

**FEDERAL ELECTION COMMISSION**  
**FIRST GENERAL COUNSEL'S REPORT**

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1 **MUR 7344**  
 2 DATE FILED: March 13, 2018  
 3 DATE OF NOTIFICATION: March 14, 2018  
 4 LAST RESPONSE RECEIVED: April 25, 2018  
 5 DATE ACTIVATED: July 12, 2018  
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 7 EARLIEST SOL: January 29, 2023  
 8 LATEST SOL: January 29, 2023  
 9 ELECTION CYCLE: 2018  
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 11 **COMPLAINANT:** Linda Migliore  
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 13 **RESPONDENTS:** Conservative Leadership for Arizona and  
 14 Tim Sifert in his official capacity  
 15 as treasurer  
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 17 **RELEVANT STATUTES**  
 18 **AND REGULATIONS:** 52 U.S.C. § 30104(g)  
 19 52 U.S.C. § 30116(a)(1)(C)  
 20 52 U.S.C. § 30116(a)(7)(B)(i)  
 21 52 U.S.C. § 30120(a)(3)  
 22 52 U.S.C. § 30125(e)(1)(A)  
 23 11 C.F.R. § 110.3(d)  
 24 11 C.F.R. § 109.21  
 25 11 C.F.R. § 300.2(c)(2)  
 26  
 27 **INTERNAL REPORTS CHECKED:** Disclosure Reports  
 28  
 29 **FEDERAL AGENCIES CHECKED:** None  
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 31 **I. INTRODUCTION**  
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 33 Conservative Leadership for Arizona and Tim  
 34 Sifert in his official capacity as treasurer (“CLA”), a newly-formed independent-expenditure-  
 35 only political committee (“IEOPC”)  
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The Complaint in

MUR 7344 alleges that CLA failed to timely file a 24- or 48-Hour report of independent expenditures in support of Lesko, and that CLA's disclaimers on the communications were inadequate.

In response to the MUR 7344

Complaint, CLA asserts that it properly reported the independent expenditures, and that the omissions on the disclaimers were inadvertent.

. We also recommend that the Commission find no reason to believe that CLA failed to file a 24- or 48-Hour report, and take no action at this time on the allegation that CLA violated the Act's disclaimer provisions.

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## 3 **II. FACTUAL BACKGROUND**

4 In December 2017, Debbie Lesko, then a State Senator in Arizona, became a candidate in  
5 the 2018 special election for the U.S. House seat from Arizona's Eighth District.<sup>1</sup> On  
6 January 10, 2018, CLA registered with the Commission as an IEOPC.<sup>2</sup>

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8 According to

9 CLA's reports, January 29, 2018,

10 it disseminated mailers supporting Lesko that cost

11 \$20,193.50 and paid \$7,581 for road signs supporting Lesko.<sup>4</sup> CLA disclosed its disbursement

12 for the mailers on a 48-hour independent expenditure ("IE") report filed on January 31, 2018,

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<sup>1</sup> See Debbie Lesko's Statement of Candidacy (Dec. 21, 2017). Lesko won the special primary election of the Republican Party for United States Congress on February 27, 2018 and the special general election for United States Congress on April 24, 2018. See [https://azsos.gov/sites/default/files/2018\\_0307\\_official\\_canvass\\_special\\_primary\\_election.pdf](https://azsos.gov/sites/default/files/2018_0307_official_canvass_special_primary_election.pdf) and <https://azsos.gov/about-office/media-center/press-releases/826>. Lesko was re-elected to Congress in November 2018.

<sup>2</sup> See CLA Statement of Organization (Jan. 10, 2018).

<sup>4</sup> CLA disseminated the road signs on February 2, 2018. See CLA Amended 2018 Pre-Special Election Report at 8. Both the mailers and yard signs included the phrase "Debbie Lesko for Congress." See MUR 7344 Compl., Attach.

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In addition, the Complaint in MUR 7344 alleges that CLA placed between 400 and 600 road signs that cost between \$20,000 and \$25,000, but failed to file a 24- or 48-Hour IE Report for the road signs. The Complaint alleges that the disclaimers on the road signs and the mailers were incomplete because they did not include CLA's street address, website, or telephone number.<sup>47</sup> The disclaimer read, "Paid for by Conservative Leadership for Arizona. Not authorized by a candidate or a committee controlled by a candidate."<sup>48</sup>

CLA responds that the road signs cost well under \$10,000, so a 48-Hour Report was not required, and a 24-Hour Report was not required because the signs were disseminated outside the time window for such reports.<sup>49</sup> CLA also asserts that its disclaimers on its signs and mailers were complete except it inadvertently omitted its web address.<sup>50</sup>

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<sup>47</sup> MUR 7344 Compl. at 1.

