, 2015. Scott Walker, FACEBOOK, Statement (Sept. 21, 2015), <https://www.facebook.com/scottkwalker/posts/10156030779870405>.

⁷ Scott Walker, Statement of Candidacy (Aug. 5, 2015). On July 2, 2015, the same day the Committee filed its Statement of Organization, Walker submitted to the FEC a letter stating that he "had received contributions of more than \$5,000 within the last 15 days." Letter to FEC from Governor Scott Walker (July 2, 2015).

1 activities related to an eventual 2016 presidential campaign as early as November 2014, and that
2 once OAR was formed, it impermissibly funded those testing the waters activities.

3 **1. Testing the Waters Activity**

4 According to articles cited in the Complaints, Walker made a number of statements
5 starting prior to June 2015 which indicate that he was testing the waters for a presidential bid.⁸
6 The Complaint first points to a statement that Walker made in an interview in November 2014;
7 Walker stated that it was “pretty obvious” that he should consider running for President and that
8 “I spend a lot of time not just talking with people but praying about, thinking about with my
9 family as well whether or not eventually that might be a call to run for the presidency.”⁹

10 The Complaint also cites an interview with Sean Hannity of FOX News in which Walker
11 said that he was “very interested” in a presidential bid and in response to the question “what’s it
12 going to take for you to make that decision,” Walker stated that, during “this early stage” of the
13 process, “[w]e created OurAmericanRevival.com to get out and start talking about” issues and
14 ideas.¹⁰ He further stated that “so the first step is to get out in [Iowa, South Carolina, Michigan,
15 and Ohio], talk about that,” and later in the same interview, he repeated that he would “be in

⁸ See, e.g., MUR 6929, Compl. at 3 (citing Jessie Opoien, *Scott Walker Says Fundraising Committee Is About 'Ideas,' Not Promoting a Candidate*, THE CAPITAL TIMES (Jan. 28, 2015), available at: http://host.madison.com/news/local/writers/jessie-opoien/scott-walker-says-fundraising-committee-is-about-ideas-not-promoting/article_ef9829dd-572f-5dab-b8fb-4ede66b8f52c.html); MUR 6917, Compl. at 5, 7 (citing Transcript, Interview by Sean Hannity, FOX News, with Governor Scott Walker, at FOX News Network (Jan. 27, 2015) [hereinafter “Transcript, Hannity Interview”]); MUR 6917, Compl. Scott Bauer, *Wisconsin Governor Finds Gaps in 2016 GOP Field Encouraging*, WASHINGTON TIMES (Jan. 28, 2015), available at: <http://www.washingtontimes.com/news/2015/jan/28/walker-says-he-sees-gaps-in-potential-2016-gop-fie/>.

⁹ See MUR 6917, Compl. at 2 (citing *Scott Walker Says He’s Seriously Weighing Presidential Bid*, Associated Press, Nov. 18, 2014).

¹⁰ See MUR 6917, Compl. at 7 (citing Transcript, Interview by Sean Hannity, FOX News, with Governor Scott Walker, at FOX News Network (Jan. 27, 2015) [hereinafter “Transcript, Hannity Interview”]).

1 New Hampshire and South Carolina and back in Iowa, and we're going to be talking about these
2 issues for the next several months, you know, because we're excited about where we can take
3 this country."¹¹ In this interview, Walker also described the agenda that he would promote if he
4 were running for President.¹²

5 In another interview cited in the Complaint, Walker stated:

6 Putting that power in the hands of the states, and more importantly, more directly in
7 the hands of the people — I think that's something that will help transform America.
8 It's an idea that I certainly share, and it's an idea that I think a vast majority of
9 Americans do. And certainly, if I got to a point — *right now we're exploring* — but if
10 I got to a point of going forward with a campaign, that would be a fundamental plank
11 of it.¹³

12
13 The Complaint also cites Walker's attendance and statements at certain political events.
14 For example, in February 2015, at the Conservative Political Action Conference ("CPAC") in
15 National Harbor, Maryland, Walker was asked "Should you become Commander-in-Chief, how
16 would you deal with threats such as ISIS?" Walker responded, "I want a Commander-in-Chief
17 who will do everything in their power to ensure that the threat from radical Islamic terrorists do
18 not wash up on America soil. If I can take on 100,000 protesters, I can do the same across the
19 world." In response to a separate question, he stated, "To me the guiding principle should be
20 freedom, and that's what we are going to do on any decisions going forward should we

