

FEDERAL ELECTION COMMISSION

Washington, DC 20463

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Glen Shaffer October 26, 2021

San Jose, CA 95124

RE: MUR 7062

Ro for Congress, et al.

Dear Mr. Shaffer,

This is in reference to the complaint you filed with the Federal Election Commission on May 6, 2016, concerning Ro Khanna, Ro for Congress and Linda Sell in her official capacity as treasurer (the "Committee"), Steve Spinner, and RevUp Software, Inc. On April 11, 2019, the Commission found that there was reason to believe that Ro Khanna, the Committee, and RevUp Software, Inc., violated 52 U.S.C. § 30111(a)(4), a provision of the Federal Election Campaign Act of 1971, as amended (the "Act"), and 11 C.F.R. § 104.15(a) of the Commission regulations, and closed the file as to Steve Spinner. Subsequently, the Commission conducted an investigation in this matter. On October 1, 2020, the Commission notified Numero, Inc., of potential violations of the Act arising from the RevUp Software. On June 24, 2021, the Commission determined to take no action as to RevUp Software, Inc., and Ro Khanna, and there was an insufficient number of votes to find reason to believe that Numero, Inc., violated the Act. On October 22, 2021, the Commission accepted a conciliation agreement signed by the Committee.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). A copy of the conciliation agreement and the Factual and Legal Analyses which more fully explain the Commission's findings in this matter are enclosed for your information.

If you have any questions, please contact me at (202) 694-1574 or jdigiovanni@fec.gov.

Sincerely,

Justine A. di Giovanni

Attorney

Enclosures:

Conciliation Agreement

Factual & Legal Analyses (Ro Khanna, Ro for Congress, RevUp Software, Inc.)

1 2	BEFORE THE FEDERAL ELECTION COMMISSION		
3 4 5 6 7 8 9	In the Matter of) MUR 7062 Ro for Congress and Linda Sell) in her official capacity as) treasurer) CONCILIATION AGREEMENT		
11	This matter was initiated by a signed, sworn, and notarized complaint filed by Glen		
12	Shaffer. The Federal Election Commission (the "Commission" or "FEC") found reason to		
13	believe that Ro for Congress and Linda Sell in her official capacity as treasurer (the		
14	"Committee" or "Respondent") violated 52 U.S.C. § 30111(a)(4), the "sale and use" provision of		
15	the Federal Election Campaign Act of 1971, as amended (the "Act"), by using information taken		
16	from the Commission's database of reports and statements filed by political committees ("FEC		
17	data") for the purpose of soliciting contributions.		
18	NOW, THEREFORE, the Commission and Respondent, having participated in informal		
19	methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as		
20	follows:		
21	I. The Commission has jurisdiction over Respondent and the subject matter of this		
22	proceeding, and this Agreement has the effect of an agreement entered pursuant to 52 U.S.C.		
23	§ 30109(a)(4)(A)(i).		
24	II. Respondent has had a reasonable opportunity to demonstrate that no action should		
25	be taken in this matter.		
26	III. Respondent enters voluntarily into this Agreement with the Commission.		
27	IV. The pertinent facts and relevant law in this matter are as follows:		

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1 FACTS

Ro Khanna is the U.S. Representative from California's 17th Congressional
 District; he unsuccessfully ran for Congress in 2014, was elected in 2016, and reelected in 2018
 and 2020. Ro for Congress is Khanna's authorized committee.

- RevUp Software, Inc., ("RevUp") was a technology company founded by its
 CEO, Steve Spinner, which between 2014 and 2019 sold web-based fundraising software.
- 3. The RevUp software ranked and scored a user's contacts from zero to 100 based on their likelihood of making a contribution to the user's campaign. RevUp's ranking and scoring algorithm used FEC data, specifically, contribution histories *i.e.*, the fact that a contact has previously made contributions, the recipients of those contributions, and the amounts of those contributions as one of the factors to determine the likelihood that a given person will make a contribution to a client's campaign. The RevUp software also used FEC data to display contacts' contribution histories, and allowed the user to select similar or "correlated" campaigns and would identify all contacts who made contributions to those campaigns. The Committee was aware when it used the RevUp software that it incorporated FEC data.
 - 4. During the 2014 and 2016 election cycle, RevUp's CEO, Spinner, simultaneously served as the Committee's volunteer Chair and as a volunteer fundraiser. The Committee was the first political committee to report disbursements to RevUp: During the 2014 election cycle, it used a prototype of the RevUp software not available to the general public. Between June 2014 and March 2015, it continued to participate in product testing ahead of the software's official launch in March 2015. The Committee continued to use the software until RevUp's dissolution in December 2019 and, during the entire period from 2014-2019, reported disbursements of \$61,000 to RevUp.

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- Throughout the relevant time period, over 175 political committees registered with the Commission reported disbursements to RevUp.
- Throughout the relevant time period, Mr. Spinner represented to multiple political committees that he had retained legal counsel who advised him on the FEC regulations and precedent related to similar software and represented that RevUp was consistent with those regulations and precedent. The Committee contends that Mr. Spinner made similar representations to it and that it relied upon those representations as to the legality of the software.
 - 7. Throughout the relevant time period, Committee personnel used the RevUp software, and therefore FEC data, for the purpose of identifying potential donors and making solicitations on behalf of the Committee.

11 LAW

- 8. In relevant part, 52 U.S.C. § 30111(a)(4) provides that the Commission shall make available to the public reports and statements filed with it, "except that any information copied from such reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee."
- 9. Based on the legislative history, and the Congressional objective of protecting the privacy of individual contributors, the Commission has approved the sale and use of individual contribution information only in "narrow circumstances" where the principal purpose was informational, and there was no indication that the entity published the FEC data for the purpose of soliciting contributions. Advisory Op. 1988-02 at 2 (Chi. Bd. of Options Exch. II); *see, e.g.*, Advisory Op. 2017-08 (Point Bridge Capital); Advisory Op. 2015-12 (Ethiq); Advisory Op. 2014-07 (Crowdpac); Advisory Op. 2013-16 (PoliticalRefund.org); Advisory Op. 2009-19 (Club