<sup>48</sup> MUR 7344 Compl., Attach.

<sup>49</sup> CLA Resp. in MURs 7344 at 1.

<sup>50</sup> *Id.* CLA disclosed its spending on voter contact mail by a 48-Hour Report on independent expenditures on January 31, 2018.

1 A person (including a political committee) that makes or contracts to make independent  
2 expenditures<sup>51</sup> aggregating \$10,000 or more within a calendar year with respect to a given  
3 election any time prior to the 20th day before the election, must file a report, known as a 48-Hour  
4 Report, disclosing those expenditures within 48 hours of the communication's public distribution  
5 or dissemination.<sup>52</sup> A person (including a political committee) that makes or contracts to make  
6 independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours,  
7 before the date of an election must file a 24-Hour Report disclosing those expenditures.<sup>53</sup>

8 When a person makes a disbursement for the purpose of financing communications  
9 expressly advocating the election or defeat of a clearly identified candidate, such communication  
10 if not authorized by a candidate, an authorized political committee of a candidate, or its agents,  
11 shall clearly state the name and permanent street address, telephone, or internet address of the  
12 person who paid for the communication and state that the communication is not authorized by  
13 any candidate or candidate's committee.<sup>54</sup>

14 According to CLA's reports, it spent \$7,581 on the road signs, and it paid for them on  
15 January 29, 2018. Thus, the expenditure was less than the \$10,000 threshold for 48-Hour  
16 Reports and outside of the 20-day window for 24-Hour Reports. Accordingly, we recommend  
17 that the Commission find no reason to believe that CLA violated 52 U.S.C. § 30104(g).

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<sup>51</sup> An independent expenditure is an expenditure that expressly advocates the election or defeat of a clearly identified Federal candidate and that is not made in concert or cooperation with, or at the request or suggestion of, the candidate or his or her committee or agent, or a political party committee or its agent. 52 U.S.C. § 30101(17).

<sup>52</sup> 52 U.S.C. § 30104(g)(2); 11 C.F.R. § 104.4(b)(2). A person must file additional reports within 48 hours after each time it makes or contracts to make independent expenditures aggregating an additional \$10,000 with respect to a given election. *Id.*

<sup>53</sup> 52 U.S.C. § 30104(g)(1); 11 C.F.R. § 104.4(c). A person must file additional reports within 24 hours after each time the person makes or contracts to make independent expenditures aggregating an additional \$1,000 with respect to a given election. *Id.*

<sup>54</sup> 52 U.S.C. § 30120(a)(3).

1           CLA's disclaimers on the mailers and signs were facially deficient because they did not  
2 include CLA's mailing address, phone number, or web address. The Commission has dismissed  
3 disclaimer violations where the disclaimer was incomplete, such as lacking the "paid for by"  
4 statement where the communication included information from which the public could determine  
5 the party responsible for the communication.<sup>55</sup> In this case, however,

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10           we recommend the Commission take no action at this time on the disclaimer  
11 allegations pending an investigation (*see* next section).

#### 11 **IV. PROPOSED INVESTIGATION**

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We intend to

15 seek the information informally but request that the Commission authorize compulsory process

16 should informal means fail.

#### 17 **V. RECOMMENDATIONS**

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<sup>55</sup> See MUR 6814 (Erin Bilbray for Congress) (EPS case).



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- 10 5. Find no reason to believe that Conservative Leadership for Arizona and Tim Sifert
- 11 in his official capacity as treasurer violated 52 U.S.C. § 30104(g) in MUR 7344 by
- 12 failing to file 24-Hour or 48-Hour Reports of independent expenditures;
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- 14 6. Take no action at this time on the disclaimer allegations in MUR 7344 against
- 15 Conservative Leadership for Arizona and Tim Sifert in his official capacity as
- 16 treasurer;
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- 18 7.
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- 24 9. Approve the attached Factual and Legal Analysis for Conservative Leadership for
- 25 Arizona and Tim Sifert in his official capacity as treasurer;
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- 27 10. Approve the use of compulsory process; and

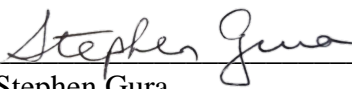
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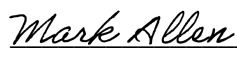
11. Approve the appropriate letters.

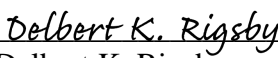
Lisa J. Stevenson  
Acting General Counsel

Charles Kitcher  
Acting Associate General Counsel for Enforcement

6.11.19  
Date

  
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Stephen Gura  
Deputy Associate General Counsel for Enforcement

  
\_\_\_\_\_  
Mark Allen  
Assistant General Counsel

  
\_\_\_\_\_  
Delbert K. Rigsby  
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