

**OBERMAYER**  
REBMAN MAXWELL & HIPPEL LLP  
ATTORNEYS AT LAW

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signed by  
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Dennis  
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April 30, 2018

**Via Email: CELA@FEC.GOV**

Federal Election Commission  
Office of Complaints, Examination and Legal Administration  
Attn: Christal Dennis, Paralegal  
99 E Street, N.W.  
Washington, D.C. 20463

Re: **RICK SACCONI**  
**MUR 7338**

Dear Ms. Dennis:

We are counsel to Representative Rick Saccone ("Saccone"), the Rick for Congress Committee; its Treasurer, Brenda M. Hankins; Friends of Rick Saccone; and its Treasurer, Nicholas Racculia (collectively, the "Respondents"), in connection with the complaint filed with the Federal Election Commission ("FEC") on February 29, 2018, referenced by MUR 7338 (the "Complaint"). The Statement of Designation of Counsel was filed with the FEC on March 23, 2018. On March 26, 2018, you granted us an extension until April 30, 2018 to respond to the Complaint. This letter shall constitute the Response of Mr. Saccone to the Complaint.

The allegations in the Complaint present a misleading characterization of this matter.

By way of background, Mr. Saccone is currently a State Representative from Pennsylvania's 39th District. Friends of Rick Saccone is a Pennsylvania-registered, candidate-authorized committee that supports Mr. Saccone's campaigns for State Representative (the "State House Committee"). Mr. Saccone was re-elected to a fourth term in the Pennsylvania House of Representatives on November 8, 2016. Initially, Mr. Saccone sought re-election to the State House. Indeed, the State House Committee remains active.

On January 30, 2017, Mr. Saccone filed a Statement of Candidacy for the Office of U.S. Senator from Pennsylvania. On February 2, 2017, Mr. Saccone filed his Statement of

Organization for Patriots4Saccone, his candidate-authorized committee to support his U.S. Senate campaign (the “Federal Senate Committee”).

On October 21, 2017, U.S. Representative Tim Murphy resigned from the Office of U.S. Representative for Pennsylvania’s 18th District. That day, Mr. Saccone filed a Statement of Candidacy for the Office of U.S. Representative for Pennsylvania’s 18th District. He also filed a Statement of Organization for Rick for Congress, his candidate-authorized committee to support his U.S. House of Representatives campaign (the “Federal House Committee”). On November 11, 2017, Mr. Saccone was selected as the Republican nominee for a special election in Pennsylvania’s 18th District. On January 18, 2018, Mr. Saccone filed a Termination Report terminating the Federal Senate Committee.

The Complaint references four (4) payments made by the State House Committee. First, on May 30, 2017, the State House Committee spent \$800 on a “Full-Page Color Ad,” paid to the South Hills-Mon Valley Messenger. This payment was an overdue payment for a full page advertisement, which ran in the *South Hills-Mon Valley Messenger* in October 2016—in the final month before the November 2016 election for State Representative. Thus, State House Committee funds were expended solely on Mr. Saccone’s 2016 campaign for State Representative and no federal races. A copy of the invoice from the South Hills-Mon Valley Messenger, dated May 4, 2017, is attached to this response as **Exhibit A**.

Second, on June 9, 2017, the State House Committee reimbursed Mr. Saccone \$145.48 for “Campaign Supplies.” These campaign supplies were for two ink cartridges. A copy of the receipt is attached to this response as **Exhibit B**. Whether or not the ink cartridges were used only for printing related to State House Committee activities—keeping in mind that Mr. Saccone remained a candidate for State Representative in June 2017, evidenced by his State House Committee remaining active—the amount at issue is “relatively modest” and “*de minimis*.” Factual & Legal Analysis at 3, MUR 7281 (Mackenzie for Congress, *et al.*) (quoting Factual & Legal Analysis at 9, MUR 6773 (Brian Nestande, *et al.*)). Any mistaken reimbursement for ink cartridges unrelated to State House campaign activities was inadvertent. Mr. Saccone respectfully submits that the amount at issue is not a priority for prosecution with agency resources. *Heckler v. Chaney*, 470 U.S. 821 (1985). In an abundance of caution and to demonstrate the good faith of the Respondents’ commitment to comply with the law, the Federal House Committee has refunded the \$145.48.