¹¹ *Id.*

¹² *Id.*

¹³ See, e.g., MUR 6929, Compl. at 3 (citing Jessie Opoien, *Scott Walker Says Fundraising Committee Is About 'Ideas,' Not Promoting a Candidate*, THE CAPITAL TIMES (Jan. 28, 2015), available at: http://host.madison.com/news/local/writers/jessie-opoien/scott-walker-says-fundraising-committee-is-about-ideas-not-promoting/article_ef9829dd-572f-5dab-b8fb-4ede66b8f52c.html) (emphasis added) [hereinafter "Opoien, *Scott Walker Says Fundraising Committee Is About 'Ideas'*"].

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1 choose . . . my lawyers love it when I say, we are exploring a campaign, should we choose to
2 run for the highest office in the land.”¹⁴ In May 2015, Walker attended the Republican Party of
3 Iowa’s Lincoln Dinner. The Complaint quotes the program for the event, which listed Walker as
4 a featured speaker: “There’s always the chance for a candidate to have a defining moment at an
5 event like this in Iowa. This dinner is an opportunity for our distinguished guests to set
6 themselves apart and announce to Iowa and the country why they should be the next President of
7 the United States. . . . [T]he Republican Party will be holding a vibrant debate on the future of
8 this country. . . . The Lincoln Dinner is an important stepping stone for candidates on their way
9 to the caucuses in February 2016.”¹⁵

10 **2. Our American Revival (“OAR”)**

11 Walker stated that he had been involved with the creation of OAR, which was formed on
12 January 16, 2015, as a 527 organization.¹⁶ The Complaint in MUR 6929 alleges that Walker
13 created and used OAR as his presidential exploratory committee, and that Walker and OAR have
14 remained closely identified since its inception.¹⁷ The Complaint in MUR 6917 alleges that OAR

¹⁴ See MUR 6929, Compl. at 4 (citing Governor Scott Walker, Remarks at the Conservative Political Action Conference (Feb. 26, 2015), *available at*: <http://www.c-span.org/video/?324557-12/governor-scott-walker-remarks-cpac>).

¹⁵ See MUR 6929, Compl. at 4 (citing Press Release, Republican Party of Iowa, *Iowa GOP to Host Star-Studded Lincoln Dinner on May 16* (Mar. 26, 2015), <http://www.iowagop.org/2015/03/26/iowa-gop-to-host-star-studded-lincoln-dinner-on-may-16/>).

¹⁶ Walker announced that “we created” OAR. Transcript, Hannity Interview. OAR’s Form 8871 (Notice of Section 527 Status) filed with the IRS identifies a treasurer and a custodian of records but does not include Walker. See *Our American Revival*, Form 8871 (Political Organization: Notice of Section 527 Status) (Jan. 16, 2015) [hereinafter “OAR Form 8871”].

¹⁷ MUR 6929, Compl. ¶ 5. As noted above, however, in response to the question, “[W]hat’s it going to take for you to make that decision,” Walker stated that, during “this early stage” of the process, “We created *OurAmericanRevival.com* to get out and start talking about the issues.” Transcript, Hannity Interview. The joint Walker and OAR Response do not address Walker’s role in forming OAR.

1 “is functioning as a temporary home for Gov. Walker’s presidential team until he formally
2 announces his candidacy” and cites as evidence OAR’s hiring of former Republican National
3 Committee director Rick Wiley and former field director Matt Mason, among others.¹⁸

4 The purpose of OAR as stated on its Form 8871 (Notice of Section 527 Status) filed with
5 the IRS is to “communicate a vision and work to enact policies that will lead to a freer and more
6 prosperous America for all by restoring power to the states and - more importantly - the people”
7 and to “lead a revival of the shared values that make our country great by limiting the size and
8 scope of government so it is leaner, more efficient, more effective and more accountable to the
9 American people.”¹⁹ Over the course of the five months that followed OAR’s creation, Walker
10 engaged in OAR-funded travel to attend speaking engagements throughout the country.