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- for Growth); Advisory Op. 1995-09 (NewtWatch); Advisory Op. 1984-02 (Gramm); Advisory
- 2 Op. 1981-05 (Findley).
- The statute not only places restrictions on the sale and use of names and addresses
- 4 obtained from the Commission's database, but also restricts the sale and use of contribution
- 5 histories, including by matching a pre-existing list of names with FEC disclosure reports for the
- 6 purpose of identifying known political contributors in order to assist with potentially soliciting
- 7 those individuals. See MURs 6960 & 6991 (SW Technologies, LLC); Advisory Op. 1985-16
- 8 (Weiss).
- 9 V. Solely for the purpose of settling this matter expeditiously and to avoid the
- 10 expense of litigation, and without admitting liability, Respondent agrees not to further contest the
- 11 Commission's finding that Respondent violated 52 U.S.C. § 30111(a)(4) by using individual
- 12 contribution histories obtained from the Commission database of reports and statements filed by
- 13 political committees for the purpose of soliciting contributions.
- 14 VI. Respondent will take the following actions:
- 15 1. The Committee will pay a civil penalty to the Commission in the amount
- of Sixteen Thousand dollars (\$16,000) pursuant to 52 U.S.C. § 30109(a)(5)(A).
- 17 2. The Committee will cease and desist from violating 52 U.S.C.
- 18 § 30111(a)(4).
- 19 VII. The Commission, on request of anyone filing a complaint under 52 U.S.C.
- 20 § 30109(a)(1) concerning the matter at issue herein or on its own motion, may review
- 21 compliance with this Agreement. If the Commission believes that this Agreement or any
- 22 requirement thereof has been violated, it may institute a civil action for relief in the United States
- 23 District Court for the District of Columbia.

MUR 7062 (Ro for Congress) Conciliation Agreement Page 5 of 5

1	VIII.	This Agreement shall become effective as of the date that all parties hereto have		
2	executed the same and the Commission has approved the entire Agreement.			
3	IX.	Respondent shall have no more than 90 days from the date this Agreement		
4	becomes effective to comply with and implement the requirements contained in this Agreement			
5	and to so notify the Commission.			
6	X.	This Agreement constitutes the entire agreement	t between the parties on the matter	
7	raised herein, and no other statement, promise, or agreement, either written or oral, made by			
8	either party or by agents of either party that is not contained in this written Agreement shall be			
9	enforceable.			
10	FOR THE COMMISSION:			
11 12 13	Charl	harles Kitcher es Kitcher g Associate General Counsel for Enforcement	10/25/21 Date	
14 15 16 17	Neil I Attor	Reiff ney for Ro for Congress and Linda in her official capacity as treasurer	9/15/21 Date	

FEDERAL ELECTION COMMISSION FACTUAL AND LEGAL ANALYSIS

Respondent: Ro Khanna

MUR 7062

I. INTRODUCTION

This matter was generated by a complaint filed with the Federal Election Commission by Glen Shaffer alleging that Ro Khanna violated the "sale and use provision" of the Federal Election Campaign Act of 1971, as amended (the "Act") by using the RevUp software for the purpose of soliciting contributions. For the reasons stated below, the Commission finds reason to believe that Ro Khanna violated 52 U.S.C. § 30111(a)(4) and 11 C.F.R. § 104.15(a).²

II. FACTUAL BACKGROUND

RevUp, a for-profit corporation based in Silicon Valley, sells web-based fundraising software, which it describes as "a best-in-class data analytics software tool designed to maximize fundraising outreach opportunities." Steve Spinner is the company's founder and CEO, and he was also campaign chair for Ro Khanna's successful 2016 congressional campaign. RevUp's clients — nonprofit organizations, academic institutions, and political organizations — gain access to the RevUp software by purchasing an organization-wide license. According to a news article cited in the Complaint, prices for licenses reportedly start at \$13,500 per year, and

⁵² U.S.C. § 30111(a)(4) (in relevant part); see also 11 C.F.R. § 104.15.

The Complaint also alleges that Khanna and the Committee obtained email addresses without permission. Compl. at 1-2 (May 6, 2016). Because this allegation does not involve copying, selling, or using FEC data (or any other activities that implicate the Act), we make no finding with respect to that conduct.

Press Release, RevUp Software, Inc., RevUp Announces Major Financing Update (Mar. 24, 2016).

Joshua Green, Steve Spinner Just Fixed the Worst Thing About Being a Politician, BLOOMBERG, Mar. 23, 2016; Compl., Attach. (email blast sent by Spinner on March 15, 2016, as campaign chair, advocating for Khanna's election and soliciting contributions on behalf of the Committee).

⁵ Compl. at 2.

MUR 7062 (Ro Khanna) Factual and Legal Analysis Page 2 of 7

1 RevUp has sold licenses to "congressmen, senators, and governors of both parties, as well as

2 most of the national party committees on both sides." A license permits clients to distribute

3 credentials to multiple users.

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Clients create an organizational profile which, for a political campaign, might include information such as the candidate's background and stances on certain issues. Individual users upload their contact lists from an email program, LinkedIn, or a spreadsheet, and they can also provide additional biographical information about each of the contacts. The software returns a ranked list of the individuals who appear on the uploaded contact lists — the names are scored on a 100-point scale based on their likelihood of contributing to the client organization. Images displayed on the company's website suggest that the scores are contained in a box (the color and shade of which reflect the scores). RevUp claims that the scoring and ranking algorithm "gives you actionable insight into your network, accurately predicting your best prospects by analyzing their ability and propensity to give."

One factor that goes into generating an individual's score is his or her contribution history — that is, the dates, amounts, and recipients of past contributions — taken from the Commission's database of reports filed by political committees. The scoring and ranking algorithm analyzes that information, along with about 100 other pieces of data (assuming all data is available for a given individual). A related feature enables users to click on a name and view that person's contribution history. It also shows other types of donation histories, and a text box

⁶ Green, supra note 4.

FUNDRAISING METHODOLOGY - REVUP SOFTWARE, http://www.revup.com/our-methodology (last visited Dec. 17, 2016) ("RevUp Methodology"); POLITICAL FUNDRAISING - REVUP SOFTWARE, http://www.revup.com/political (last visited Dec. 17, 2016) ("RevUp Political Fundraising").

⁸ RevUp Methodology, *supra* note 7 (emphasis added).

