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September 10, 2018

Federal Election Commission Office of Complaints Examination and Legal Administration attn: Kathryn Ross, Paralegal 1050 First Street, NE Washington, DC 20463

Re: MUR 7427

Dear Ms. Ross,

This response is submitted by the undersigned counsel on behalf of the following Respondents: National Rifle Association of America Political Victory Fund (NRA-PVF) and Mary Rose Adkins in her capacity as Treasurer; National Rifle Association Institute for Legislative Action (NRA-ILA); OnMessage, Inc.; and Starboard Strategic, Inc.

As set forth below, neither the NRA-PVF nor the NRA-ILA made any coordinated communications through the use of a common vendor. OnMessage, Inc. and Starboard Strategic, Inc. maintained an effective firewall in accordance with 11 C.F.R. § 109.21(h) at all times relevant to this matter for the benefit of its clients. The Complainant presents no evidence that any nonpublic, material campaign information was shared through OnMessage, Inc. and Starboard Strategic, Inc. personnel, or otherwise improperly used by OnMessage, Inc., and Starboard Strategic, Inc. There is no evidence of any qualifying conduct, only speculation.

The Complaint does not identify any particular advertisement that was allegedly coordinated, and it does not identify any information that was allegedly conveyed through OnMessage, Inc., Starboard Strategic, Inc., or any agent or employer of either. The Complaint's conclusions are unsupported by any actual evidence.

The Complainant acknowledges that it has no information on whether OnMessage, Inc. and/or Starboard Strategic, Inc. implemented a firewall policy. As explained in more detail below, at all times relevant to the Complaint, the individual officers and directors of both

<sup>&</sup>lt;sup>1</sup> See Complaint at ¶ 51 n.102 ("there is no evidence of a firewall between Starboard and OnMessage").

companies adopted, implemented, and had in place an effective, written firewall policy that complied with the requirements of 11 C.F.R. § 109.21(h).

The NRA-PVF and NRA-ILA advertisements referenced in the Complaint were independent expenditures and no in-kind contributions were made from NRA-PVF or NRA-ILA to any of the candidates referenced in the Complaint. The Complaint is without merit, substitutes unwarranted speculation for actual evidence, and should be dismissed.

#### I. Factual Background

The National Rifle Association of America Political Victory Fund (NRA-PVF) is the NRA's political action committee. NRA-PVF is registered with the Commission as a separate segregated fund connected to the National Rifle Association of America.

The National Rifle Association Institute for Legislative Action (NRA-ILA) is often referred to as the "lobbying" arm of the NRA.

OnMessage, Inc. and Starboard Strategic, Inc. are two related companies that operate beneath a parent company that incorporated as OnMessage Holdings, Inc. in 2013.

OnMessage, Inc. is organized as a for-profit corporation and filed Articles of Incorporation in Virginia on or about April 13, 2005. The three founders and original partners are Wes Anderson, Curt Anderson, and Brad Todd. Graham Shafer joined the company in 2008, Timmy Teepell joined in 2012, and Orrin (Guy) Harrison joined in 2013. The company's Articles of Incorporation and corporate annual reports listing directors and officers are publicly available from Virginia's State Corporation Commission.

OnMessage, Inc. has served as a paid vendor and consultant to many entities and organizations since its formation, including the entities identified in the Complaint at Paragraphs 9-11 (NRA-PVF and NRA-ILA), 17.a.ii (Thom Tillis Committee), 17.b.ii (Cotton for Senate), 17.c.ii (Cory Gardner for Senate), and 21.a.ii (Ron Johnson for Senate, Inc.). OnMessage, Inc. provided services to Thom Tillis Committee, Cotton for Senate, and Cory Gardner for Senate during the 2014 election season. OnMessage, Inc. provided services to Ron Johnson for Senate, Inc. in 2016, although this relationship ended in mid-August 2016.

Starboard Strategic, Inc. is organized as a for-profit corporation and filed Articles of Incorporation in Virginia on March 22, 2013. Those Articles of Incorporation list the company's initial directors: Curtis Anderson; Wesley Anderson; Bradley Todd; Graham Shafer; and Timothy Teepell. Orrin (Guy) Harrison was identified as a new director and officer on the company's 2015 corporate annual report filed with Virginia's State Corporation Commission. The company's Articles of Incorporation and corporate annual reports listing directors and officers are publicly available from Virginia's State Corporation Commission. Starboard Strategic has served as a paid consultant to NRA-PVF and NRA-ILA from 2014 to the present.

OnMessage, Inc. and Starboard Strategic, Inc. have offices in Virginia and Maryland. Generally speaking, the firms' media-based business is performed from the Virginia office, while polling work is performed from the Maryland office. (Brad Todd and Guy Harrison generally work from the Virginia office, while Curt Anderson, Graham Shafer, and Wes Anderson generally work from the Maryland office. Timmy Teepell generally works remotely.)

Both OnMessage, Inc. and Starboard Strategic, Inc. operate at all times with appropriate "firewall" policies that comply with the Commission's requirements set forth at 11 C.F.R. § 109.21(h). See Affidavit of Bradley Todd at ¶ 2. OnMessage, Inc. retained a qualified counsel to prepare a firewall policy for the company in 2014. This policy, included as Attachment A, provided:

Principals and employees working on opposite sides of the "firewall" must not under any circumstances communicate any information whatsoever about their separate clients. Being "firewalled" off means OMI principals/employees communicating with or generating content on behalf of each client must not share or discuss, in any way, their separate clients' private plans, projects, activities or needs, including messages. This "firewall" must be maintained to ensure that no principal or employee inadvertently provides or transmits non-public information to the others.

In order to implement this firewall policy, OMI has created a conflict review process whereby OMI will review each 2014 race in which it is engaged to determine whether the possibility exists that an outside group or political party committee IE Unit for whom OMI is currently working or could be engaged to work in the 2014 cycle could sponsor a public communication that references an OMI candidate client in the same race. If, after the review, OMI believes this possibility may exist, it has created or will create a firewall structure in that race that prevents the flow of information about different clients' private plans, projects, activities, or needs, including messages in such a way that the coordination rules are triggered.<sup>2</sup>

With respect to the 2014 U.S. Senate races referenced in the Complaint (North Carolina, Arkansas, and Colorado):

- The campaign committees of Thom Tillis, Tom Cotton, and Cory Gardner were serviced by Brad Todd and Guy Harrison.
- Wes Anderson provided polling services to Cotton for Senate, but was not involved in the Tillis or Gardner campaigns.

<sup>&</sup>lt;sup>2</sup> See Attachment A (emphasis added). The documents attached represent the final version of the policy. Planning and implementation of the 2014 firewall began in April 2014. Information regarding clients not involved in this matter has been redacted.

The NRA-PVF and NRA-ILA were serviced by Curt Anderson, Graham Shafer, and Timmy Teepell.

#### 2014 Firewall Structure:

U.S. Senate Candidates (NC, AR, CO)	NRA-PVF & NRA-ILA
Brad Todd	Curt Anderson
Guy Harrison	Graham Shafer
One employee not referenced in the	Timmy Teepell
Complaint	Wes Anderson (NC only) <sup>3</sup>
Wes Anderson (AR only)	

Consistent with this firewall policy, Mr. Todd consulted with the NRA on a variety of matters, which primarily included general public relations matters and matters involving federal and state legislation. Affidavit of Bradley Todd at ¶ 3. Mr. Todd also consulted on election-related matters involving elections *other than* the U.S Senate elections in North Carolina, Arkansas, and Colorado. *Id.* Mr. Todd did not communicate or convey any non-public information about the campaign plans, projects, activities, or needs of Thom Tillis, Tom Cotton, or Cory Gardner to any representative of the NRA-PVF or NRA-ILA. *Id.* at ¶ 4. Mr. Todd was not involved in any decisions relating to the creation, production, or distribution of any independent expenditures created by or on behalf of the NRA-PVF or NRA-ILA in connection with the U.S. Senate elections in North Carolina, Arkansas, or Colorado. *Id.* at ¶ 5.

In 2016, the companies implemented a virtually identical firewall policy, included as Attachment B.<sup>4</sup>

#### 2016 Firewall Structure:

U.S. Senate Candidates (WI)	NRA-PVF & NRA-ILA
Wes Anderson	Curt Anderson
Guy Harrison	Graham Shafer
Brad Todd	Timmy Teepell
Eight employees not referenced in the	One employee not referenced in the
Complaint	Complaint

In 2016, NRA-ILA made one payment of \$48,537 on October 30, 2016 to Starboard Strategic for an independent expenditure in opposition to Wisconsin Senate candidate Russ Feingold. NRA-PVF made payments totaling \$125,289.88 on October 19 and 21 to Starboard Strategic for independent expenditures in connection with the Wisconsin Senate election. All of these independent expenditures were made well after OnMessage, Inc. ceased providing services

<sup>&</sup>lt;sup>3</sup> Mr. Anderson conducted one poll for the NRA-PVF in July 2014 with regard to the North Carolina U.S. Senate election.