11 News articles cited by the Complaints report that Walker, when discussing the type of
12 president that voters want, told reporters he had formed OAR to determine whether his ideas
13 resonated with voters, and that, “[i]f we see that’s a message that resonates, that would probably
14 encourage us to go forward.”²⁰ Respondents dispute that OAR raised money in connection with
15 a specific 2016 presidential campaign or that OAR has ever made any disbursements to influence
16 a federal election.²¹ Respondents state that OAR provided “logistical support” for Walker’s

¹⁸ See MUR 6917, Compl. at 2-3.

¹⁹ OAR Form 8871.

²⁰ See MUR 6917, Compl. at 4 (citing Bauer, *Wisconsin Governor Finds Gaps in 2016 GOP Field Encouraging*); see also *supra* note 18. In its Response to the Complaint, OAR asserts that it was created to “move the issues debate forward by disseminating the accomplishments and solutions coming out of state governments.” Walker and OAR Resp. at 2. To this end, Respondents state, OAR has attempted to establish itself in various states, using Walker’s reforms as a “major example of successful state-based solutions.” *Id.*

²¹ Walker and OAR Resp. at 2-4.

1 domestic and international travel to address groups and “help organize the grassroots for
2 conservative causes, especially in those states where the issues debate is most focused.”²²

3 OAR accepted \$5,284,191 in contributions during the first half of 2015.²³ Of this total,
4 OAR accepted \$921,107 from sources that would be prohibited under the Act, and \$1,440,116
5 from individuals whose contributions exceed the Act’s \$2,700 individual limit for the 2016
6 presidential primary election.²⁴ During this period, OAR spent \$4,952,760; \$1,048,156 was
7 spent from July 1, 2015, through September 21, 2015, when Walker officially terminated his
8 candidacy, and \$546,250 was spent from September 21, 2015 through the end of 2015.²⁵

9 **B. Legal Analysis**

10 **1. There is Reason to Believe that OAR Made, and Walker Accepted,** 11 **Excessive In-Kind Contributions for Testing the Waters Activities** 12 **Prior to June 2015**

13 An individual becomes a candidate under the Act if he or she receives contributions or
14 makes expenditures in excess of \$5,000, or consents to another doing so on his or her behalf.²⁶

15 The Commission’s regulations create exemptions to the definitions of contribution and
16 expenditure—and therefore to the \$5,000 candidacy threshold—to allow individuals to conduct

²² *Id.* at 2.

²³ OAR, Mid-Year Report to the Internal Revenue Service (2015).

²⁴ *See* 52 U.S.C. § 30116(a)(1)(A).

²⁵ OAR, Year-End Report to the Internal Revenue Service (2015). OAR also reported hiring senior members of the Tarrance Group to conduct polling in early 2015. And OAR paid \$6,750 in speechwriting services in March 2015. *See* OAR, Mid-Year Report to the Internal Revenue Service at 62, 64, 75, 82, 108, 114 (2015).

²⁶ 52 U.S.C. § 30101(2); 11 C.F.R. § 100.3(a).

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1 certain activities to evaluate a potential candidacy, *i.e.*, to “test the waters.”²⁷ These exemptions
2 exclude from the definition of “contribution” and “expenditure” those funds received and
3 payments made solely to determine whether an individual should become a candidate.²⁸ Testing
4 the waters activities include, but are not limited to, payments for polling, telephone calls, and
5 travel, and only funds permissible under the Act may be used for such activities.²⁹ When an
6 individual becomes a candidate, any such funds received or payments made in connection with
7 testing the waters activity must be reported as contributions or expenditures on the first
8 disclosure report filed by the candidate’s authorized committee.³⁰

9 The Act prohibits any person from making contributions to any candidate and his
10 authorized political committee with respect to any election for federal office which, in the
11 aggregate, exceed \$2,700 for the 2016 election cycle.³¹ The Act also prohibits any candidate or
12 political committee from knowingly accepting any excessive contribution.³² Federal candidates
13 may not solicit, receive, direct, transfer or spend funds in connection with either federal or non-
14 federal elections, unless the funds comply with the Act’s federal contribution limits, source

²⁷ See 11 C.F.R. §§ 100.72(a), 100.131(a); *see also* Explanation and Justification for Final Rules of Payments Received for Testing the Waters Activities, 50 Fed. Reg. 9592 (Mar. 13, 1985); Explanation and Justification to the Disclosure Regulations, House Doc. No. 95-44, Communication from the Chairman, FEC, Transmitting the Commission’s proposed Regulations Governing Federal Elections, at 40 (Jan. 12, 1977).

