FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

JUL 10 2018

Ms. Lisa Clarkson

Virginia Beach, VA 23456

RE: MURs 7078 and 7084
Scott Taylor, *et al.*

Dear Ms. Clarkson:

On June 28, 2018, the Federal Election Commission (the "Commission") reviewed the allegations of violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Commission regulations in your complaints dated June 1, 2016, and June 14, 2016. Based on the information provided in your complaint, and information provided by Respondents in this matter, the Commission:

- Finds no reason to believe that Scott W. Taylor and Taylor for Congress and John G. Selph in his official capacity as treasurer (the "Committee") violated 52 U.S.C. §§ 30125(e)(l)(A) and 30119(a)(2), and cautioned the Committee to comply with the Act and Commission regulations;
- Dismisses the allegation that Scott W. Taylor, the Committee, and Scott Taylor for Delegate violated 52 U.S.C. § 30125(e)(1)(A) or 11 C.F.R. § 110.3(d);
- Dismisses the allegations that Scott W. Taylor and the Committee violated 52 U.S.C. §§ 30102(e)(1), 30104(b)(5), and 30118(a) or 11 C.F.R. §§ 104.3(b), 110.1(e), and 110.11(a);
- Finds no reason to believe that: (1) Stephen Baggs; (2) Systems Technology Forum, Ltd.; (3) Thomas Bates; (4) RK Chevrolet, Buick, Subaru, Inc.; (5) Darek Dabbs; (6) Sera-Brynn, LLC; (7) Eric Kimble; (8) Kimble Companies/Penn-Ohio Coal Co.; (9) Ronald Kramer; (10) Kramer Management Enterprises, Inc.; (11) Shawn Kuhle; (12) Turner Strategic Technologies; (13) Tactical Defense Solutions, LLC; (14) William W. Lee, Jr.; (15) National Research Group, LLC; (16) Bob Miller; (17) Miller-Stephenson & Associates, PC; (18) David H. Mutzabaugh; (19) ThunderCat Technology, LLC; (20) Richard D. Roberts; (21) Norfolk Southern Corporation; (22) Eric Sisco; or (23) Virginia International Gateway, Inc., violated 52 U.S.C. § 30119(a)(1);
- Dismisses the allegation that Special Operations OPSEC Education Fund violated 52 U.S.C. §§ 30102, 30103, and 30104(a) and (f); and

- Dismisses the allegation that Special Operations OPSEC Political Committee violated 52 U.S.C. §§ 30102, 30103, 30104(a) or 11 C.F.R. § 109.10(b).

Accordingly, on June 28, 2018, the Commission closed the file in this matter.

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), effective September 1, 2016. The Factual and Legal Analyses, which more fully explain the Commission's findings, are enclosed, and a Statement of Reasons providing a basis for the Commission's decision may follow.

The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. *See* 52 U.S.C. § 30109(a)(8).

Sincerely,

Lisa J. Stevenson
Acting General Counsel

BY: Mark Shonkwiler
Assistant General Counsel

Enclosures
Factual and Legal Analyses

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Scott Taylor for Delegate MUR 7078

I. INTRODUCTION

This matter was generated by a Complaint filed by Lisa Clarkson. The Complaint alleges that Scott Taylor for Delegate violated the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations by using nonfederal funds to finance federal campaign activity. The Commission dismisses the allegation that Respondent violated the Act or regulations.

II. FACTUAL BACKGROUND

Scott Taylor was a Member of the Virginia House of Delegates, and ran for Congress in Virginia's Second District in 2010 and 2016.[1] The Complaint alleges that Scott Taylor for Delegate provided unreported in-kind contributions to Taylor's federal committee using nonfederal funds.[2] From January through February 2016, the federal committee's website used the same URL as Taylor's state legislative campaign, and the hosting of that website was purportedly paid for by Scott Taylor for Delegate.

III. LEGAL ANALYSIS

A federal candidate, or an entity directly or indirectly established, financed, maintained or controlled by or acting on behalf of a federal candidate, is prohibited from soliciting, receiving, directing, transferring, or spending funds in connection with an election for federal office that are not subject to the limits, prohibitions, and reporting requirements of the Act.[3]

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1 Taylor lost the Republican Primary in 2010, and won election to Congress in 2016.