<sup>&</sup>lt;sup>4</sup> Information regarding clients not involved in this matter has been redacted.

to Ron Johnson for Senate, Inc. in mid-August 2016. (The Wisconsin Senate firewall remained in place even after mid-August 2016; no employee who previously provided services to Ron Johnson for Senate participated in the services provided to the NRA-PVF and NRA-ILA in connection with the Wisconsin Senate election.)

As was the case in 2014, and pursuant to the 2016 firewall policy, Mr. Todd consulted with the NRA on a variety of matters, which primarily included general public relations matters and matters involving federal and state legislation. Affidavit of Bradley Todd at ¶ 3. Mr. Todd also consulted on election-related matters involving elections *other than* the U.S Senate election in Wisconsin. *Id.* Mr. Todd did not communicate or convey any non-public information about the campaign plans, projects, activities, or needs of Ron Johnson to any representative of the NRA-PVF or NRA-ILA. *Id.* at ¶ 6. Mr. Todd was not involved in any decisions relating to the creation, production, or distribution of any independent expenditures created by or on behalf of the NRA-PVF or NRA-ILA in connection with the U.S. Senate election in Wisconsin. *Id.* at ¶ 5,

#### II. Complaint Overview

According to the Complainant, the same individuals serve as officers and directors of two political consulting firms, OnMessage, Inc. and Starboard Strategic, Inc. From publicly-filed reports, the Complainant has determined that NRA-PVF and NRA-ILA contracted with Starboard Strategic, Inc. in 2014 and 2016 for consulting services, including the production of independent expenditures in support of certain U.S. Senate candidates. The campaign committees of Senators Tillis, Cotton, Gardner, and Johnson are identified in the Complaint as campaigns that contracted with OnMessage, Inc. for consulting services.

The Complainant alleges that "Starboard was functionally indistinguishable from OnMessage." On the basis of these facts, the Complainant draws the following conclusions:

- According to the Complainant, "OnMessage created Starboard for the purpose of disguising the NRA-PVF's and NRA-ILA's coordinated communications."
- According to the Complainant, "[i]n effect, the evidence indicates that Starboard was
  created as a shell company to hide OnMessage's status as a common vendor between the
  NRA-PVF/NRA-ILA and the candidates supported by those entities."6
- According to the Complainant, "the apparently deliberate routing of OnMessage's NRA business through the corporate shell of Starboard provides reason to believe that the purpose of OnMessage's creation of Starboard was to allow OnMessage to use or convey to the NRA-PVF and NRA-ILA information about the 'plans, projects, activities or needs' of the Tillis, Cotton, Gardner and Johnson campaign committees, and that such information was 'material to the creation, production, or distribution' of the NRA-PVF and NRA-ILA communications in support of those candidates."

<sup>&</sup>lt;sup>5</sup> Complaint at ¶ 2.

<sup>&</sup>lt;sup>6</sup> *Id.* at ¶ 49.

<sup>&</sup>lt;sup>7</sup> *Id.* at ¶ 51.

• And finally, Complainant declares that NRA-PVF and NRA-ILA "ha[ve] made illegal, excessive, and unreported in-kind contributions to the Thom Tillis Committee, Cotton for Senate, Cory Gardner for Senate, and/or Ron Johnson for Senate, Inc. by financing coordinated communications through the use of a common vendor.8

As explained above, Starboard Strategic, Inc. is *not* a "shell company" and it was *not* created to disguise or hide coordination through a common vendor. These allegations are a red herring because the Commission's coordination regulations do not inquire into a vendor's business organization.

The Complainant acknowledges that it has no information regarding whether OnMessage, Inc. and/or Starboard Strategic, Inc. had a firewall policy in place. The Complainant also acknowledges that the circumstances described in the Complaint may be entirely within the law: "With respect to the work being done for these particular campaigns, certain partners – not just employees – would have had to have been firewalled off from each other, Brendan Fischer, the director of the Federal Reform at the Campaign Legal Center, said." As explained below, this is exactly what occurred.

#### **III.** Legal Analysis

#### A. Common Vendor Status

OnMessage, Inc. and Starboard Strategic, Inc. are two separate corporations run by many of the same people. Corporate annual reports filed by both companies list each company's officers, directors, and place of business. These corporate annual reports are publicly available on the Virginia State Corporation Commission website for anyone to view. To the best of our

<sup>&</sup>lt;sup>8</sup> *Id.* at ¶¶ 41-42.

<sup>&</sup>lt;sup>9</sup> See Complaint at ¶ 51 n.102 ("there is no evidence of a firewall between Starboard and OnMessage").

<sup>&</sup>lt;sup>10</sup> Mike Spies, The Mystery Firm That Has Become the NRA's Top Election Consultant, The Trace (July 13, 2018), https://www.thetrace.org/2018/07/nra-campaign-finance-onmessage-starboard-strategic/. (Included as Attachment C.) The Complaint cites repeatedly to a Politico Magazine article to substantiate its claims. It is apparent, however, that the Complainant collaborated with the article's writer for what is represented in the Complaint as a "Politico article." See Complaint at ¶ 13 ("According to a recent POLITICO article ..."); Complaint at ¶ 26 ("According to POLITICO ..."); Complaint at ¶ 30 ("POLITICO reported ..."). The author of the article is Mike Spies. Mr. Spies does not work for either Politico or Politico Magazine; he works for The Trace. The Trace's website published the same article as Politico Magazine, but noted that "This story was reported in partnership with Politico Magazine." See Mike Spies, The Mystery Firm That Has Become the NRA's Top Election Consultant, The Trace (July 13, 2018), https://www.thetrace.org/2018/07/nra-campaign-finance-onmessage-starboard-strategic/. The Trace receives funding from Everytown for Gun Safety Support Fund, among others. See The Trace, Donor and Financial Transparency, https://www.thetrace.org/donor-financial-transparency/. In other words, one liberal activist organization, the Campaign Legal Center, worked with another liberal activist organization, an anti-gun "news" organization, to produce an anti-NRA piece that was published by both the anti-gun organization and Politico Magazine, the latter of which did not fully disclaim the article's provenance to its readers. The Complaint does not mention any of these details, which is odd for an organization that professes to be deeply concerned about disclosure and transparency.

knowledge, the Act has nothing to say about how individuals may or must organize their business, and individuals providing services through multiple legal entities has never before been treated as evidence of "coordination."

For purposes of this matter, the Respondents acknowledge that the Commission has treated separate but "related" companies operated by the same individuals as a single "common vendor" in the past. <sup>11</sup> Respondents do not contest that OnMessage, Inc. and Starboard Strategic, Inc., by virtue of their being operated and controlled by the same individuals, may be treated as a "common vendor" in this matter with respect to the NRA-PVF and NRA-ILA and the federal candidate committees identified in the Complaint.

The Respondents note, however, that this threshold question has absolutely no impact on the underlying legal issue. The two companies were *not* established for the purpose of hiding a coordination conspiracy, as the Campaign Legal Center has represented to the media. More importantly, however, the Complainant presents no evidence that the "common vendor" failed to maintain an appropriate firewall policy or in any way "used or conveyed" any non-public, material information.

#### B. Common Vendor Payor and Content Standards

The Complainant alleges impermissible coordination between the two NRA Respondents and four federal candidates through a common vendor. Under this theory, three standards must be met to find a violation of the law. First, a public communication must be paid for by a person other than a candidate, political party, or an agent of either. Second, the public communication must satisfy one of four content standards. Second the public communication must satisfy one of four content standards.

The Respondents acknowledge that the payment and content standards of the Commission's coordinated communications test are satisfied by the NRA-PVF's and NRA-ILA's payments for independent expenditures that advocated for the elections of Thom Tillis, Tom Cotton, Cory Gardner, and Ron Johnson.<sup>14</sup>

#### C. Common Vendor Conduct Standard

Most critically, the involved parties must satisfy one of five conduct standards. <sup>15</sup> The Complaint alleges coordination through a common vendor. Under 11 C.F.R. § 109.21(d)(4), the "common vendor" standard consists of three parts, and requires a showing of the following:

<sup>&</sup>lt;sup>11</sup> See, e.g., MUR 5502 (Martinez for Senate); MUR 5546 (Progress for America Voter Fund).

<sup>&</sup>lt;sup>12</sup> 11 C.F.R. § 109.21(a)(1).

<sup>&</sup>lt;sup>13</sup> 11 C.F.R. § 109.21(a)(2), (c).

<sup>&</sup>lt;sup>14</sup> See 11 C.F.R. § 109.21(a)(1), (c)(3).

<sup>&</sup>lt;sup>15</sup> 11 C.F.R. § 109.21(a)(3), (d).