²⁸ 11 C.F.R. §§ 100.72(a), 100.131(a).

²⁹ See Advisory Opinion 1981-32 (Askew).

³⁰ 11 C.F.R. § 101.3. A contribution includes any “gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing” any federal election. 52 U.S.C. § 30101(8)(A). “[A]nything of value” includes all in-kind contributions. 11 C.F.R. § 100.52(d)(1).

³¹ 52 U.S.C. § 30116(a)(1)(A).

³² 52 U.S.C. § 30116(f).

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1 restrictions, and reporting requirements.³³ In a recent Advisory Opinion, the Commission
2 concluded that a 527 organization's "use of funds raised outside of the Act's limitations and
3 prohibitions to pay for individuals' testing the waters activities would violate Commission
4 regulations if those individuals decide to become candidates."³⁴

5 Here, the record indicates that OAR may have funded activities that were carried out in
6 order for Walker to test the waters of a potential presidential candidacy well before Walker
7 entered his self-described two-week testing-the-waters period. Significantly, Walker's public
8 comments about OAR's formation appear to clearly link his activities on its behalf to his
-9 assessment of a potential candidacy. In a January 27, 2015, interview that focused on whether
10 Walker would run for President, the interview transcripts reflect that Walker was asked
11 "[W]hat's it going to take for you to make that decision," and Walker stated that, during "this
12 early stage" of the process, "We created OurAmericanRevival.com to get out and start talking
13 about" issues and ideas.³⁵ He further stated: "so the first step is to get out in [Iowa, South
14 Carolina, Michigan, and Ohio], talk about that."³⁶ Later in the same interview, he repeated that
15 he would "be in New Hampshire and South Carolina and back in Iowa, and we're going to be
16 talking about these issues for the next several months, you know, because we're excited about
17 where we can take this country."³⁷ In what appear to be separate remarks made the next day, on

³³ See 52 U.S.C. § 30125(e).

³⁴ Advisory Opinion 2015-09 (Senate Majority PAC and House Majority PAC) at 5 (concluding that 527 organizations' payment for testing the waters activities with soft money would violate 11 C.F.R. §§ 100.72(a) and 100.131(a)).

³⁵ See *supra* note 17.

³⁶ *Id.*

³⁷ *Id.*

1 January 28, 2015, in Racine, WI, Walker reportedly told reporters, when discussing the type of
2 president that voters want, that he had formed OAR to determine whether his ideas resonated
3 with voters, and that, “[i]f we see that’s a message that resonates, that would probably encourage
4 us to go forward.”³⁸

5 Further, it appears that OAR paid for Walker’s travel for events at which Walker gave
6 speeches indicating that he was considering a presidential candidacy. OAR’s filings with the
7 IRS indicate that OAR paid for travel and lodging on dates and in states that are consistent with
8 Walker’s attendance at events at which he made statements regarding a potential candidacy. For
9 instance, OAR appears to have paid at least \$19,349 in travel, lodging, speechwriting, and
10 meeting costs associated with the CPAC Conference in Baltimore, Maryland, on February 26,
11 2015, when Walker stated during a speech, “My lawyers love . . . when I say, we are exploring a
12 campaign, should we choose to run for the highest office in the land.”³⁹ Thus, Walker’s
13 statements — which appear to link his activities on OAR’s behalf to his assessment of a potential
14 candidacy — coupled with his OAR funded activities, indicates that, prior to June 17, 2015,
15 OAR may have supported Walker’s testing the waters activities.

16 Moreover, Walker engaged in testing the waters activity by soliciting funds for a
17 potential candidacy in conjunction with OAR. For example, OAR reportedly provided a list of

³⁸ See MUR 6917, Compl. at 4 (citing Bauer, *Wisconsin Governor Finds Gaps in 2016 GOP Field Encouraging*). In its Response to the Complaint, OAR asserts that it was created to “move the issues debate forward by disseminating the accomplishments and solutions coming out of state governments.” Walker and OAR Resp. at 2. To this end, Respondents state, OAR has attempted to establish itself in various states, using Walker’s reforms as a “major example of successful state-based solutions.” *Id.*

³⁹ Governor Scott Walker, Remarks at the Conservative Political Action Conference (Feb. 26, 2015), available at: <http://www.c-span.org/video/?324557-12/governor-scott-walker-remarks-cpac>.

