



FEDERAL ELECTION COMMISSION
Washington, DC 20463

1 June 30, 2021
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4 **MEMORANDUM**
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7 **TO:** The Commission
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9 **FROM:** Lisa J. Stevenson
10 Acting General Counsel
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12 **BY:** Charles Kitcher *CK*
13 Acting Associate General Counsel for Enforcement
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15 Stephen Gura *SG*
16 Deputy Associate General Counsel for Enforcement
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18 Mark Allen *MA*
19 Assistant General Counsel
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21 Delbert K. Rigsby *DKR*
22 Attorney
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24 **SUBJECT:** MUR 7337 (Conservative Leadership for Arizona) – Accept Pre-Probable Cause
25 Conciliation Agreement, Dismiss Allegation and Close the File; MUR 7344
26 (Conservative Leadership for Arizona) -Dismiss Allegation and Close the File
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28 MUR 7337 (Debbie Lesko, *et al.*) – Reject Proposed Counteroffer and Circulate
29 Discovery Documents
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31 **I. Introduction**
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33 On July 23, 2019, the Commission found reason to believe that Conservative Leadership
34 for Arizona and Tim Sifert in his official capacity as treasurer (“CLA”), Debbie Lesko and Re-
35 Elect Debbie Lesko for Senate (“State Committee”) (together “Lesko Respondents”) violated
36 52 U.S.C. § 30125(e)(1)(A) in connection with the State Committee’s \$50,000 contribution to
37 CLA, funds that were not subject to the reporting requirements of the Federal Election Campaign
Act of 1971, as amended (the “Act”), and were used in connection with a federal election.¹ On
January 14, 2021, the Commission determined to enter into pre-probable cause conciliation with

¹ Certification, ¶¶ 4.b and 4.c, MURs 7327, 7337, and 7344 (July 29, 2019). The Commission merged MUR 7327 into MUR 7337. *Id.* ¶ 4.a.

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1 CLA and the Lesko Respondents,² and on March 9, 2021, approved conciliation agreements for
2 CLA and the Lesko Respondents.³

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7 The Commission authorized conciliation in MUR 7337 for a period not to exceed 21 days
8 or 90 days if the respondents provided tolling of the Statute of Limitations, but neither CLA nor
9 the Lesko Respondents provided tolling.⁶ As set forth below, we recommend that the
10 Commission accept the negotiated agreement with CLA and reject the counteroffer from the
11 Lesko Respondents and approve formal discovery to the Lesko Respondents.

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13 **II. Conservative Leadership for Arizona**

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15 Attached is a negotiated conciliation agreement that has been signed by the treasurer of
16 the Committee that would resolve the violation

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² Certification, MURs 7337 and 7344 (Jan. 26, 2021).

³ Certification, ¶¶ 1 and 2, MUR 7337 (Apr. 1, 2021).

⁶ Certification, MURs 7337 and 7344 (Jan. 26, 2021).

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4 Under these circumstances, we believe that this negotiated settlement represents an
5 acceptable resolution of this matter as to CLA. We therefore recommend that the Commission
6 accept the signed conciliation agreement with CLA. We also recommend that the Commission
7 dismiss two remaining allegations as to CLA as to which the Commission did not take action at
8 the time it found reason to believe as to CLA. The MUR 7337 Complaint alleged that CLA did
9 not properly disclose the contribution from the State Committee in violation of 52 U.S.C.
10 § 30104(b) and the MUR 7344 Complaint alleged that CLA used an inappropriate disclaimer in
11 violation 52 U.S.C. § 30120(a).¹¹ Because the Commission determined to conciliate with CLA
12 in MUR 7337 on the section 30125(e)(1)(A) violation, we recommend that the Commission
13 dismiss the alleged reporting and disclaimer violations in MURs 7337 and 7344, respectively,
14 close the file as to CLA in MUR 7337, and close the file in MUR 7344.
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16 **III. Debbie Lesko and Re-Elect Debbie Lesko for Senate**
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¹¹ See First General Counsel's Report at 13-16, MURs 7327, 7337 and 7344. The reporting allegation was contained in both MURs 7327 and 7337, and the former MUR was merged into the latter. See Certification, ¶ 1, MURs 7327, 7337, and 7344 (July 29, 2019). In the action taken by the Commission on July 23, 2019, the Commission did not address these allegations. See *Id.*, ¶ 4.

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we recommend that the Commission reject the

Lesko Respondents' counteroffer.

Because the Lesko Respondents have not agreed to toll the SOL, and the conciliation period of 21 days authorized by Commission has expired, we recommend that the Commission further develop the evidentiary record in this matter, as opposed to moving directly to the probable cause to believe stage. Accordingly, we recommend that the Commission approve the enclosed subpoenas to produce documents to Debbie Lesko and the State Committee

These subpoenas should allow us to obtain further documentation regarding the circumstances of the Lesko Respondents' \$50,000 contribution to CLA. This documentation may provide additional evidence that the State Committee established, financed, maintained or controlled CLA, which resulted in a violation of 52 U.S.C. § 30125(e)(1)(A) by the Lesko Respondents.

IV. RECOMMENDATIONS

1. Accept the attached conciliation agreement with Conservative Leadership for America and Tim Sifert in his official capacity as treasurer in MUR 7337;
2. Dismiss the allegation that Conservative Leadership for Arizona and Time Sifert in his official capacity as treasurer violated 52 U.S.C. § 30104(b) in MUR 7337.
3. Dismiss the allegation that Conservative Leadership for Arizona and Tim Sifert in his official capacity as treasurer violated 52 U.S.C. § 30120(a) in MUR 7344.
4. Close the file in MUR 7337 as to Conservative Leadership for Arizona and Tim Sifert in his official capacity as treasurer;
5. Close the file in MUR 7344;
6. Reject Debbie Lesko and Re-Elect Debbie Lesko for Senate's pre-probable cause conciliation Counteroffer in MUR 7337;

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- 1 7. Approve the Subpoena to Produce Documents directed to Debbie Lesko;
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- 3 8. Approve the Subpoena to Produce Documents directed to Re-Elect Debbie Lesko for
- 4 Senate;
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- 6 9. Approve the appropriate letters.
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