Third, the State House Committee made two reimbursements for attendance at the Conservative Political Action Conference (“CPAC”) in February 2017: one reimbursement to the State House Committee treasurer, Nicholas Racculia, for \$496.80 for “Reimbursement for CPAC Twp,” and one reimbursement to Mr. Saccone for \$78.19 for “CPAC Expenses Reimbursement.” CPAC is a conference sponsored by the American Conservative Union, a 501(c)(4) organization. The State House Committee believed that it could reimburse the cost of Mr. Saccone—a sitting Pennsylvania State Representative—and his staffer to attend a conference. Any error was inadvertent.

While the State House Committee maintains that a reimbursement for conference expenses was not inappropriate, in an abundance of caution, and in light of Mr. Saccone's and the other Respondents' intent to always comply with the law in good faith, the Federal House Committee has refunded \$574.99—the sum of \$496.80 and \$78.19—to the State House Committee. In addition, the Respondents note that this amount at issue is “relatively modest” and “*de minimis*.” Factual & Legal Analysis at 3, MUR 7281) (quoting Factual & Legal Analysis at 9, MUR 6773). In light of the corrective action, the Respondents respectfully submit that the amount at issue is not a priority for prosecution with agency resources. *Heckler*, 470 U.S. 821.

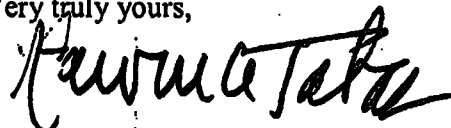
Finally, on December 28, 2017, the State House Committee transferred \$995.00 to the Federal House Committee. The error was inadvertent as the State House Committee mistakenly believed that the transfer did not violate the law. The State House Committee and the Federal Committee each have its own treasurer: Nicholas Racculia for the State House Committee and Brenda Hankins for the Federal House Committee. They believed that the State House Committee had collected enough federally permissible contributions that a transfer to a federal election committee would comply with the Bipartisan Campaign Act of 2002. 52 U.S.C. § 30125(e). For example, Pennsylvania law already prohibits direct contributions from unions and corporations. However, the State and Federal Committees did not realize regulations prohibited transfers of funds from a candidate's committee for a nonfederal election to his or her principal campaign committee for a federal election. 11 C.F.R. § 110.3(d).

As a corrective action, the Federal House Committee has refunded the \$995 transfer to the State House Committee. In addition, as part of corrective action being taken by the parties, the Respondents have been counseled on the requirements of federal campaign finance law regarding the matters addressed in this letter and in particular the provisions of 11 C.F.R. § 110.3(d). Additionally, as part of the corrective action, Mr. Racculia, has agreed that as long as Mr. Saccone is a federal candidate and a federal officeholder, before he expends any funds from the State House Committee, he will first seek advance approval from the State House Committee chairman or counsel to ensure that the expenditure is in full compliance with applicable federal law.

Accordingly, based on the above, the Respondents respectfully request that the FEC dismiss the Complaint in its entirety.

Kindly acknowledge receipt of this letter, by returning a signed and dated copy of the letter.

Very truly yours,



LAWRENCE J. TABAS

LJT/tjf

Federal Election Commission  
April 30, 2018  
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Enclosures

CC: Rick Saccone  
Brenda Hankins  
Nicholas Racculia



P.O. Box 13363  
 Pittsburgh, PA 15243  
 (412) 249-8177

**INVOICE NO. 1460-1016**  
 DATE: May 4, 2017

**Rep. Rick Saccone**  
 6B East Wing  
 Harrisburg, PA 17120

**YOUR ACCOUNT IS CURRENTLY PAST DUE.  
 PLEASE REMIT FULL PAYMENT TODAY TO AVOID  
 LATE PAYMENT INTEREST CHARGES**

ISSUE DATE	AD SIZE	DESCRIPTION	UNIT PRICE	AMOUNT
Oct 2016	Full pg.	Full page color display ad	800.00	800.00
		<i>Thank you for your business and support!</i>		
			<b>SUBTOTAL</b>	800.00
			<b>TAX</b>	0.00
			<b>TOTAL DUE</b>	<b>\$800.00</b>

**Make all checks payable to: Haniford Enterprises, LLC**

**Payment Terms: Due Upon Receipt.**  
 An interest charge of 1.5% per month will be added to accounts delinquent past 30 days.

**For Your Convenience We Accept**



# Exhibit B