- (i) The person paying for the communication, or an agent of such person, contracts with or employs a commercial vendor, as defined in 11 CFR 116.1(c), to create, produce, or distribute the communication;
- (ii) That commercial vendor, including any owner, officer, or employee of the commercial vendor, has provided any of the following services to the candidate who is clearly identified in the communication, or the candidate's authorized committee, the candidate's opponent, the opponent's authorized committee, or a political party committee, during the previous 120 days:
  - (A) Development of media strategy, including the selection or purchasing of advertising slots;
  - (B) Selection of audiences;
  - (C) Polling;
  - (D) Fundraising;
  - (E) Developing the content of a public communication;
  - (F) Producing a public communication;
  - (G) Identifying voters or developing voter lists, mailing lists, or donor lists:
  - (H) Selecting personnel, contractors, or subcontractors; or
  - (I) Consulting or otherwise providing political or media advice; and
- (iii) That commercial vendor uses or conveys to the person paying for the communication:
  - (A) Information about the campaign plans, projects, activities, or needs of the clearly identified candidate, the candidate's opponent, or a political party committee, and that information is material to the creation, production, or distribution of the communication; or
  - (B) Information used previously by the commercial vendor in providing services to the candidate who is clearly identified in the communication, or the candidate's authorized committee, the candidate's opponent, the opponent's authorized committee, or a political party committee, and that information is material to the creation, production, or distribution of the communication.

The "uses or conveys" requirement, at (iii) above, is not satisfied if the information material to the creation, production, or distribution of the communication used or conveyed by the commercial vendor was obtained from a publicly available source. <sup>16</sup>

Furthermore, Commission regulations provide that the common vendor standard is not met if the commercial vendor has established and implemented a written firewall policy that

<sup>&</sup>lt;sup>16</sup> 11 C.F.R. § 109.21(d)(4)(iii).

prohibits the flow of information between employees or consultants providing services for the person paying for the communication and those employees or consultants currently or previously providing services to the candidate who is clearly identified in the communication, or the candidate's authorized committee, the candidate's opponent, the opponent's authorized committee, or a political party committee.<sup>17</sup>

An effective firewall prevents non-public information from being "used or conveyed" in the manner described at 11 C.F.R. § 109.21(d)(4)(iii). Commission regulations are clear that a firewall policy is a safe harbor and not a requirement.

#### D. Past Commission Treatment of Common Vendor Allegations

# 1. Explanation and Justification Established That Existence of Common Vendor Is Permissible and Creates No Presumption of Coordination

When the common vendor provision was adopted, the Commission made clear that the mere existence of a common vendor does not violate any provision of the Act or Commission regulations, nor does it create any presumption of coordination. In other words, the use of a common vendor is not, in and of itself, impermissible or a violation of any regulatory standard. The Commission explained, "[e]ven those vendors who provide one or more of the specified services are not in any way prohibited from providing services to both candidates or political party committees and third-party spenders." The Commission noted that "[i]t disagrees with those commenters who contended the proposed standard created any 'prohibition' on the use of common vendors, and likewise disagrees with the commenters who suggested it established a presumption of coordination." Finally, the Commission emphasized that "[t]he final rule does not require the use of any confidentiality agreement or ethical screen because it does not presume coordination from the mere presence of a common vendor." \*\*20\*\*

Rather, the behavior targeted by the common vendor standard is "the sharing of information about plans, projects, activities, or needs of a candidate or political party through a common vendor." The critical "requirement encompasses situations in which the vendor assumes the role of a conduit of information between a candidate or political party committee and the person making or paying for the communication, as well as situations in which the vendor makes use of the information received from the candidate or political party committee without actually transferring that information to another person." <sup>22</sup>

<sup>&</sup>lt;sup>17</sup> 11 C.F.R. § 109.21(h).

<sup>&</sup>lt;sup>18</sup> Final Rule on Coordinated and Independent Expenditures, 68 Fed. Reg. 421, 436 (Jan. 3, 2003).

<sup>&</sup>lt;sup>19</sup> *Id*.

<sup>&</sup>lt;sup>20</sup> Id. at 437 (emphasis added).

<sup>&</sup>lt;sup>21</sup> Id. at 436.

<sup>&</sup>lt;sup>22</sup> Id. at 437.

The fact that a common vendor was used does not suggest any violation of the law because there is nothing impermissible about using a common vendor, and the Commission stated in the *Explanation and Justification* that it would draw no presumption that coordination occurred from the mere fact of a common vendor. Rather, a reason to believe finding requires that *some* evidence be presented in the Complaint showing or suggesting that the third part of the test has been met.

## 2. Early Enforcement Cases Improperly Found Reason to Believe Without Evidence of Any Coordination Conduct

In a small number of enforcement matters on which the Commission voted in 2005, both the General Counsel and a majority of the Commission failed to honor the 2003 Explanation and Justification. These examples, however, are outliers and subsequent matters corrected the Commission's error.

On April 19, 2005, the Commission voted 4-2 to find reason to believe in MUR 5502 (Martinez for Senate), although the Factual and Legal Analysis indicates a lesser standard was actually applied: "Because the first two parts of the 'common vendor' test are met, there is *sufficient basis to investigate* whether the use or exchange of information occurred as described in 11 C.F.R. § 109.21(d)(4)(iii)."<sup>23</sup> The Office of General Counsel deposed three individuals but then explained: "The information developed in the investigation indicates that neither Stevens-Schriefer nor Red October used or conveyed to the Martinez campaign information pertaining to the plans, projects, activities or needs of the Bush campaign that was material to the creation, production, or distribution of the Martinez advertisements."<sup>24</sup> Sixteen months after improperly voting to find "reason to believe" (or, more accurately, "sufficient basis to investigate"), the Commission unanimously voted to take no further action and closed the file.

On June 21, 2005, the Commission voted 4-1 to find "reason to believe" in MUR 5546, again applying the lesser "sufficient basis to investigate" standard.<sup>25</sup> The Office of General Counsel undertook an investigation and, once again, found no wrongdoing: "Our investigation revealed substantial information about the roles of Mr. Synhorst and the various vendors involved, but has produced no credible evidence that any coordination occurred."<sup>26</sup> Nearly two years after finding "reason to believe," the Commission unanimously voted to take no further action and closed the file in February 2007.

<sup>&</sup>lt;sup>23</sup> MUR 5502 (Martinez for Senate), Factual and Legal Analysis at 8 (emphasis added).

<sup>&</sup>lt;sup>24</sup> MUR 5502 (Martinez for Senate), General Counsel's Report #2 at 2.

<sup>&</sup>lt;sup>25</sup> See MUR 5546 (Progress For America Voter Fund), Factual and Legal Analysis at 9 ("Because the first two parts of the 'common vendor' test are met, there is a *sufficient basis to investigate* whether the use or exchange of information occurred as described in 11 C.F.R. § 109.21(d)(4)(iii).") (emphasis added).

<sup>&</sup>lt;sup>26</sup> MUR 5546 (Progress For America Voter Fund), General Counsel's Report #2 at 2.

In these cases,<sup>27</sup> the Commission voted to find that there was "a sufficient basis to investigate" the common vendor allegations but did not require the Complaint to include <u>any</u> evidence that the vendor actually "used or conveyed" information about a candidate's campaign plans, projects, activities or needs. While there was no evidence that the common vendors in these cases facilitated any impermissible coordination, the respondents were nevertheless subjected to lengthy investigations. More recently, three Commissioners have rejected this approach, explaining that "[t]he RTB standard does not permit a complainant to present mere allegations that the Act has been violated and request that the Commission undertake an investigation to determine whether there are facts to support the charges." However, in MURs 5502 and 5546, the respondents were forced to demonstrate their innocence after the Commission presumed coordination on the basis of exactly the facts that it previously told the regulated community would not lead to any such presumption.

The stated basis for the "reason to believe" findings in MURs 5502 and 5546 is plainly inconsistent with the Commission's 2003 Explanation and Justification. The Commission found reason to believe where the evidence showed only "the mere presence of a common vendor" after informing the regulated community that "the mere presence of a common vendor" would lead to no presumption of coordination. The absence of any evidence showing a violation of the law was apparently accommodated through use of the "sufficient basis to investigate" standard, which does not exist in the statute and is inconsistent with the "reason to believe" requirement.<sup>29</sup> Shortly after finding reason to believe in these two matters, the Commission adopted a different approach to "common vendor" allegations.

## 3. Evidence that "Common Vendor" "Used or Conveyed" Material Information Must Be Shown

In August 2005, the Commission applied a notably different standard which hewed far more closely to the "common vendor" discussion in the 2003 Explanation and Justification and the "reason to believe" standard set forth in MUR 4960. In MUR 5609, the Commission voted unanimously to find no reason to believe after the General Counsel noted that "the available information provides no support for an inquiry into whether the third element of the coordinated communications regulation was satisfied – the conduct standard." In a footnote, the General Counsel explained that the vendor in this matter did not respond in detail to every allegation, "but in the absence of more specific allegations in the complaint, they constitute a sufficient

<sup>&</sup>lt;sup>27</sup> The Commission appears to have taken the same approach in MUR 5403/5466 (America Coming Together).

<sup>&</sup>lt;sup>28</sup> MUR 6056 (Protect Colorado Jobs), Statement of Reasons of Vice Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Donald F. McGahn at 6 n.12.

<sup>&</sup>lt;sup>29</sup> See MUR 4960 (Clinton), Statement of Reasons of David M. Mason, Karl J. Sandstrom, Bradley A. Smith and Scott E. Thomas at 1-2 ("The Commission may find "reason to believe" only if a complaint sets forth sufficient specific facts, which, if proven true, would constitute a violation of the FECA. . . . Unwarranted legal conclusions from asserted facts, ... or mere speculation, ... will not be accepted as true.").