⁹ See Compl. at 2; Green, supra note 4.

MUR 7062 (Ro Khanna) Factual and Legal Analysis Page 3 of 7

apparently pops up that states whether (and why) the selected name is a solicitation target worth

2 pursuing.¹⁰

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Organizations, including political campaigns, have reportedly used the RevUp software

4 to enhance their fundraising efforts. 11 Khanna, the representative from California's 17th

5 congressional district, and his authorized committee, Ro for Congress, are prominent users of the

6 software. 12 As mentioned above, Spinner is RevUp's CEO and was also Khanna's 2016

7 campaign chair. He reportedly stated that the software "has turned up hundreds of new donors"

for Khanna "[b]y identifying people who share an affinity" with the candidate. 13

Spinner demonstrated to a reporter how the RevUp software can enhance a campaign's fundraising efforts, specifically, by identifying prospects who might have been dismissed using traditional fundraising methods, because they associate with the opposite party:

Spinner . . . uploads his own 6,933 contacts and optimizes them for an imaginary 12 13 Republican congressional candidate. Within minutes, the software merges 605 duplicate entries, then ranks the 6,328 people on a 100-point scale. Hundreds of 14 15 Spinner's contacts are shaded red or pink, including several prominent venture capitalists who are major Democratic donors. Another click reveals the 16 17 Republican candidates or causes to which Spinner's contacts have given, which 18 the software correlates with our own (fictitious) Republican. Were he real, it 19 would alert us if a prospective donor had already given the legal maximum or 20 given to the opposing candidate, so we would know not to embarrass him with a phone call. 14 21

RevUp Political Fundraising, *supra* note 7. RevUp states on its website that "[h]aving information about past giving patterns puts you in a great position to suggest giving amounts that are appropriate, giving you the edge when making your ask." *Id.*

Green, supra note 4.

See id.; Compl. at 1-2.

Green, supra note 4. (explaining that "only 30 percent of [Khanna's] supporters were previous donors").

¹⁴ Id.

MUR 7062 (Ro Khanna) Factual and Legal Analysis Page 4 of 7

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Besides enabling clients to "maximize their fundraising efforts," RevUp claims that its software provides other benefits. For instance, clients "are able to avoid sending repetitive, intrusive and inappropriate solicitations" to uninterested individuals. In addition, by using the software to streamline fundraising efforts, "[p]ublic officials can spend less time fundraising and more time governing and legislating." ¹⁶

III. LEGAL ANALYSIS

The Act requires political committees to report to the Commission the identification of each person whose aggregate contributions exceed \$200 within the calendar year (or election cycle, in the case of an authorized committee), along with the date and amount of any such contribution. Correspondingly, the Act requires the Commission to make all statements and reports available for public inspection and copying. Information copied from those statements and reports, however, "may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee." Congress enacted the sale and use provision "to protect the privacy of the generally very public-spirited citizens who may make a contribution to a political campaign or a political party."

REVUP SOFTWARE – REVOLUTIONIZE YOUR FUNDRAISING, http://www.revup.com (last visited Dec. 17, 2016).

RevUp Political Fundraising, supra note 7; see Green, supra note 4.

⁵² U.S.C. § 30104(b)(3)(A). The term "identification," in the case of an individual, is defined as the contributor's name, mailing address, occupation, and employer. *Id.* § 30101(13)(A).

¹⁸ Id. § 30111(a)(4).

¹⁹ Id.; see also 11 C.F.R. § 104.15. The Commission's implementing regulation provides that "soliciting contributions includes soliciting any type of contribution or donation, such as political or charitable contributions. 11 C.F.R. § 104.15(b) (emphasis in original).

²⁰ 117 Cong. Rec. 30,057 (daily ed. Aug. 5, 1971) (statement of Sen. Bellmon), reprinted in Legislative History of the Federal Election Campaign Act of 1971 at 581 (1981) ("These names would certainly be prime prospects for all kinds of solicitations, and I am of the opinion that unless this amendment is adopted, we will open

Based on the legislative history, and the Congressional objective of protecting the privacy

MUR 7062 (Ro Khanna) Factual and Legal Analysis Page 5 of 7

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of individual contributors, the Commission has consistently interpreted the provision to prohibit 2 3 the sale and use of individual contribution information — including the names and addresses of 4 individual contributors, as well as their contribution histories — for the purpose of soliciting contributions.²¹ The Commission has approved the sale and use of individual contribution 5 6 information only in "narrow circumstances" where the activities were informative in nature and unrelated to solicitation.²² 7 8 The available information indicates that the RevUp software incorporates individual 9 contribution histories obtained from the Commission's database to enhance its clients' 10 solicitation efforts. This contravenes the purpose of the sale and use provision which, as noted above, was enacted to protect the privacy of individual contributors so that they will not become 11 12 prime prospects for solicitation. Indeed, the Commission has prohibited the sale of individual 13 contribution histories where, as here, that data was displayed within fundraising-related software.

up the citizens who are generous and public spirited enough to support our political activities to all kinds of harassment, and in that way tend to discourage them from helping out as we need to have them do.").

See, e.g., Advisory Op. 2004-24 (NGP) ("AO 2004-24"); Advisory Op. 1985-16 (Weiss) ("AO 1985-16"); cf. MURs 6053 & 6065 (HuffingtonPost.com) (permitting the sale and use of individual contribution information by a commercial entity where the principal purpose was informational, and there was no indication that the entity published the FEC data for the purpose of soliciting contributions); Advisory Op. 2015-12 (Ethiq) (same); Advisory Op. 2014-07 (Crowdpac) (same). The Commission has "filled the gap left by Congress while accommodating [] competing policy objectives," which include, on the one hand, promoting the disclosure of information to inform the electorate where campaign money comes from (to deter corruption and enforce the Act's limitations and prohibitions), and, on the other, protecting the privacy of individual contributors (such that they will not become prime prospects for all kinds of solicitation). FEC v. Legi-Tech, Inc., 967 F. Supp. 523, 529-30 (D.D.C. 1997); see FEC v. Political Contributions Data, Inc., 943 F.2d 190, 191 (2d Cir. 1991); (citing Buckley v. Valeo, 424 U.S. 1, 66-68 (1974)); 117 Cong. Rec. 30,057 (daily ed. Aug. 5, 1971) (statement of Sen. Bellmon), reprinted in Legislative History of the Federal Election Campaign Act of 1971 at 581 (1981).