1 donors to CNN that had committed to raising funds for Walker or his campaign.⁴⁰ This
2 information suggests that OAR sponsored events at which Walker may have raised funds for
3 testing the waters activities for a potential candidacy, and that OAR's related expenditures were
4 contributions to Walker.⁴¹

5 The Commission therefore finds that Governor Scott Walker and Scott Walker, Inc.,
6 violated 52 U.S.C. § 30116(f) and 11 C.F.R. §§ 100.72(a) and 100.131(a), and that Our
7 American Revival violated 52 U.S.C. § 30116(a).

8 **2. There is Reason to Believe that Scott Walker, Inc. Failed to Report**
9 **Contributions and Expenditures**

10 When an individual becomes a candidate under the Act, any funds received or payments
11 made for testing the waters activities become contributions or expenditures subject to the
12 reporting requirements of the Act and are to be reported as such on the first disclosure report
13 filed by the candidate's authorized committee.⁴² Though the record indicates that OAR may
14 have made disbursements for testing the waters activities by Walker, Walker's authorized
15 campaign committee, Scott Walker, Inc., did not report any in-kind contributions from OAR in
16 its first disclosure report.⁴³ The Commission therefore finds reason to believe that Scott Walker,
17 Inc., violated 52 U.S.C. § 30104(b) by failing to report in-kind contributions from OAR.

⁴⁰ Erin McPike, *Scott Walker PAC: Jeb Bush Is Not the Only One Who Can Raise Money*, CNN (Mar. 16, 2015), available at: <http://www.cnn.com/2015/03/16/politics/scott-walker-pac-donors-bundlers/>.

⁴¹ *Cf.* MUR 6932 (Clinton).

⁴² 11 C.F.R. § 101.3.

⁴³ Scott Walker, Inc. reported that it paid \$15,436.09 to OAR for the purchase of office equipment and photography services. *See* Scott Walker, Inc., 2015 October Quarterly Report, at 2425-26.

1 **3. There is Reason to Believe that Walker Failed to Timely File His**
2 **Statement of Candidacy**

3
4 An individual becomes a candidate under the Act if: (a) such individual receives
5 contributions or makes expenditures in excess of \$5,000, or (b) such individual gives his or her
6 consent to another person to receive contributions or make expenditures on behalf of such
7 individual and if such person has received such contributions or has made such expenditures in
8 excess of \$5,000.⁴⁴ Once the \$5,000 threshold has been met, the candidate has fifteen days to
9 designate a principal campaign committee by filing a Statement of Candidacy with the
10 Commission.⁴⁵ The principal campaign committee must file a Statement of Organization within
11 ten days of its designation,⁴⁶ and must file disclosure reports with the Commission in accordance
12 with 52 U.S.C. § 30104(a) and (b).⁴⁷ Walker publicly announced he was running for President
13 on July 13, 2015, and he had already received over \$5,000 in contributions by that time.⁴⁸
14 Walker did not file his Statement of Candidacy with the Commission until 23 days later on
15 August 5, 2015.⁴⁹ Thus, his Statement of Candidacy was at least eight days late. The
16 Commission therefore finds that Governor Scott Walker violated 52 U.S.C. § 30102(e)(1) and
17 11. C.F.R. § 101.1(a).

⁴⁴ 52 U.S.C. § 30101(2).

⁴⁵ 52 U.S.C. § 30102(e)(1); 11 C.F.R. § 101.1(a).

⁴⁶ *See* 52 U.S.C. § 30103(a); 11 C.F.R. § 102.1(a).

⁴⁷ *See, e.g.,* Factual and Legal Analysis at 6, MUR 6735 (Joseph A. Sestak); Factual and Legal Analysis at 5, MUR 6449 (Jon Bruning); Factual and Legal Analysis at 2, MUR 5363 (Alfred C. Sharpton).

⁴⁸ Response of Scott Walker Inc. at 2.

⁴⁹ Scott Walker, Statement of Candidacy (Aug. 5, 2015). On July 2, 2015, the same day the Committee filed its Statement of Organization, Walker submitted to the FEC a letter in lieu of a Statement of Candidacy (Form 2) stating that he “had received contributions of more than \$5,000 within the last 15 days” despite not having publicly declared his candidacy. Letter to FEC from Governor Scott Walker (July 2, 2015). This document was not made available as a public filing of the candidate through the Federal Election Commission website.