<sup>&</sup>lt;sup>30</sup> MUR 5609, First General Counsel's Report at 6.

rebuttal that he engaged in conduct that would satisfy the coordinated communications conduct standard."31

In 2006, the Commission voted to find no reason to believe where there was insufficient "specific information" to suggest that the conduct standard was met.<sup>32</sup> On January 11, 2007, the Commission unanimously voted to find no reason to believe where the First General Counsel's Report noted that "the mere presence of a common vendor is not sufficient to satisfy the conduct prong of the coordinated communication test."<sup>33</sup> In 2009, the General Counsel wrote, "the use of a common vendor, in and of itself, has not been found by the Commission to be sufficient to meet the 'conduct' prong of the coordination test."<sup>34</sup>

In another 2009 case, the Commission reiterated that "the use of a common vendor, in and of itself, has not been found by the Commission to be sufficient to meet the conduct prong of the coordination test." In this matter, the Commission unanimously voted to dismiss the Complaint and explained that the commercial vendor "appears to satisfy only the first two of the three common vendor elements," but "[t]he third common vendor element is not met ... because there is no information suggesting that SRCP used or conveyed material information about RCCNM or 'Can't Trust' to Freedom's Watch. The complaint only states that the use of a mutual vendor 'further suggests' information sharing, but does not indicate what information ... was actually shared." <sup>36</sup>

In 2010, the Commission rejected the complainant's "unsupported allegations" where "[t]he complaint ... provides no specific information indicating that conduct showing coordination based on a common vendor theory occurred, and only speculates that the common vendor ... 'very likely' used or conveyed to the payor information about the [candidate's] campaign plans, projects, activities, or needs."<sup>37</sup>

<sup>&</sup>lt;sup>31</sup> *Id.* at 7 n.4.

<sup>&</sup>lt;sup>32</sup> See MUR 5754, Factual and Legal Analysis ("the complaint does not contain sufficient information on which to base an investigation into whether MOVF satisfied the 'conduct' standard of the coordinated communications test, nor does it even specifically identify which 'conduct' standard would apply to the activity complained of'). This document, available at <a href="https://www.fec.gov/files/legal/murs/5754/000058F5.pdf">https://www.fec.gov/files/legal/murs/5754/000058F5.pdf</a>, is undated in the Commission's database, but the Factual and Legal Analysis in MUR 6050 (Boswell for Congress) describes it as being dated December 12, 2006.

<sup>&</sup>lt;sup>33</sup> MUR 5691, First General Counsel's Report at 8.

<sup>&</sup>lt;sup>34</sup> MUR 6050, First General Counsel's Report at 9.

<sup>&</sup>lt;sup>35</sup> MUR 6120, Factual and Legal Analysis at 11.

<sup>&</sup>lt;sup>36</sup> *Id.* at 11-12.

<sup>&</sup>lt;sup>37</sup> MUR 6269, Factual and Legal Analysis at 6.

In 2012, the General Counsel produced, and three Commissioners supported, an explanation of the "common vendor" standard that is consistent with the 2003 Explanation and Justification. The General Counsel wrote:

[T]he Complaint does not present any allegations of specific conduct, and we did not locate any publicly available information, including any press accounts, which assert any influence by the Berman Committee or any conveyed information. As several of the Respondents note, during the 2002 coordination rulemaking, the Commission specifically rejected the idea that use of a common vendor alone would establish a "presumption of coordination." Instead, the regulation "focuses on the sharing of information … through a common vendor to the spender who pays for a communication that could not then be considered to be made 'totally independently' from the candidate." *See* E&J, 68 Fed. Reg. at 436. Given the conclusory nature of the Complaint's allegations regarding the conveyance of information by a common vendor, the Complaint is essentially relying on a presumption of coordination, precisely the inferential leap the E&J disfavors. Accordingly, we do not believe the allegations are sufficient to find reason to believe a common vendor conveyed information as contemplated in the coordination regulation.

[\*\*\*]

Given the conclusory nature of the Complaint – made without personal knowledge or reference to supporting evidence – and the lack of information available from any other source that would support a reasonable inference that the activities here may have been coordinated within the meaning of the regulations, we conclude that the Commission lacks a sufficient basis to find that a violation occurred.<sup>38</sup>

This passage is significant because it correctly recognizes that without "any allegations of specific conduct," a reason to believe finding must necessarily "rely[] on a presumption of coordination." Finding reason to believe on the basis of this "presumption" is inconsistent with the 2003 Explanation and Justification.

Notwithstanding the divided vote in MUR 6570, the following year, the Commission approved a Factual and Legal Analysis that concluded: "the Complaint fails to present any information indicating that Mailing Pros used or conveyed to America Shining any information regarding Jay Chen or the Chen Committee, much less information material to the creation, production, or distribution of the mailers."<sup>39</sup>

In summary, the Commission appears to have used different standards when approaching "common vendor" complaints at the "reason to believe" stage. The approach urged by the

<sup>&</sup>lt;sup>38</sup> MUR 6570, First General Counsel's Report at 12-13, 14. The three Commissioners who voted against the General Counsel's recommendation explained their support for a "limited investigation" in two Statements of Reasons. Neither Statement of Reasons suggested that "reason to believe" may be found on the basis of "the mere presence of common vendor."

<sup>&</sup>lt;sup>39</sup> MUR 6668, Factual and Legal Analysis at 8.

Complainants (to find reason to believe where "the first two parts of the common vendor test are satisfied," even in the absence of credible evidence pertaining to the third part of the test) has not been used since 2005, and since then the Commission has consistently required evidence of actual conduct in subsequent enforcement matters. This latter approach is consistent with the 2003 Explanation and Justification and appropriately implements the requirement that coordination not be presumed from the "mere presence of a common vendor."

#### E. Application of Current Law to the Complaint's Allegations

OnMessage, Inc., Starboard Strategic, Inc., and the directors and officers of both companies deny using or conveying to NRA-PVF and/or NRA-ILA any information about the campaign plans, projects, activities, or needs of any of the identified candidates or candidate's committees. The Complaint presents no evidence or information to the contrary. OnMessage, Inc. and Starboard Strategic, Inc. implemented a firewall policy that was specifically designed to prevent the flow of the information that the Complaint baselessly claims occurred.

The Complainant presents <u>no</u> specific evidence that the third part of the "common vendor" test was satisfied.<sup>40</sup> The Complaint contains <u>no</u> information or evidence showing or suggesting that the commercial vendor used or conveyed to the person paying for the communication any information about campaign plans, projects, activities, or needs of the clearly identified candidate, and the Complaint contains <u>no</u> information or evidence showing or suggesting that this information was material to the creation, production, or distribution of the communication. *See* 11 C.F.R. § 109.21(d)(4)(iii).

The Complainant presents nothing more than publicly available evidence showing that a common vendor provided services to multiple clients. The Complaint's allegations that any part of 11 C.F.R. § 109.21(d)(iii) was satisfied are pure speculation. Rather, the dots that the Complainant connects have no logical connection to one another. For example, the Complainant writes:

Evidence shows that Starboard was functionally indistinguishable from OnMessage; in fact, On Message has repeatedly taken credit for advertisements that the NRA-PVF and NRA-ILA paid Starboard to produce (and has even won awards for such ads). Therefore, there is reason to believe that OnMessage/Starboard used strategic information derived from its work for the Cotton, Tillis, Gardner, and Johnson campaigns to develop NRA-PVF and NRA-ILA advertisements expressly advocating for those same candidates, and that the NRA-PVF and NRA-ILA made coordinated communications with those campaign committees through the use of a "common vendor."

<sup>&</sup>lt;sup>40</sup> The Complainant's legal argument frankly acknowledges that there is *no* specific evidence suggesting that information was improperly conveyed from one client to another through a common vendor. This is the reason that Complainant argues, at Paragraph 40 of the Complaint, that "[t]he Commission has found reason to believe that FECA has been violated if the first two parts of the common vendor test are satisfied."

Complaint at ¶ 2. The Complainant argues that *because* the two companies are "functionally indistinguishable," "there is reason to believe" they *must have* engaged in common vendor coordination, and "its appears" that OnMessage, Inc. *must have* created Starboard Strategic, Inc. "for the purpose of disguising" this. A serious person could not logically draw these conclusions. In past matters, the Commission has dismissed precisely this sort of baseless speculation.<sup>41</sup>

The Complaint does not contain any information that suggests any impermissible "common vendor" coordination. Specifically, the Complaint asserts that "POLITICO [sic] reported that Starboard's/OnMessage's [Brad] Todd is close friends with Chris Cox, the executive director of the NRA-ILA and the chairman of the NRA-PVF. NRA employees reported seeing Todd around their office, and noted '[t]here was consulting with [Todd] over high-end issues that were deemed controversial." Complaint at ¶ 30.43

Neither the Complaint nor the article in *The Trace* contain any information regarding the timing of the referenced conversations, and neither the Complaint nor the article contain any information about the particular subjects discussed. In a recently concluded matter, the Commission unanimously voted to dismiss after finding that "[t]he Complaints do not establish how these alleged discussions involving Priorities USA, HFA, and the DNC satisfy the conduct prong *and do not link any particular discussions to any specific public communications*. The

<sup>&</sup>lt;sup>41</sup> See, e.g., MUR 5576 (New Democrat Network), Factual and Legal Analysis at 5 n.7 (rejecting as insufficient to support a reason to believe recommendation the Complainant's claims that it "seems likely" that substantial discussion occurred, and that it was "not possible" the vendor was "not aware" of the campaign's activities and also "not possible" that the vendor was not "materially involved" in the outside organization's decisions).