Advisory Op. 1988-02 at 2 (Chicago Board of Options Exchange II) (posting FEC data on bulletin boards located in area accessible only by members of separate segregated fund); see, e.g., Advisory Op. 2013-16 (PoliticalRefund.org) (informing contributors of their right to seek a refund); Advisory Op. 2009-19 (Club for Growth) (informing contributors that a candidate changed party affiliation); Advisory Op. 1995-09 (NewtWatch) (publishing information on Internet forum about select public officials); Advisory Op. 1984-02 (Gramm) (informing contributors that a committee with a misleading name was not connected to the authorized committee); Advisory Op. 1981-05 (Findley) (informing contributors about allegedly defamatory statements).

MUR 7062 (Ro Khanna) Factual and Legal Analysis Page 6 of 7

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and has prohibited the use of such data where, as here, the purpose was to enhance a pre-existing

In Advisory Opinion 1985-16 (Weiss), the Commission concluded that it was

2 list of names by determining who among listed individuals was a political contributor.

impermissible to compare the names on a pre-existing list, which the requestor intended to market for solicitation purposes, with the names of individual contributors contained in the Commission's database.²³ This prohibited matching technique is a rudimentary example of an algorithm that uses FEC data to identify individuals who are more likely to make a contribution, akin to RevUp's scoring and ranking algorithm. Further, in Advisory Opinion 2004-24 (NGP), the Commission concluded that it was impermissible to add a feature to political and reporting software that would have enabled the requestor's clients to view the contribution histories of individuals in their own database for the purpose of soliciting contributions.²⁴ That feature was fundamentally the same as the component of the RevUp software that displays contribution

histories, but far less sophisticated. The privacy concerns in those matters are amplified where.

as here, FEC data is not only used to identify who is a past contributor, but also to score and rank

those individuals based on their likelihood of making a contribution.

It appears that Khanna violated the sale and use provision when he used the RevUp software in connection with his fundraising activities. By uploading contact lists that were scored and ranked, and then possibly reviewing the contribution histories, Khanna may have used FEC data for the purpose of soliciting contributions. Further, RevUp was not simply an ordinary vendor to the Committee; Spinner, the founder and CEO of RevUp, served as the

²³ AO 1985-16 at 2.

AO 2004-24 at 2-3.

MUR 7062 (Ro Khanna) Factual and Legal Analysis Page 7 of 7

- 1 Committee's chairman.²⁵ Because of Spinner's knowledge, the Committee appears to have had
- 2 in-depth knowledge about the software, which, based on the current record, distinguishes it from
- 3 other committees who are customers of the company. Khanna, the candidate, apparently used
- 4 the RevUp software to personally solicit contributions using the campaign email list.²⁶
- 5 Therefore, the Commission finds reason to believe that Khanna violated 52 U.S.C.
- 6 § 30111(a)(4) and 11 C.F.R. § 104.15(a).

Green, supra note 4.

Compl. at 1; id., Attach. at 4 (solicitation email); id. at 8 (email from local party committee to members, explaining how Khanna's contacts list "automatically gets run through a program and is put on the campaign email list," to explain why they had received emails from Khanna).

FEDERAL ELECTION COMMISSION FACTUAL AND LEGAL ANALYSIS

Respondent:

Ro for Congress and Linda Sell

MUR 7062

in her official capacity as treasurer

I. INTRODUCTION

This matter was generated by a complaint filed with the Federal Election Commission by Glen Shaffer alleging that Ro for Congress and Reena Rao in her official capacity as treasurer (the "Committee") violated the "sale and use provision" of the Federal Election Campaign Act of 1971, as amended (the "Act") by using the RevUp software for the purpose of soliciting contributions. The Committee acknowledges that it used the RevUp software in connection with its fundraising activities, but maintains that it received assurances from RevUp that the software complied with the Act. For the reasons stated below, the Commission finds reason to believe that the Committee violated 52 U.S.C. § 30111(a)(4) and 11 C.F.R. § 104.15(a).²

II. FACTUAL BACKGROUND

RevUp, a for-profit corporation based in Silicon Valley, sells web-based fundraising software, which it describes as "a best-in-class data analytics software tool designed to maximize fundraising outreach opportunities." Steve Spinner is the company's founder and CEO, and he

⁵² U.S.C. § 30111(a)(4) (in relevant part); see also 11 C.F.R. § 104.15.

The Complaint also alleges that Khanna and the Committee obtained email addresses without permission. Compl. at 1-2 (May 6, 2016). Because this allegation does not involve copying, selling, or using FEC data (or any other activities that implicate the Act), we make no finding with respect to that conduct. See also Committee Resp. at 1-2 (June 2, 2016) (stating that the Complaint does not allege any use of FEC data in connection with the campaign's acquisition of email addresses, and factually refuting the alleged conduct).

Press Release, RevUp Software, Inc., RevUp Announces Major Financing Update (Mar. 24, 2016).

MUR 7062 (Ro for Congress) Factual and Legal Analysis Page 2 of 7

- was also campaign chair for Ro Khanna's successful 2016 congressional campaign.⁴ RevUp's
- 2 clients nonprofit organizations, academic institutions, and political organizations gain
- 3 access to the RevUp software by purchasing an organization-wide license. According to a news
- 4 article cited in the Complaint,⁵ prices for licenses reportedly start at \$13,500 per year, and
- 5 RevUp has sold licenses to "congressmen, senators, and governors of both parties, as well as
- 6 most of the national party committees on both sides." A license permits clients to distribute
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Joshua Green, Steve Spinner Just Fixed the Worst Thing About Being a Politician, BLOOMBERG, Mar. 23, 2016; Compl., Attach. (email blast sent by Spinner on March 15, 2016, as campaign chair, advocating for Khanna's election and soliciting contributions on behalf of the Committee).

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FUNDRAISING METHODOLOGY – REVUP SOFTWARE, http://www.revup.com/our-methodology (last visited Dec. 17, 2016) ("RevUp Methodology"); POLITICAL FUNDRAISING – REVUP SOFTWARE, http://www.revup.com/political (last visited Dec. 17, 2016) ("RevUp Political Fundraising").

