



FEDERAL ELECTION COMMISSION
Washington, DC 20463

May 6, 2021

VIA ELECTRONIC MAIL ONLY

klma@factdc.org

Kendra Arnold
Foundation for Accountability and Civic Trust
1717 K Street NW
Suite 900
Washington, DC 20006

RE: MUR 7168

Dear Ms. Arnold:

On April 20, 2021, the Federal Election Commission reviewed the allegations in your complaint dated October 31, 2016, and found that on the basis of the information provided in your complaint, and information provided by the respondents, there is no reason to believe Catherine Cortez Masto, Catherine Cortez Masto for Senate and Kim R. Wallin in her official capacity as treasurer, or Senate Majority PAC and Rebecca Lambe in her official capacity as treasurer violated 52 U.S.C. §§ 30116(f) or 30118(a). Accordingly, on April 20, 2021, 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). The Factual and Legal Analysis, which more fully explains the Commission's findings, is enclosed.

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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

Mark Allen

BY: Mark Allen
Assistant General Counsel

Enclosure
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Catherine Cortez Masto
Catherine Cortez Masto for Senate
and Kim R. Wallin in her official capacity
as treasurer
Senate Majority PAC and Rebecca Lambe in
her official capacity as treasurer

MUR 7168

I. INTRODUCTION

11 Complainant alleges that the principal campaign committee of U.S. Senate candidate
12 Catherine Cortez Masto, Catherine Cortez Masto for Senate (“Committee”), coordinated
13 advertisements with Senate Majority PAC, an independent-expenditure-only political committee
14 (“Super PAC”), resulting in excessive and prohibited in-kind contributions. The Commission
15 finds no reason to believe that the Respondents violated 52 U.S.C. §§ 30116(f) or 30118(a), and
16 closes the file.

17 II. FACTUAL BACKGROUND

18 Complainant alleges that the Committee placed information on the “media” page of its
19 publicly available campaign website (“Website”) to direct the Super PAC to purchase
20 advertisements in specific markets and with specific messages.

21 According to the Complaint, in “September 2016,”¹ the Committee posted to its website
22 the following information about Cortez Masto’s general election opponent, Joe Heck:

23 Attention! On the issues that matter to Nevada Hispanics, there's no
24 difference between Joe Heck and Donald Trump. Heck continues to
25 support Trump for President, and he voted 4 TIMES to end DACA
26 and put thousands of DREAMers at risk of deportation. Heck voted

¹ Compl. Ex. B (Oct. 31, 2016). The Complaint does not identify the exact day in September of the printout of the Website.

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1 to cut Pell Grants, and the two of them — Heck and Trump — would
 2 make it harder for Nevada students to pay for college.²
 3

4 The Super PAC allegedly “responded” with the following ad, translated and transcribed as

5 follows:

6 NARRATOR: “Is there any difference between Joe Heck and
 7 Donald Trump? On immigration, Heck voted four times against
 8 DACA and DAPA, putting thousands of DREAMers at risk of being
 9 deported.” TRUMP: “We’re going to have a deportation force.”
 10 NARRATOR: “Heck says he cares about education, but he voted to
 11 cut Pell grants.” TRUMP: “We’re going to cut the Department of
 12 Education.” NARRATOR: “On the issues that are most important
 13 to us, there is no difference between Joe Heck and Donald Trump.”³
 14

15 Following the Super PAC’s publication of the ad “that copied language from Cortez

16 Masto’s web page,” Complainant alleges that “Cortez Masto apparently approved and changed
 17 the ‘media’ page.”⁴

18 The Complaint also attaches an “October 2016” printout of the Website that contains the
 19 phrases “voters need to know” or “voters should hear” certain information regarding Joe Heck,
 20 which allegedly was a code to alert Senate Majority PAC to run ads in specific markets.⁵ For
 21 example, “[a]t all points between now and Election Day voters should hear how in Washington,
 22 Joe Heck has voted ten times to defund Planned Parenthood and Heck even threatened to shut

² *Id.* The Website also provides a Spanish translation of this paragraph.