<sup>&</sup>lt;sup>42</sup> The Commission has previously determined that personal relationships are not relevant to the legal issue of coordination. *See* MUR 6277 (Kirkland), Statement of Reasons of Vice Chair Caroline C. Hunter and Commissioners Donald F. McGahn and Matthew S. Petersen at 5 n.14 ("The complaint raised two other bases for alleged coordination, both of which we reject. First, that Robert and Ronald Kirkland are brothers and that Robert previously sent a fundraising email are irrelevant and provide no evidence of coordination under 11 C.F.R. § 109.21(d). The Commission's coordination regulations do not require heightened scrutiny to situations involving familial ties or other personal relationships, and we decline to do so here.").

<sup>&</sup>lt;sup>43</sup> Anonymous sources in genuine media reports should be viewed with skepticism at the reason to believe stage. *See generally* MUR 6002 (Freedom's Watch), Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Donald F. McGahn at 6 ("A reason-to-believe finding by the Commission must be based on specific facts from reliable sources. The New York Times article did not contain specific facts that the costs associated with the 'Family Taxes' advertisement were paid with funds that were donated by Mr. Adelson (or anyone else) for the purpose of furthering the electioneering communication. Moreover, the article relies predominantly on anonymous sources. Therefore, even if such facts had been included in the article, we still would be reluctant to make a reason-to-believe finding based solely on information culled from sources whose credibility and accuracy are difficult to ascertain."); MUR 6661 (Murray Energy Corporation), Statement of Reasons of Chairman Matthew S. Petersen and Commissioners Caroline C. Hunter and Lee E. Goodman at 7-8 (discussing anonymously sourced allegations in *New Republic*). Anonymous sourcing in the "reporting" of activist interest groups such as *The Trace*, which is known for its fervent opposition to the NRA, warrant further skepticism.

factual record, therefore, does not support a conclusion that the conduct prong is satisfied regarding Priorities USA's independent expenditures."<sup>44</sup>

In the present matter, the Complaint generally alleges common vendor coordination, but contains no specific information of any alleged conduct that would satisfy the third part of the common vendor test. The Complainant refers to an article that quotes two anonymous sources who claim that Mr. Cox and Mr. Todd spoke, but there is no specific information about what topics were discussed, or even when these discussions took place. The Complainant "do[es] not link any particular discussions to any specific public communications." More specifically, there is no evidence whatsoever suggesting that Mr. Todd conveyed any information to the NRA-PVF or NRA-ILA about the U.S. Senate elections in North Carolina, Arkansas, and Colorado in 2014, or in Wisconsin in 2016. To the contrary, Mr. Todd was "firewalled" with respect to these elections and there is no evidence to suggest that firewall was ineffective or in any way breached.

#### IV. Conclusion

The Commission receives baseless allegations of coordination on a routine basis. Generally, respondents correctly observe that the Complaint "does not ever attempt to explain how the Commission's 'conduct standards' were met and does not allege any actual coordination-related facts." Lacking any actual evidence of coordination, the General Counsel recommends dismissal and the Commission usually votes accordingly. This is exactly what should happen in this case.

The Complainant presents no evidence that any person associated with OnMessage, Inc. and/or Starboard Strategic, Inc. used or conveyed any material information derived from any candidate client to any other client. No such evidence exists because OnMessage, Inc. and Starboard Strategic, Inc. had firewalls in place to prevent any such use or conveyance of material information. The Complaint presents no evidence that these firewalls were ineffective, and Mr. Todd affirms by affidavit that he had no discussions with (or otherwise conveyed information to) the NRA-PVF or NRA-ILA about the 2014 U.S. Senate elections in North Carolina, Arkansas,

<sup>&</sup>lt;sup>44</sup> MUR 7155 and 7157 (Hillary for America, et al.), Factual and Legal Analysis at 11 (emphasis added).

<sup>&</sup>lt;sup>45</sup> MUR 6405 (Friends of John McCain), Response of Friends of John McCain (Dec. 13, 2010) at 2.

and Colorado, or about the 2016 U.S. Senate election in Wisconsin. The Complaint contains no evidence indicating there is any reason to believe a violation occurred and the Complaint should be dismissed.

Sincerely,

Jason Torchinsky Michael Bayes Jessica Furst Johnson

Attachments

#### AFFIDAVIT OF BRADLEY TODD

PERSONALLY came and appeared before me, the undersigned Notary, the within named BRADLEY TODD, and makes this his Statement and General Affidavit upon oath and affirmation of belief and personal knowledge that the following matters, facts and things set forth are true and correct to the best of his knowledge:

- 1. I am Bradley Todd. I am a co-founder of both OnMessage, Inc. and Starboard Strategic, Inc.
- 2. OnMessage, Inc. and Starboard Strategic, Inc. operate at all times with appropriate "firewall" policies that comply with the Federal Election Commission's requirements as set forth at 11 C.F.R. § 109.21(h).
- 3. During the period 2014-2016, I provided consulting services to the National Rifle Association of America Political Victory Fund and National Rifle Association Institute for Legislative Action. These services consisted primarily of consulting with respect to general public relations matters and matters involving federal and state legislation. In addition, I provided consulting services to the National Rifle Association of America Political Victory Fund and National Rifle Association Institute for Legislative Action in connection with state and federal elections other than the 2014 United States Senate elections in North Carolina, Arkansas, and Colorado, and the 2016 United States Senate election in Wisconsin.
- 4. In 2014, I did not communicate or convey any non-public information about the campaign plans, projects, activities, or needs of Thom Tillis, Tom Cotton, or Cory Gardner to any representative of the National Rifle Association of America Political Victory Fund or National Rifle Association Institute for Legislative Action.
- 5. In 2014, I was not involved in any decisions relating to the creation, production, or distribution of any independent expenditures created by or on behalf of the National Rifle Association of America Political Victory Fund or National Rifle Association Institute for Legislative Action in connection with the U.S. Senate elections in North Carolina, Arkansas, or Colorado.
- 6. In 2016, I did not communicate or convey any non-public information about the campaign plans, projects, activities, or needs of Ron Johnson to any representatives of the National Rifle Association of America Political Victory Fund or National Rifle Association Institute for Legislative Action.
- 7. In 2016, I was not involved in any decisions relating to the creation, production, or distribution of any independent expenditures created by or on behalf of the National Rifle Association of America Political Victory Fund or National Rifle Association Institute for Legislative Action in connection with the U.S. Senate election in Wisconsin.

#### Signature page follows

DATED this the 10 day of September, 2018

Signature of Affiant, Bradley Todd

SWORN to subscribed before me, this day of September, 2018

My Commission Expires: 9/30/202/



#### ATTACHMENT A

#### Federal Election Law Firewall Compliance Policy

To:

On Message Inc. Principals & Employees

From:

The Partners

Subject:

Federal Campaign Finance Law Firewall Policy for 2014

Date:

August 15, 2014

This memorandum memorializes the firewall policy that On Message Inc. ("OMI") has been using during the 2014 election cycle. OMI has enjoyed success performing services for a wide range of clients, from Federal candidate committees to political parties and their IE units to outside groups making independent expenditures or conducting issue advocacy, and other election groups. Campaign finance laws place increasingly strict rules on the way we conduct our business; as such, it is important that you read and understand this memo. Our continued success depends on complying with the prohibitions, limitations and requirements of the Bipartisan Campaign Reform Act of 2002 and corresponding Federal Election Commission ("FEC") regulations (collectively "BCRA"). In its 2010 Citizens United ruling, the U.S. Supreme Court confirmed that the FEC's coordination rules which necessitate this firewall policy are still in effect.

BCRA provides that public communications by independent expenditure/issue advocacy groups or political party committee independent expenditure units may be considered in-kind contributions to the candidate or party committee they support if the communications are coordinated between the independent expenditure group and the candidate or party committee. See 11 C.F.R. § 109.21. Common vendors working for different types of clients in the same election can trigger coordination unless the rules described in this memo are followed. As a result, we must recognize that BCRA places limits on vendors such as OMI who have a wide range of clients engaged in political activities, including candidate and party committees as well as issue advocacy and independent expenditure groups. That means that the partners and employees of OMI need to maintain "firewalls" to ensure that we do not inadvertently provide or transmit non-public information (1) about our independent expenditure/issue advocacy clients to our campaign or party committee clients, (2) about candidate committee clients to our independent expenditure/issue advocacy group or party committee independent expenditure clients, regular party committee independent expenditure/issue advocacy group clients.