⁸ RevUp Methodology, supra note 7 (emphasis added).

MUR 7062 (Ro for Congress) Factual and Legal Analysis Page 3 of 7

One factor that goes into generating an individual's score is his or her contribution 1 history — that is, the dates, amounts, and recipients of past contributions — taken from the 2 Commission's database of reports filed by political committees. The scoring and ranking 3 algorithm analyzes that information, along with about 100 other pieces of data (assuming all data 4 is available for a given individual). A related feature enables users to click on a name and view 5 that person's contribution history. It also shows other types of donation histories, and a text box 6 apparently pops up that states whether (and why) the selected name is a solicitation target worth 7 pursuing. 10 8 Organizations, including political campaigns, have reportedly used the RevUp software 9 to enhance their fundraising efforts. 11 Khanna, the representative from California's 17th 10 congressional district, and his authorized committee, Ro for Congress, are prominent users of the 11 software. 12 As mentioned above, Spinner is RevUp's CEO and was also Khanna's 2016 12 campaign chair. He reportedly stated that the software "has turned up hundreds of new donors" 13 for Khanna "[b]y identifying people who share an affinity" with the candidate. 13 14 Spinner demonstrated to a reporter how the RevUp software can enhance a campaign's 15 fundraising efforts, specifically, by identifying prospects who might have been dismissed using 16 17 traditional fundraising methods, because they associate with the opposite party: 18 Spinner . . . uploads his own 6,933 contacts and optimizes them for an imaginary 19 Republican congressional candidate. Within minutes, the software merges 605 20 duplicate entries, then ranks the 6,328 people on a 100-point scale. Hundreds of

⁹ See Compl. at 2; Green, supra note 4.

RevUp Political Fundraising, *supra* note 7. RevUp states on its website that "[h]aving information about past giving patterns puts you in a great position to suggest giving amounts that are appropriate, giving you the edge when making your ask." *Id.*

Green, supra note 4.

See id.; Committee Resp. at 2; Compl. at 1-2.

Green, supra note 4. (explaining that "only 30 percent of [Khanna's] supporters were previous donors").

MUR 7062 (Ro for Congress) Factual and Legal Analysis Page 4 of 7

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Besides enabling clients to "maximize their fundraising efforts," RevUp claims that its software provides other benefits. ¹⁵ For instance, clients "are able to avoid sending repetitive, intrusive and inappropriate solicitations" to uninterested individuals. In addition, by using the software to streamline fundraising efforts, "[p]ublic officials can spend less time fundraising and more time governing and legislating." ¹⁶

III. LEGAL ANALYSIS

The Act requires political committees to report to the Commission the identification of each person whose aggregate contributions exceed \$200 within the calendar year (or election cycle, in the case of an authorized committee), along with the date and amount of any such contribution.¹⁷ Correspondingly, the Act requires the Commission to make all statements and reports available for public inspection and copying.¹⁸ Information copied from those statements and reports, however, "may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political

¹⁴ *Id.*

REVUP SOFTWARE – REVOLUTIONIZE YOUR FUNDRAISING, http://www.revup.com (last visited Dec. 17, 2016).

RevUp Political Fundraising, supra note 7; see Green, supra note 4.

⁵² U.S.C. § 30104(b)(3)(A). The term "identification," in the case of an individual, is defined as the contributor's name, mailing address, occupation, and employer. *Id.* § 30101(13)(A).

¹⁸ Id. § 30111(a)(4).

MUR 7062 (Ro for Congress) Factual and Legal Analysis Page 5 of 7

- 1 committee to solicit contributions from such committee." Congress enacted the sale and use
- 2 provision "to protect the privacy of the generally very public-spirited citizens who may make a
- 3 contribution to a political campaign or a political party."20
- Based on the legislative history, and the Congressional objective of protecting the privacy
- 5 of individual contributors, the Commission has consistently interpreted the provision to prohibit
- 6 the sale and use of individual contribution information including the names and addresses of
- 7 individual contributors, as well as their contribution histories for the purpose of soliciting
- 8 contributions.²¹ The Commission has approved the sale and use of individual contribution
- 9 information only in "narrow circumstances" where the activities were informative in nature and
- 10 unrelated to solicitation.²²

Id.; see also 11 C.F.R. § 104.15. The Commission's implementing regulation provides that "soliciting contributions includes soliciting any type of contribution or donation, such as political or charitable contributions. 11 C.F.R. § 104.15(b) (emphasis in original).

¹¹⁷ Cong. Rec. 30,057 (daily ed. Aug. 5, 1971) (statement of Sen. Bellmon), reprinted in Legislative History of the Federal Election Campaign Act of 1971 at 581 (1981) ("These names would certainly be prime prospects for all kinds of solicitations, and I am of the opinion that unless this amendment is adopted, we will open up the citizens who are generous and public spirited enough to support our political activities to all kinds of harassment, and in that way tend to discourage them from helping out as we need to have them do.").

See, e.g., Advisory Op. 2004-24 (NGP) ("AO 2004-24"); Advisory Op. 1985-16 (Weiss) ("AO 1985-16"); cf. MURs 6053 & 6065 (HuffingtonPost.com) (permitting the sale and use of individual contribution information by a commercial entity where the principal purpose was informational, and there was no indication that the entity published the FEC data for the purpose of soliciting contributions); Advisory Op. 2015-12 (Ethiq) (same); Advisory Op. 2014-07 (Crowdpac) (same). The Commission has "filled the gap left by Congress while accommodating [] competing policy objectives," which include, on the one hand, promoting the disclosure of information to inform the electorate where campaign money comes from (to deter corruption and enforce the Act's limitations and prohibitions), and, on the other, protecting the privacy of individual contributors (such that they will not become prime prospects for all kinds of solicitation). FEC v. Legi-Tech, Inc., 967 F. Supp. 523, 529-30 (D.D.C. 1997); see FEC v. Political Contributions Data, Inc., 943 F.2d 190, 191 (2d Cir. 1991); (citing Buckley v. Valeo, 424 U.S. 1, 66-68 (1974)); 117 Cong. Rec. 30,057 (daily ed. Aug. 5, 1971) (statement of Sen. Bellmon), reprinted in Legislative History of the Federal Election Campaign Act of 1971 at 581 (1981).