2 Compl. at ¶ 8 (June 1, 2016).

3 52 U.S.C. § 30125(e)(1)(A); 11 C.F.R. § 300.61.

1 Virginia law permits a state committee to accept unlimited direct contributions from any
2 individual, corporation, union, association, or partnership.[4] Therefore, Taylor's Virginia state
3 committee account may contain funds not subject to the Act's limits and prohibitions.
4 Commission regulations prohibit the transfer of funds or assets from a candidate's nonfederal
5 campaign committee to his or her federal committee.[5]

6 The record indicates that Scott Taylor for Delegate incurred expenses for hosting the
7 federal committee's website. However, the value of those expenses appear to be *de minimis*, and
8 the Committee is no longer using the state committee's website.[6] Accordingly, the Commission
9 dismisses the allegation that Scott Taylor for Delegate violated 52 U.S.C. § 30125(e)(1)(A) or
10 11 C.F.R. § 110.3(d).[7]

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4 *See* Virginia Department of Elections, Summary of Laws and Policies: Candidate Campaign Committees (Sept. 14, 2015) at 17; 52 U.S.C. §§ 30116(a), 30118(a).

5 11 C.F.R. § 110.3(d); *see also* Transfers of Funds from State to Federal Campaigns, 57 Fed. Reg. 36,344 (Aug. 12, 1992) (Explanation and Justification).

6 A review of the website as of October 2016 reveals that the domain hosted by the state committee, http://scotttaylorforva.com/, is no longer available, and that the Committee website is now http://scotttaylor.us/. The new site includes a disclaimer stating that the website is paid for by the federal Committee.

7 *See Heckler* v. *Chaney*, 470 U.S. 831 (1985); MUR 6773 (Nestande, *et al.*) (dismissing use of nonfederal funds allegation because expenses were *de minimis*).

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Stephen Baggs MUR: 7084
Systems Technology Forum, Ltd.
Thomas Bates
RK Chevrolet, Buick, Subaru, Inc.
Darek Dabbs
Sera-Brynn LLC
Eric Kimble
Kimble Companies/Penn-Ohio Coal Co.
Ronald Kramer
Kramer Management Enterprises, Inc.
Shawn Kuhle
Turner Strategic Technologies
Tactical Defense Solutions LLC
William W. Lee, Jr.
National Research Group, LLC
Bob Miller
Miller-Stephenson & Associates, P.C.
David H. Mutzabaugh
ThunderCat Technology, LLC
Richard D. Roberts
Norfolk Southern Corporation
Eric Sisco
Virginia International Gateway, Inc.

I. INTRODUCTION

This matter was generated by a Complaint filed with the Federal Election Commission by Lisa Clarkson. The Complaint alleges multiple federal contractors violated the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations, by contributing to Scott Taylor for Congress (the "Committee"). For the reasons set forth below, the Commission finds no reason to believe that the alleged federal contractors violated the Act or regulations.

II. FACTUAL AND LEGAL ANALYSIS

Scott Taylor was a Member of the Virginia House of Delegates, and ran for Congress in Virginia's Second District in 2010 and 2016.[1] The Complaint alleges multiple federal contractors contributed to Taylor's congressional committee.[2]

Federal contractors may not make contributions to political committees, and a Committee may not knowingly solicit donations from federal contractors.[3] This prohibition does not apply to individual employees of a federal contractor who are not themselves contractors.[4] Employees of federal contractors may contribute to federal political committees using personal funds.[5]

The Committee alleges that the contributors identified by the Complaint are employees of federal contractors, not contractors themselves, and may contribute. Nearly all of the named contributors submitted responses affirming that they are not contractors, and that the funds used were personal and not directed by a contractor firm. One contributor did not respond, but the Commission has no information indicating that he is a federal contractor. The Commission therefore finds no reason to believe that the individuals named in the Complaint are federal contractors, and no reason to believe that they violated 52 U.S.C. § 30119(a)(1).

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[1] Taylor lost the Republican Primary in 2010, and won election to Congress in 2016.

[2] Compl. at II (June 14, 2016).

[3] 52 U.S.C. § 30119(a)(1)-(2); 11 C.F.R. § 115.2.

[4] 11 C.F.R. § 115.6.

[5] *Id.* Additionally, if a sole proprietorship is a federal contractor, the owner of that entity may not donate to federal campaigns using business, personal or other funds. *Id.* § 115.5.