Principals and employees working on opposite sides of the "firewall" must not under any circumstances communicate any information whatsoever about their separate clients. Being "firewalled" off means OMI principals/employees communicating with or generating content on

behalf of each client must not share or discuss, in any way, their separate clients' private plans, projects, activities or needs, including messages. This "firewall" must be maintained to ensure that no principal or employee inadvertently provides or transmits non-public information to the others.

In order to implement this firewall policy, OMI has created a conflict review process whereby OMI will review each 2014 race in which it is engaged to determine whether the possibility exists that an outside group or political party committee IE Unit for whom OMI is currently working or could be engaged to work in the 2014 cycle could sponsor a public communication that references an OMI candidate client in the same race. If, after the review, OMI believes this possibility may exist, it has created or will create a firewall structure in that race that prevents the flow of information about different clients' private plans, projects, activities, or needs, including messages in such a way that the coordination rules are triggered. Personnel and client information is compartmentalized so that one client's information (e.g., federal candidate or political party committee) is not shared with, or used in, another client's communications on the other side of the firewall (e.g., issue ad group). OMI will ensure that personnel who may have access to the private plans, projects, activities or needs of our clients — and those involved in generating content for them — remain on opposite sides of the firewalls in order to maintain the degree of separation that guards against client information being improperly shared or used. Personnel must observe these firewalls when working for clients conducting political activities. The conflict review process will be conducted for each race when OMI is retained by a new client and the personnel assigned to each silo of the firewall will be updated. A current list of the OMI partners and personnel assigned to each side of the firewall in each race where a potential conflict exists is attached to the memorandum as Attachment Λ. If clients are added, the list will be updated and distributed to OMI partners and personnel and retained as part of this policy.

#### OMI employees must not perform services for any:

- Independent expenditure/issue advocacy client within 120 days of having performed services for any U.S. Senate or House of Representatives candidate or party committee client if the issue advocacy client's communications name the same or an opposing candidate or a political party in relation to the same electoral race or geographical area as the previous client.
- Party committee client doing independent expenditures (excluding the permissible coordinated expenditure work for that party) within 120 days of having performed services for any U.S. Senate or House of Representatives candidate committee client if the party committee's communications name the same or an opposing candidate.

#### Furthermore, OMI personnel must not:

Discuss the private political plans, projects, activities or needs, including messages, of a
Senate campaign, congressional campaign or party committee with an OMI principal or
employee who is providing services to any independent expenditure, issue advocacy group,
or national political party independent expenditure unit that may conduct a communication

#### mentioning that candidate/client; or

Discuss the private political plans, projects, activities or needs, including messages, of any
independent expenditure or issue group or a national political party's independent
expenditure unit with a OMI principal or employee who is providing services to a Senate
campaign, congressional campaign or party committee who may be mentioned (or their
opponent may be mentioned) in a communication by that independent expenditure, issue
group, or party independent expenditure unit.

In addition, OMI personnel shall not discuss the private political plans, projects, activities or needs, including messages of a national political party's independent expenditure unit with an OMI principal or employee providing services to an independent expenditure or issue advocacy group.

Additionally, due to his work with the	Guy Harrison is walled off from
	And the second of the second
in accordance	with the applicable firewall policy governing his
work.	

These firewalls are not intended to prevent OMI from following its traditional business practice of providing its products to multiple clients – only that the private plans, projects, activities or needs of a client on one side of the firewall not be communicated or shared with a client on the other side of the firewall. The firewalls are also not intended to prevent OMI principals and employees from discussing administrative issues or procedures that will improve the services we provide to our clients. Similarly, these firewalls are not intended to prevent OMI principals from maintaining management and financial controls on the company's operations.

Obviously, OMI employees must maintain client confidentiality concerning each client's private plans, needs, strategies and activities. No OMI principal or employee should discuss any client matters with any unauthorized individuals or entities. OMI takes these issues seriously, and no individual client is worth exposing the firm to potential legal liability. To comply with these regulations, OMI is establishing firewalls, as we have in the past.

By signing below, you acknowledge that you have read and understand OMI's policy outlined above. If you have any questions or concerns about how this policy applies to a specific situation, please do not hesitate to contact us so that we may consult counsel and advise you in a comprehensive and efficient manner. We are in continually in the process of reviewing additional changes to implement the safeguards necessary to be in compliance with the regulations and will keep you updated.

#### OMI FIREWALL Attachment A

#### ATTACHMENT A

Current Client / Firewall Breakdown (as of July 24, 2014)

#### 2014 US Senate

	Candidates / Parties		Outside Groups
Brad Todd	Arkansas		Georgia
	Colorado	ip Exil	Iowa
			Kentucky
	North Carolina		Louisiana
			Oklahoma
			Virginia
Guy Harrison	Arkansas		Georgia
	Colorado		Iowa
	North Carolina		Kentucky
			Louisiana
			Oklahoma
			Virginia
Wes Anderson	Arkansas		Georgia
			Iowa
			Kentucky
			Louisiana
			Michigan
			Montana
			North Carolina
			Oklahoma

#### **OMI FIREWALL Attachment A**

			Oregon
	Arkansas		Georgia
	Colorado		Iowa
	North Carolina		Kentucky
			Louisiana
			Oklahoma
			Virginia
Timmy Teepell			Arkansas
Graham Shafer			Colorado
Curt Anderson			Georgia
			Iowa
			Kentucky
			Louisiana
		8	Michigan
			Montana
			North Carolina
			Oklahoma
			Oregon
			Virginia

OMI recognizes that work on any particular race for an organization in one silo will preclude that person from working on that race in any other silo, and has divided services provided in Senate races by state between the employees and partners as indicated above. Should OMI consider adding additional clients involved in 2014 Senate races, the list of specific races in which OMI has provided services will be consulted in accordance with the processes outlined in the 2014 Firewall Policy.

#### ATTACHMENT B

#### On Message Inc. Firewall Compliance Policy

To:

On Message Inc. Principals & Employees

From:

The Partners

Subject:

Federal Campaign Finance Law Firewall Policy for 2015-16

Date:

August \_\_\_\_, 2015

This memorandum memorializes the firewall policy that On Message Inc. ("OMI") will utilize during the 2015-16 election cycle.

#### Background

OMI has enjoyed success performing services for a wide range of clients, from Federal candidate committees to political parties and their independent expenditure units to outside groups making independent expenditures or conducting issue advocacy, and other election groups. Campaign finance laws place increasingly strict rules on the way we conduct our business; as such, it is important that you read and understand this memo. Our continued success depends on complying with the prohibitions, limitations and requirements of the Bipartisan Campaign Reform Act of 2002 and corresponding Federal Election Commission ("FEC") regulations (collectively "BCRA").

BCRA provides that public communications by independent expenditure ("IE") groups or political party committee IE units may be considered in-kind contributions to the candidate or party committee they support if the communications are coordinated between the independent expenditure group and the candidate or party committee. See 11 C.F.R. § 109.21.

Vendors such as OMI working for different types of clients making communications in the same election can trigger coordination under BCRA. Accordingly, the partners and employees of OMI must maintain and adhere to "firewalls" to ensure that we do not inadvertently provide or transmit non-public information (1) about our independent expenditure/issue advocacy clients to our campaign or party committee clients, (2) about candidate committee clients to our independent expenditure/issue advocacy group or party committee independent expenditure clients, or (3) about party committee independent expenditure clients to our candidate committee clients, regular party committee or independent expenditure/issue advocacy group clients.

#### **Policy**

OMI has established a Firewall Compliance Policy to prevent the flow of information about different clients' private plans, projects, activities, or needs (including messages) in such a way that the federal coordination rules are triggered.

The essence of this Firewall Compliance Policy is that principals and employees working on opposite sides of a firewall must not communicate any material, non-public information about their separate clients. This means that OMI principals/employees communicating with or generating content on behalf of one client must not share or discuss their separate clients' private plans, projects, activities or needs, including messages. This firewall must be maintained to ensure that no principal or employee inadvertently provides or transmits non-public information to others.

In order to implement this Firewall Compliance Policy, OMI has created a conflict review process whereby OMI will review each 2016 race in which it is engaged to determine whether the possibility exists that an outside group or political party committee for whom OMI is currently working or could be engaged to work in the 2016 cycle could sponsor a public communication that references an OMI candidate client in the same race. If, after the review, OMI believes this possibility may exist, OMI will create a firewall structure in that race to prevent the flow of information about different clients' private plans, projects, activities, or needs, including messages, in such a way that the coordination rules are triggered.

Personnel and client information will be compartmentalized so that one client's information (e.g., federal candidate or political party committee) is not shared with, or used in, another client's communications on the other side of the firewall (e.g., IE-only group). OMI will ensure that personnel who may have access to the private plans, projects, activities or needs of our clients — and those involved in generating content for them — remain on opposite sides of the firewalls in order to maintain the degree of separation that guards against client information being improperly shared or used. Personnel must observe these firewalls when working for clients conducting political activities.

The conflict review process described above will be conducted for each new race in which OMI is retained, and the personnel assigned to each silo of the firewall will be updated. A list of the OMI partners and personnel assigned to each side of the firewall in each race where a potential conflict exists will be maintained. As clients are added, the list will be updated and distributed to OMI partners and personnel and retained as part of this Firewall Compliance Policy.