Advisory Op. 1988-02 at 2 (Chicago Board of Options Exchange II) (posting FEC data on bulletin boards located in area accessible only by members of separate segregated fund); see, e.g., Advisory Op. 2013-16 (PoliticalRefund.org) (informing contributors of their right to seek a refund); Advisory Op. 2009-19 (Club for Growth) (informing contributors that a candidate changed party affiliation); Advisory Op. 1995-09 (NewtWatch) (publishing information on Internet forum about select public officials); Advisory Op. 1984-02 (Gramm) (informing contributors that a committee with a misleading name was not connected to the authorized committee); Advisory Op. 1981-05 (Findley) (informing contributors about allegedly defamatory statements).

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The available information indicates that the RevUp software incorporates individual contribution histories obtained from the Commission's database to enhance its clients' solicitation efforts. This contravenes the purpose of the sale and use provision which, as noted above, was enacted to protect the privacy of individual contributors so that they will not become prime prospects for solicitation. Indeed, the Commission has prohibited the sale of individual contribution histories where, as here, that data was displayed within fundraising-related software, and has prohibited the use of such data where, as here, the purpose was to enhance a pre-existing list of names by determining who among listed individuals was a political contributor. In Advisory Opinion 1985-16 (Weiss), the Commission concluded that it was impermissible to compare the names on a pre-existing list, which the requestor intended to market for solicitation purposes, with the names of individual contributors contained in the Commission's database.²³ This prohibited matching technique is a rudimentary example of an algorithm that uses FEC data to identify individuals who are more likely to make a contribution. akin to RevUp's scoring and ranking algorithm. Further, in Advisory Opinion 2004-24 (NGP). the Commission concluded that it was impermissible to add a feature to political and reporting software that would have enabled the requestor's clients to view the contribution histories of individuals in their own database for the purpose of soliciting contributions.²⁴ That feature was fundamentally the same as the component of the RevUp software that displays contribution histories, but far less sophisticated. The privacy concerns in those matters are amplified where, as here, FEC data is not only used to identify who is a past contributor, but also to score and rank

those individuals based on their likelihood of making a contribution.

²³ AO 1985-16 at 2.

AO 2004-24 at 2-3.

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It appears that the Committee violated the sale and use provision when it used the RevUp software in connection with its fundraising activities. By uploading contact lists that were scored and ranked, and then possibly reviewing the contribution histories, the Committee may have used FEC data for the purpose of soliciting contributions. Further, RevUp was not simply an ordinary vendor to the Committee; Spinner, the founder and CEO of RevUp, served as the Committee's chairman. Because of Spinner's knowledge, the Committee appears to have had in-depth knowledge about the software, which, based on the current record, distinguishes it from other committees who are customers of the company.

Therefore, the Commission finds reason to believe that Ro for Congress and Reena Rao in her official capacity as treasurer violated 52 U.S.C. § 30111(a)(4) and 11 C.F.R. § 104.15(a).

Green, supra note 4.

FEDERAL ELECTION COMMISSION FACTUAL AND LEGAL ANALYSIS

Respondent: RevUp Software, Inc.

MUR 7062

I. INTRODUCTION

This matter was generated by a complaint filed with the Federal Election Commission by Glen Shaffer alleging that RevUp Software, Inc. ("RevUp") is in violation of the "sale and use provision" of the Federal Election Campaign Act of 1971, as amended (the "Act"), because it sells fundraising software that incorporates information taken from the Commission's database of reports filed by political committees ("FEC data"). RevUp denies the allegations, and argues that it does not copy or obtain individual contributor names and addresses from FEC reports and limits its sale and use of FEC data to individual contribution histories, and thus does not implicate privacy concerns. For the reasons stated below, the Commission finds reason to believe that RevUp violated 52 U.S.C. § 30111(a)(4) and 11 C.F.R. § 104.15(a).

II. FACTUAL BACKGROUND

RevUp, a for-profit corporation based in Silicon Valley, sells web-based fundraising software, which it describes as "a best-in-class data analytics software tool designed to maximize fundraising outreach opportunities." Steve Spinner is the company's founder and CEO. RevUp's clients — nonprofit organizations, academic institutions, and political organizations — gain access to the RevUp software by purchasing an organization-wide license. According to a news article cited in the Complaint, prices for licenses reportedly start at \$13,500 per year, and RevUp has sold licenses to "congressmen, senators, and governors of both parties, as well as

⁵² U.S.C. § 30111(a)(4) (in relevant part); see also 11 C.F.R. § 104.15.

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- 1 most of the national party committees on both sides." A license permits clients to distribute
- 2 credentials to multiple users.⁷
- 3 Clients create an organizational profile which, for a political campaign, might include
- 4 information such as the candidate's background and stances on certain issues.⁸ Individual users
- 5 upload their contact lists from an email program, LinkedIn, or a spreadsheet, and they can also
- 6 provide additional biographical information about each of the contacts. 9 The software returns a
- 7 ranked list of the individuals who appear on the uploaded contact lists the names are scored
- 8 on a 100-point scale based on their likelihood of contributing to the client organization. ¹⁰ Images
- 9 displayed on the company's website suggest that the scores are contained in a box (the color and
- shade of which reflect the scores). 11 RevUp claims that the scoring and ranking algorithm "gives
- 11 you actionable insight into your network, accurately predicting your best prospects by analyzing
- 12 their ability and propensity to give."12

Press Release, RevUp Software, Inc., RevUp Announces Major Financing Update (Mar. 24, 2016); see RevUp Resp. (June 28, 2016), Attach. ¶ 2 (Affidavit of Steve Spinner).

³ Spinner Aff. ¶ 1; Joshua Green, Steve Spinner Just Fixed the Worst Thing About Being a Politician, BLOOMBERG, Mar. 23, 2016.

⁴ Spinner Aff. ¶¶ 2-3, 7.

⁵ Compl. at 2.

Green, supra note 3; see Spinner Aff. ¶ 3.

Spinner Aff. ¶ 8.

⁸ *Id.* ¶ 7; RevUp Resp. at 2.

Spinner Aff. ¶ 9; see also id. ¶ 11 ("RevUp's Terms of Use require users to have the right to share the contact information they upload.").