³ Compl. at 4. The original ad was in Spanish and is transcribed as follows: NARRATOR: “¿Hay alguna diferencia entre Joe Heck y Donald Trump? Sobre la inmigración, Heck votó cuatro veces en contra de DACA y DAPA, poniendo a miles de DREAMers en riesgo de ser deportados.” TRUMP: “We are going to have a deportation force.” NARRATOR: “Heck dice que le preocupa la educación, pero votó por cortar las becas Pell.” TRUMP: “We are going to cut the Department of Education.” NARRATOR: “En los temas que más nos importan, no hay diferencia entre Joe Heck y Donald Trump.” “Ninguna Diferencia,” <https://www.youtube.com/watch?v=aFZ2trOtvW0> (published Sept. 7, 2016) (last accessed May 8, 2017).

⁴ Compl. at 4.

⁵ *Id.*

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1 down the federal government in order to eliminate funding for Planned Parenthood.”⁶ The
 2 “October 2016” version of the Website also identified messages for specific markets: “Radio
 3 listeners across Nevada should hear the attacks for Joe Heck have been called ‘bogus,’ ‘highly
 4 misleading’ and ‘false.’ The truth is Catherine Cortez Masto has been a leader in cracking down
 5 on sex trafficking and sexual assault.”⁷

6 However, the Complaint does not identify a Super PAC ad that was published after the
 7 “October 2016” iteration of the Website.⁸

8 Complainant argues that the specificity of the Committee’s Website regarding the
 9 message and the desired media markets – *e.g.*, “radio listeners” or “digital users, especially
 10 younger voters, Latinos and women” – indicates that the Committee used the Website to
 11 coordinate with the Super PAC. Therefore, the Super PAC allegedly made, and the Committee
 12 accepted, prohibited and excessive contributions in violation of the Act.⁹

13 Both the Candidate and the Super PAC responded similarly by arguing that information
 14 posted on the Committee’s publicly available Website cannot satisfy the coordinated
 15 communications test as a matter of law.¹⁰

⁶ *Id.*

⁷ *Id.* The Complaint alleges that the Committee’s Website provided photographs to be placed in the ads. *Id.* at 2.

⁸ Senate Majority PAC published at least three other ads critical of Joe Heck, but they all pre-date the “September 2016” printout of the Website. *See* “Investment,” <https://www.youtube.com/watch?v=g9MtQ8YDz1w> (published July 1, 2016) (last accessed May 8, 2017); “Side,” <https://www.youtube.com/watch?v=OgleQXrrXjM> (published Aug. 16, 2016) (last accessed May 8, 2017); “23 Times,” <https://www.youtube.com/watch?v=Rd7AzLOFrnA> (published Aug. 24, 2016) (last accessed May 8, 2017).

⁹ Compl. at 5-7.

¹⁰ The Committee did not submit a response.

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1 III. LEGAL ANALYSIS

2 The Act provides that an expenditure made by any person “in cooperation, consultation,
 3 or concert, with, or at the request or suggestion of, a candidate, his authorized political
 4 committees or their agents” constitutes an in-kind contribution.¹¹ Super PACs are prohibited
 5 from making contributions to candidates and their authorized committees.¹² It is unlawful for
 6 candidates and political committees to knowingly accept a prohibited or excessive contribution.¹³

7 The Commission’s regulations provide a three-part test for determining when a
 8 communication is a coordinated expenditure, which is treated as an in-kind contribution.¹⁴ The
 9 communication must: (1) be paid for by a third party; (2) satisfy one of five “content” standards
 10 listed in 11 C.F.R. § 109.21(c); and (3) satisfy one of six “conduct” standards listed in 11 C.F.R.
 11 § 109.21(d).¹⁵ The Respondents have not disputed that the ads satisfy the “payment” and
 12 “content” requirements. We therefore focus our analysis on the “conduct” standards.