Pursuant to the Firewall Compliance Policy, OMI personnel must not perform services for:

- Independent expenditure/issue advocacy client within 120 days of having performed services for any federal candidate or party committee client if the issue advocacy client's communications name the same or an opposing candidate or a political party in relation to the same electoral race or geographical area as the previous client.
- Party committee client doing independent expenditures (excluding the permissible coordinated expenditure work for that party) within 120 days of having performed services for any federal candidate committee client if the party committee's communications name the same or an opposing candidate.

#### Furthermore, OMI personnel further must not:

- Discuss the non-public political plans, projects, activities or needs, including messages, of a federal candidate campaign committee or party committee with an OMI principal or employee who is providing services to any IE-only committee, issue advocacy group, or political party committee IE Unit; or
- Discuss the non-public political plans, projects, activities or needs (including messages)
  of any IE-only committee, issue advocacy group, or political party committee IE Unit
  with an OMI principal or employee who is providing services to a federal candidate
  campaign committee or party committee who may be mentioned (or their opponent
  may be mentioned) in a communication by that IE-only committee, issue advocacy
  group, or political party committee IE Unit.
- Discuss the non-public political plans, projects, activities or needs (including messages)
  of any political party committee IE Unit with an OMI principal or employee who is
  providing services to IE-only committee or issue advocacy group.

These firewalls are not intended to prevent OMI from following its traditional business practice of providing its services to multiple clients. Rather, it is that the private plans, projects, activities or needs of a client on one side of the firewall must not be communicated or shared with a client on the other side of the firewall. The firewalls are also not intended to prevent OMI principals and employees from discussing administrative issues or procedures that will improve the services we provide to our clients. Similarly, these firewalls are not intended to prevent OMI principals from maintaining management and financial controls on the company's operations.

In any event, OMI employees must maintain client confidentiality concerning each client's private plans, needs, strategies and activities. As a result, no OMI principal or employee should discuss any client matters with any unauthorized individuals or entities, and client files should be separately maintained so as not to commingle any client-specific information.

OMI takes these issues seriously, and no individual client is worth exposing the firm to potential legal liability. To comply with these regulations, OMI is continuing its policy of establishing firewalls as it has in previous election cycles.

By signing below, you acknowledge that you have read and understand OMI's policy outlined above. If you have any questions or concerns about how this policy applies to a specific situation, please do not hesitate to contact us so that we may consult counsel and advise you in a comprehensive and efficient manner. We are continually in the process of reviewing additional changes to implement the safeguards necessary to be in compliance with the regulations and will keep you updated.

If at any time you have questions regarding this policy, please contact Graham Shafer at graham@onmessageinc.com or (410) 591-1360.

#### **A**CKNOWLEDGEMENT

I have read the above Firewall Compliance Policy, and agree to abide by its terms:

Signature:	Date:
Name:	
Title:	

	LIC CENTATE
	US SENATE:
	WISCONSIN
	N/A
Curt Anderson	NRA
Ves Anderson	Ron Johnson
Guy Harrison	Ron Johnson
7	
aham Shafer	NRA
immy Teepell	NRA
Brad Todd	Ron Johnson
	NRA
	Ron Johnson
	Ron Johnson
	Ron Johnson

#### ATTACHMENT C

The Mystery Firm That Has Become the NRA's Top Election Consultant

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July 25, 2018

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NATIONAL RIFLE ASSOCIATION

# The Mystery Firm That Has Become the NRA's Top Election Consultant

Since 2014, the gun rights group has paid more than \$60 million to a little known contractor for ads in must-win political races. Did it break campaign finance laws in the process?

by Mike Spies · @mikespiesnyc · July 13, 2018

This story was reported in partnership with Politico Magazine.

Heading into the 2014 midterm elections, polls showed the Republican Party had an opportunity to retake control of the Senate. Such a change would severely limit President Barack Obama's legislative agenda during his final two years in office, an outcome that was especially attractive to the National Rifle Association. In the wake of devastating events like the 2012 mass shooting at Sandy Hook Elementary School, the president had become an aggressive promoter of new gun regulations.

To get its message out, the NRA turned to an unknown consulting firm, Starboard Strategic Inc., paying it \$19 million. More than a third of that money was invested in must-win Senate seats in Colorado, North Carolina, and Arkansas — three of the most expensive in the country — paying for a host of television, radio, and internet ads.

It was not unusual for the NRA to spend large sums of cash in an election cycle. What was odd was where the money was going. Before 2013, Starboard Strategic had never appeared in Federal Election

7/25/2018

The Mystery Firm That Has Become the NRA's Top Election Consultant

Commission reports. Someone curious about the firm would have found a skeletal <u>website</u> that listed no staff, clients, address, phone number, or previous work. There was just some generic branding language ("Good advertising and good ground operations start with good strategy") and a basic email address: info@starboardstrategicinc.com. Yet at a moment when the stakes were high — Republicans needed six seats to claim a majority — the firm had come out of nowhere to become the NRA's top election contractor.

Acquiring business of this magnitude would be an incredible feat for a firm with no reputation. The question is whether it was really accomplished by Starboard, or another outfit called OnMessage Inc.

Well-established and well-connected, OnMessage is as transparent as Starboard is opaque. What the FEC and the public do not know is that the two entities appear to be functionally one and the same.

In 2014, among OnMessage's most prominent clients were three Republican challengers vying for Senate seats in the same races where the NRA would pay Starboard some of its biggest outlays of the cycle: Thom Tillis, in North Carolina; Cory Gardner, in Colorado; and Tom Cotton, in Arkansas. All of these candidates would defeat Democratic incumbents, cementing the result for which GOP leaders and the NRA had mobilized: a Republican majority in the upper chamber to match the one in the House. Each challenger paid OnMessage between \$5 million and \$8 million, far more than they paid any other vendors.

Campaign finance rules prohibit coordination between official campaigns and outside groups, like the NRA, who support the same candidate. Those restrictions, in turn, give force to a fundamental law governing political spending. Outside groups can independently disburse unlimited sums to influence elections. But they can give no more than \$5,000 when giving directly to a candidate.

Official campaigns and the outside groups supporting them may use a common vendor, such as a political ad firm. However, the rules mandate the vendor ensure employees and partners working for each client don't share information. There is no evidence of any meaningful distinction between Starboard Strategic and OnMessage. Public records show the **two entities share corporate officers** and identical office addresses — one in Alexandria, Virginia, and the other in Annapolis, Maryland. Internal emails indicate executives toggled between roles for both firms. A former OnMessage employee who worked out of the Alexandria location in 2014 says Starboard had no separate dedicated presence there. "Beyond some Starboard-labeled thumb-drives lying around, I don't recall anything within our office that was called or associated with Starboard," said the former employee, who requested anonymity to avoid retribution.

# Records show that Starboard Strategic and OnMessage share common founders, executives, and addresses. The NRA is effectively Starboard's sole client.

OnMessage, Inc.	Starboard Strategic	
705 Melvin Avenue, #105 Annapolis, MD 21401	705 Melvin Avenue, #105 Annapolis, MD 21401	
817 Slaters Lane	817 Slaters Lane	
Alexandria, VA 22314	Alexandria, VA 22314	
Curt Anderson	Curt Anderson	
Wes Anderson	Wes Anderson	
Brad Todd	Brad Todd	
Orrin "Guy" Harrison	Orrin "Guy" Harrison	
Graham Shafer	Graham Shafer	
Timothy "Timmy" Teepell	Timothy "Timmy" Teepell	
	705 Melvin Avenue, #105 Annapolis, MD 21401 817 Slaters Lane Alexandria, VA 22314 Curt Anderson Wes Anderson Brad Todd Orrin "Guy" Harrison Graham Shafer	705 Melvin Avenue, #105 Annapolis, MD 21401  817 Slaters Lane Alexandria, VA 22314  Curt Anderson Wes Anderson Wes Anderson Brad Todd Orrin "Guy" Harrison Graham Shafer  705 Melvin Avenue, #105 Annapolis, MD 21401  817 Slaters Lane Alexandria, VA 22314  Curt Anderson Wes Anderson Wes Anderson Orrin "Guy" Harrison Graham Shafer

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1	OnMessage, Inc.	Starboard Strategic
Clients	Dozens of Republican senators, congresspeople, and governors, plus special interest groups.	Just the NRA, plus one modest expense from the Republican National Committee.

Source: **OnMessage, Inc.**; Federal Election Commisson; Virginia State Corporation Commission

Two former FEC chairs, one Republican and the other Democrat, reviewed the findings of Politico Magazine and The Trace, and said they found them troubling. "This evidence raises substantial questions about whether OnMessage and Starboard Strategic were used as conduits for coordination between the NRA and the candidates it was supporting," Trevor Potter, the Republican, said. "It's pretty serious," added Ann Ravel, the Democrat. "It doesn't seem right." Both former chairs independently came to the same conclusion: "The FEC should investigate."