¹⁰ Id. ¶¶ 4, 12-14; RevUp Resp. at 2-3.

FUNDRAISING METHODOLOGY – REVUP SOFTWARE, http://www.revup.com/our-methodology (last visited Dec. 17, 2016) ("RevUp Methodology"); POLITICAL FUNDRAISING – REVUP SOFTWARE, http://www.revup.com/political (last visited Dec. 17, 2016) ("RevUp Political Fundraising").

RevUp Methodology, *supra* note 11 (emphasis added).

One factor that goes into generating an individual's score is his or her contribution

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1 history — that is, the dates, amounts, and recipients of past contributions — taken from the 2 Commission's database of reports filed by political committees.¹³ The scoring and ranking 3 4 algorithm analyzes that information, along with about 100 other pieces of data (assuming all data is available for a given individual). ¹⁴ A related feature enables users to click on a name and view 5 that person's contribution history. 15 It also shows other types of donation histories, and a text 6 7 box apparently pops up that states whether (and why) the selected name is a solicitation target 8 worth pursuing. 16 9 Organizations, including political campaigns, have reportedly used the RevUp software to enhance their fundraising efforts. 17 Spinner demonstrated to a reporter how the RevUp 10 11 software can enhance a campaign's fundraising efforts, specifically, by identifying prospects 12 who might have been dismissed using traditional fundraising methods, because they associate 13 with the opposite party: 14 Spinner . . . uploads his own 6,933 contacts and optimizes them for an imaginary Republican congressional candidate. Within minutes, the software merges 605 15 16 duplicate entries, then ranks the 6,328 people on a 100-point scale, Hundreds of 17 Spinner's contacts are shaded red or pink, including several prominent venture 18 capitalists who are major Democratic donors. Another click reveals the 19 Republican candidates or causes to which Spinner's contacts have given, which 20 the software correlates with our own (fictitious) Republican. Were he real, it

RevUp Resp. at 2-3; see Spinner Aff. ¶ 12. RevUp maintains that the software includes a disclaimer regarding the sale and use provision. Id. ¶ 18 ("Federal law prohibits using contributor contact information that is obtained from FEC reports for the purpose of soliciting contributions or for any commercial purpose."); see RevUp Resp. at 3.

¹⁴ See Compl. at 2; Green, supra note 3; Spinner Aff. ¶ 12.

¹⁵ Spinner Aff. ¶ 14; RevUp Resp. at 3.

RevUp Political Fundraising, supra note 11. RevUp states on its website that "[h]aving information about past giving patterns puts you in a great position to suggest giving amounts that are appropriate, giving you the edge when making your ask." Id. The Response states that displaying individual contribution histories serves the function of preventing client organizations from soliciting excessive contributions. RevUp Resp. at 3.

¹⁷ Green, supra note 3.

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would alert us if a prospective donor had already given the legal maximum or given to the opposing candidate, so we would know not to embarrass him with a phone call.¹⁸

Besides enabling clients to "maximize their fundraising efforts," RevUp claims that its software provides other benefits.¹⁹ For instance, clients "are able to avoid sending repetitive, intrusive and inappropriate solicitations" to uninterested individuals.²⁰ In addition, by using the software to streamline fundraising efforts, "[p]ublic officials can spend less time fundraising and more time governing and legislating."²¹ RevUp states that the software "simultaneously deprioritizes individuals who are less likely to be supportive."²²

III. LEGAL ANALYSIS

The Act requires political committees to report to the Commission the identification of each person whose aggregate contributions exceed \$200 within the calendar year (or election cycle, in the case of an authorized committee), along with the date and amount of any such contribution.²³ Correspondingly, the Act requires the Commission to make all statements and reports available for public inspection and copying.²⁴ Information copied from those statements and reports, however, "may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political

¹⁸ *Id.*

REVUP SOFTWARE – REVOLUTIONIZE YOUR FUNDRAISING, http://www.revup.com (last visited Dec. 17, 2016); see RevUp Resp. at 8; Spinner Aff. ¶ 2.

Spinner Aff. ¶ 5.

RevUp Political Fundraising, supra note 11; see Green, supra note 3; RevUp Resp. at 2.

RevUp Resp. at 2.

⁵² U.S.C. § 30104(b)(3)(A). The term "identification," in the case of an individual, is defined as the contributor's name, mailing address, occupation, and employer. *Id.* § 30101(13)(A).

²⁴ Id. § 30111(a)(4).

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- 1 committee to solicit contributions from such committee."25 Congress enacted the sale and use
- 2 provision "to protect the privacy of the generally very public-spirited citizens who may make a
- 3 contribution to a political campaign or a political party."26
- Based on the legislative history, and the Congressional objective of protecting the privacy
- of individual contributors, the Commission has consistently interpreted the provision to prohibit
- 6 the sale and use of individual contribution information including the names and addresses of
- 7 individual contributors, as well as their contribution histories for the purpose of soliciting
- 8 contributions.²⁷ The Commission has approved the sale and use of individual contribution
- 9 information only in "narrow circumstances" where the activities were informative in nature and
- 10 unrelated to solicitation.²⁸

Id.; see also 11 C.F.R. § 104.15. The Commission's implementing regulation provides that "soliciting contributions includes soliciting any type of contribution or donation, such as political or charitable contributions. 11 C.F.R. § 104.15(b) (emphasis in original).

¹¹⁷ Cong. Rec. 30,057 (daily ed. Aug. 5, 1971) (statement of Sen. Bellmon), reprinted in Legislative History of the Federal Election Campaign Act of 1971 at 581 (1981) ("These names would certainly be prime prospects for all kinds of solicitations, and I am of the opinion that unless this amendment is adopted, we will open up the citizens who are generous and public spirited enough to support our political activities to all kinds of harassment, and in that way tend to discourage them from helping out as we need to have them do.").