13 Complainant alleges that the ad satisfies the “request or suggestion” conduct standard,
 14 which requires that the communication be “created, produced, or distributed at the request or
 15 suggestion of a candidate [or] authorized committee.”¹⁶ The Commission has explained that the
 16 “request or suggestion” standard refers to requests or suggestions “made to a select audience, but

¹¹ 52 U.S.C. § 30116(a)(7)(B)(i); 11 C.F.R. § 109.20; *see also* 52 U.S.C. § 30104(b) (requiring political committees to disclose to the Commission contributions received from other political committees and persons).

¹² *See* 52 U.S.C. §§ 30116(a), 30118(a); Advisory Op. 2010-11 (Commonsense Ten) at 2-3.

¹³ *See, e.g.*, 52 U.S.C. §§ 30116(f), 30118(a).

¹⁴ 11 C.F.R. § 109.21(a)-(b).

¹⁵ *Id.* § 109.21(a).

¹⁶ *Id.* § 109.21(d)(1).

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1 not those offered to the public generally.”¹⁷ As an example of the distinction between
 2 generalized and targeted requests, the Commission provided that “a request that is posted on a
 3 web page that is available to the general public is a request to the general public and does not
 4 trigger the [request or suggestion] conduct standard,” whereas a request sent through an intranet
 5 service or by email to a discrete group of recipients would satisfy the standard.¹⁸

6 In MUR 6821 (Shaheen for Senate), the Commission found that the use of publicly
 7 available information, including the use of information contained on a candidate’s website, was
 8 not sufficient to satisfy the “conduct” standards.¹⁹ In that case, the Complaint alleged that
 9 Shaheen’s principal campaign committee and the Democratic Senatorial Campaign Committee
 10 coordinated with a Super PAC when they posted information about Shaheen’s opponent on
 11 Shaheen’s campaign website and on Twitter. The Super PAC allegedly responded to the posts
 12 within two days, circulating a television commercial criticizing Shaheen’s opponent on the same
 13 grounds as discussed in the posts.²⁰

¹⁷ Coordinated and Independent Expenditures, 68 Fed. Reg. 421, 432 (Jan. 3, 2003) (explanation and justification) (“2003 E&J”). The Complaint argues that in 2006 the Commission added a safe harbor to the regulations for publicly available information to each conduct standard except the request or suggestion conduct standard, which evidences the Commission’s intent to exclude the request or suggestion conduct standard from the safe harbor. *See* Coordinated Communications, 71 Fed. Reg. 33190, 33204-05 (June 8, 2006) (explanation and justification) (“2006 E&J”). The 2006 E&J, however, explicitly notes that the safe harbor was not added to the request or suggestion conduct standard to avoid protecting alleged coordination that was both available on a public source and was privately conveyed. *Id.* There is no allegation here that the Committee privately requested or suggested that the Super PAC run any ads.

¹⁸ *See* 2003 E&J at 432.

¹⁹ Factual & Legal Analysis at 7-8, MUR 6821 (Shaheen for Senate).

²⁰ *Id.* at 1-3; *see also* Factual and Legal Analysis, MUR 7124 (McGinty for Senate); *id.*, Certification (Apr. 28, 2017) (Commission found no reason to believe there was coordination where the alleged request was on the candidate’s publicly available website).

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1 In both MUR 6821 and this matter, the alleged request for advertising appeared on the
2 candidate's publicly available campaign website. The Complaint does not allege any private
3 communication between the Committee and the Super PAC. Moreover, the only Super PAC ad
4 identified in the Complaint preceded the "October 2016" iteration of the Website, and the
5 "September 2016" version of the Website does not contain the phrases "voters need to know" or
6 "voters should hear," which the Complaint alleges were coded messages to the Super PAC.²¹
7 Therefore, the communication at issue does not appear to satisfy the conduct standard.

8 Because the available record does not support a reasonable inference that the Committee
9 coordinated with the Super PAC, the Commission finds no reason to believe that Respondents
10 violated 52 U.S.C. §§ 30116(f) or 30118(a), and closes the file.

²¹ See Compl. at 4 & Ex. B.