See, e.g., Advisory Op. 2004-24 (NGP) ("AO 2004-24"); Advisory Op. 1985-16 (Weiss) ("AO 1985-16"); cf. MURs 6053 & 6065 (HuffingtonPost.com) (permitting the sale and use of individual contribution information by a commercial entity where the principal purpose was informational, and there was no indication that the entity published the FEC data for the purpose of soliciting contributions); Advisory Op. 2015-12 (Ethiq) (same); Advisory Op. 2014-07 (Crowdpac) ("AO 2014-07") (same). The Commission has "filled the gap left by Congress while accommodating [] competing policy objectives," which include, on the one hand, promoting the disclosure of information to inform the electorate where campaign money comes from (to deter corruption and enforce the Act's limitations and prohibitions), and, on the other, protecting the privacy of individual contributors (such that they will not become prime prospects for all kinds of solicitation). FEC v. Legi-Tech, Inc., 967 F. Supp. 523, 529-30 (D.D.C. 1997); see FEC v. Political Contributions Data, Inc., 943 F.2d 190, 191 (2d Cir. 1991); (citing Buckley v. Valeo, 424 U.S. 1, 66-68 (1974)); 117 Cong. Rec. 30,057 (daily ed. Aug. 5, 1971) (statement of Sen. Bellmon), reprinted in Legislative History of the Federal Election Campaign Act of 1971 at 581 (1981).

Advisory Op. 1988-02 at 2 (Chicago Board of Options Exchange II) (posting FEC data on bulletin boards located in area accessible only by members of separate segregated fund); see, e.g., Advisory Op. 2013-16 (PoliticalRefund.org) (informing contributors of their right to seek a refund); Advisory Op. 2009-19 (Club for Growth) (informing contributors that a candidate changed party affiliation); Advisory Op. 1995-09 (NewtWatch) (publishing information on Internet forum about select public officials); Advisory Op. 1984-02 (Gramm) (informing contributors that a committee with a misleading name was not connected to the authorized committee); Advisory Op. 1981-05 (Findley) (informing contributors about allegedly defamatory statements).

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The available information indicates that RevUp impermissibly sells and uses FEC data 2 because its software incorporates individual contribution histories obtained from the 3 Commission's database to enhance its clients' solicitation efforts. RevUp markets the software as a tool that can "accurately predict[] your best prospects by analyzing their ability and 4 5 propensity to give."²⁹ This contravenes the purpose of the sale and use provision which, as noted above, was enacted to protect the privacy of individual contributors so that they will not become 6 prime prospects for solicitation, and thus constitutes a clear violation of the Act. 7

RevUp claims that it may legally sell and use FEC data to help clients maximize their fundraising because it does not copy or obtain names and addresses from the Commission's database.³⁰ However, the Commission has prohibited the sale of individual contribution histories where, as here, that data was displayed within fundraising-related software, and has prohibited the use of such data where, as here, the purpose was to enhance a pre-existing list of names by determining who among listed individuals was a political contributor.

In Advisory Opinion 1985-16 (Weiss), the Commission concluded that it was impermissible to compare the names on a pre-existing list, which the requestor intended to market for solicitation purposes, with the names of individual contributors contained in the Commission's database.³¹ This prohibited matching technique is a rudimentary example of an algorithm that uses FEC data to identify individuals who are more likely to make a contribution, akin to RevUp's scoring and ranking algorithm. Further, in Advisory Opinion 2004-24 (NGP), the Commission concluded that it was impermissible to add a feature to political and reporting

²⁹ RevUp Methodology, supra note 11.

³⁰ RevUp Resp. at 1-2; see Spinner Aff. ¶¶ 10, 15

³¹ AO 1985-16 at 2.

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- 1 software that would have enabled the requestor's clients to view the contribution histories of
- 2 individuals in their own database for the purpose of soliciting contributions.³² That feature was
- 3 fundamentally the same as the component of the RevUp software that displays contribution
- 4 histories, but far less sophisticated.
- 5 RevUp contends that two recent advisory opinions Advisory Opinion 2015-12 (Ethiq)
- 6 and Advisory Opinion 2014-07 (Crowdpac) support the notion that individual contribution
- 7 histories may be used in the context of fundraising analytics.³³ However, unlike RevUp, the
- 8 requestors there did not propose to use FEC data for solicitation purposes but sought to analyze
- 9 FEC data in order to glean insights about candidates and corporations to help users obtain
- information about like-minded entities.³⁴ Further, the information was presented in an aggregate
- form (no contact information was disclosed).³⁵
- RevUp's arguments elide the fact that its software matches the *names* of individuals on
- the uploaded contact lists to the *names* of contributors in the Commission's database. The
- relevant contribution histories are then copied and paired with the *names* on the contact lists.
- 15 These actions directly implicate the privacy concerns that Congress sought to mitigate, and
- 16 RevUp's own materials show it uses individual contributors' names for the purpose of soliciting
- 17 contributions (which RevUp concedes is a violation).³⁶ And that privacy concern is amplified

³² AO 2004-24 at 2-3.

RevUp Resp. at 7-8.

For instance, the requestor in Advisory Op. 2015-12 ("AO 2015-12") sought to analyze contributions made by corporate executives to determine whether the user's ideology was consistent with a given corporation as represented by its leadership. The purpose was not to solicit those executives and they were not individually identified to the user. AO 2015-12 at 2, 4.

³⁵ *Id.* at 2; AO 2014-07 at 9-11.

RevUp Resp. at 9.

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where, as here, the data is not only used to identify who is a past contributor, but also to score

2 and rank those individuals based on their likelihood of making a contribution.

The fact that the RevUp software contains a disclaimer regarding usage of FEC data for solicitation purposes does not defeat the allegation.³⁷ A disclaimer warning about misuse of FEC data may be confusing if considered in conjunction with the solicitation purposes touted by the company's marketing materials. Taken together, the disclaimers and marketing claim could be understood to suggest that, while directly accessing FEC data would be illegal, solicitations made using data from the software would be permissible. Moreover, the RevUp disclaimer indicates that the sale and use provision applies only to names and addresses, not contribution histories, which might further confuse clients.

In conclusion, the Commission has prohibited the sale and use of individual contribution histories for the purpose of soliciting contributions. In addition, it is clear that the RevUp software uses FEC data in a manner that directly implicates the privacy concerns that Congress sought to mitigate. Therefore, the Commission finds reason to believe that RevUp violated 52 U.S.C. § 30111(a)(4) and 11 C.F.R. § 104.15(a).

Spinner Aff. ¶ 18 ("Federal law prohibits using contributor contact information that is obtained from FEC reports for the purpose of soliciting contributions or for any commercial purpose."); see RevUp Resp. at 3.