In a close race, coordination can provide a candidate with crucial advantages. "When a group like the NRA is operating independently, there's a potential for its messaging to conflict with that of the candidate it's supporting," Brendan Fischer, the director of the Federal Reform Program at the Campaign Legal Center, a nonpartisan watchdog group, said. "There's also a good chance inefficiencies will arise. The NRA could target the wrong set of voters, or the same voters as the candidate, which would make its spending redundant." Sharing information, Fischer went on, allows an outside group and an official campaign to unfairly operate in harmony. "So if candidates are spending a lot of money between 7 a.m. and 9 a.m., for example, then perhaps the NRA's money is better spent between 5 p.m. and 6 p.m."

Typically, a firm serving as a common vendor to campaigns and outside groups seeks to prevent its employees from inappropriately sharing information by requiring them to read and sign what's known as a firewall policy. The text amounts to an agreement to comply with the law, and makes clear the penalties for failing to do so. It is not known if, or how, OnMessage enforced firewalls in races where Starboard was active on behalf of the NRA. Neither the NRA nor OnMessage nor its partners responded to multiple requests for comment that included written sets of detailed questions about whether Starboard is a fully operational company or a shell company that exists principally on paper.

The FEC is widely considered a toothless agency, paralyzed by partisan infighting, and campaign finance laws are often honored in the breach. But listing a shell company in FEC filings, according to Brett Kappel, a campaign finance expert, "would be a violation of the reporting requirements." The filer "should have identified whoever was actually performing the work." Indeed, according to a 2016 FEC General Counsel report, "The Commission has determined that merely reporting the immediate recipient of a committee's payment will not satisfy the requirements ... when the facts indicate that the immediate recipient is merely a conduit for the intended recipient of the funds."

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# Here's how the FEC regulates payments to vendors shared by a campaign and an outside group. And here's why ex-FEC chairs say the agency should investigate the NRA's top election consultant.

Click the arrow on the right to begin.

In May, the United States Court of Appeals for the Eighth Circuit issued an opinion that is consistent with the analysis of the FEC's top lawyer, and even goes a step further. According to the ruling, using the name of a shell company to report the recipient of money spent by a political committee could violate a criminal statute that prohibits the falsification of records to deceive a federal agency. Such a crime could result in a 20-year prison sentence.

Meanwhile, the NRA's relationship with Starboard persists. The gun group paid Starboard more than \$40 million in 2016, a sum that surpassed the total federal election payments made to OnMessage in the same year by all candidates and groups by more than \$10 million, according to campaign finance data. During that election cycle, Senator Ron Johnson, the Republican incumbent in Wisconsin, was defending his seat in a tight race. Johnson's campaign hired OnMessage. Later, the NRA, listing Starboard as its vendor, paid for ads boosting his candidacy. Johnson won his race by fewer than 100,000 votes.

This year, at least one of the contests that will determine control of the Senate features a candidate who has tapped OnMessage while benefitting from the firm's work on behalf of the NRA, according to the former OnMessage employee. In Florida, Governor Rick Scott is challenging Bill Nelson, the Democratic incumbent. In his last gubernatorial campaign, Scott hired OnMessage. The NRA, the former employee says, tapped the firm for pro-Scott work. But in Florida campaign finance records, which do not require filers to disclose the races in which money is spent, it's Starboard that appears as a vendor. Scott's chief political adviser is Curt Anderson, a partner at both OnMessage and Starboard, and Scott's Senate campaign has signed up OnMessage as a contractor. The NRA, which bashed the gun control package Scott signed in

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March after the Parkland school shooting, has yet to wade into the race, but its federal agenda depends on preserving a Republican majority in the Senate. The Florida race is likely to be the most competitive, and most expensive, of 2018, making any edge for either candidate potentially decisive.

OnMessage was founded in 2005 by three veteran Republican operatives: Curtis and Wesley Anderson, who are brothers, and Bradley Todd. Later, they added three more partners — GOP strategists Timmy Teepell, Guy Harrison, and Graham Shafer — and now have roughly a dozen employees. "If you want to talk about establishment Republican consulting firms, OnMessage is definitely one of the more prominent ones," Rick Wilson, a GOP strategist, said. "They've had a lot of wins over the last few years. They work the system in D.C. very effectively for their purposes."

A full-service political consulting shop, OnMessage is especially known for its award-winning, often cinematic ads. Its <u>sizzle reel</u> features a pounding soundtrack over snippets of emotionally charged campaign spots that alternately play for the heart or the gut. Candidates who OnMessage is retained to help elect are depicted <u>jamming</u> on a guitar or <u>jawing</u> with their dad on the family farm. Those it is hired to oppose may be <u>portrayed</u> by actors in elaborate scenarios, or more straightforwardly pummeled with unflattering juxtapositions and biting language. One of OnMessage's many industry accolades is for a merciless <u>2014 ad</u> against Charlie Crist, Scott's opponent. The spot earned a Reed Award for "Best Bare-Knuckled Street Fight TV Advertisement."

Of all of the OnMessage partners, Todd has the most public profile. He writes editorials for major network news sites, including a **recent piece** on Fox Opinion that takes NFL players to task for kneeling during the national anthem. On Twitter, he **derides** the "loony left," and appears on cable news shows to explain the conservative electorate to a media that he views as out of touch and uncomprehending. In the summer of 2016, during an **appearance** on MSNBC, he famously stated, "The voters take Donald Trump seriously as a candidate, but they don't take him literally. The press takes Donald Trump literally, but they don't take him seriously." In May, Todd and Salena Zito, a syndicated columnist, co-authored *The Great Revolt: Inside the Populist Coalition Reshaping American Politics*. The book examines the mindset of Trump's supporters, and has been enthusiastically **endorsed** by the president, who said it "does much to tell the story of our great election victory."

Over the years, OnMessage has built an impressive <u>roster</u> of clients. In addition to Tillis, Gardner, Cotton, Johnson and Scott, the firm has worked with the National Republican Senatorial Committee; the National Republican Congressional Committee; the Republican National Committee; and former senators Scott Brown and Thad Cochran, among many others. Another high-profile client has been the NRA.

Todd and the NRA's top lobbyist, Chris Cox, both attended Rhodes College in Tennessee and graduated together in 1992. "They're buddies," said a former employee of Cox's, who worked in the group's lobbying wing, the Institute for Legislative Action, and spoke on the condition of anonymity out of concern for professional consequences. "I'd occasionally see Brad around the office, and sometimes, before sending out an email to NRA members, Chris would have me run the language by Brad." A second former ILA staffer, who requested anonymity for the same reason, said, "Brad was definitely around the office, not regularly, but when he was, he was in the executive suite. There was consulting with Brad over high-end issues that were deemed controversial. It was, 'How do we say this?' Or, 'What language do we use?'" (Cox did not respond to request for comment.)

In 2010, the NRA for the first time listed OnMessage as a vendor in its FEC filings. That year, the gun rights group paid the firm about \$3.19 million for its services, including the production of ads in support of Republican Senate candidates like Roy Blunt and Patrick Toomey. The following cycle, in 2012, the NRA's expenditures linked to OnMessage greatly increased, totaling \$11.25 million, making the firm the NRA's top federal election vendor by more than \$5 million. Large portions of the money went toward ads attacking President Obama, who was up for re-election. During those two election cycles, OnMessage also produced ads and other messaging for candidates' campaigns, but never in races where it was working for the NRA.

In <u>January 2013</u>, according to a website registration document, Wesley Anderson registered Starboardstrategicinc.com. The <u>document provides an address</u> for the "admin contact" and the "tech contact," which begins "OnMessage Inc. ATTN STARBOARDSTRATEGIC.COM." The site has never included any details about the new company. But some of the language it does employ is nearly identical to

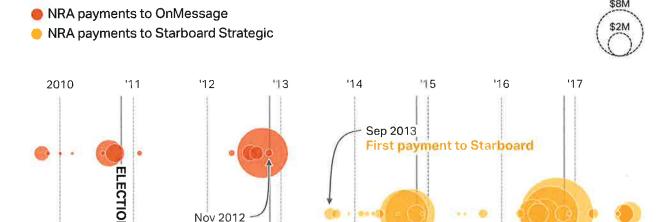
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language that can be found on the website of OnMessage. For example, each site has a tab for "Crisis Management." OnMessage's <u>reads</u>, "The political environment is constantly changing. Being prepared to respond to that change is an important part of any campaign and we are prepared to do it." On the Starboard site, the <u>word</u> "campaign" is replaced with "fight."

Two months later, in March 2013, <u>corporate documents show</u> that the partners at OnMessage — with the exception of Harrison, whose name would be added to filings in the years to come — incorporated Starboard Strategic Inc., and, as subsequent annual reports demonstrate, would function as its principals. OnMessage would never appear in the NRA's FEC reports again.

# OnMessage partners establish Starboard Strategic in 2013. It quickly becomes the NRA's top campaign firm.



Graphic: Daniel Nass. Source: Federal Election Commission.

Final payment to OnMessage

Note: Data consists of payments made by the NRA Institute for Legislative Action and the NRA Political Victory Fund. Payments are grouped by month.

The following year, during the fall of 2014, as the midterm election season was well underway, the NRA paid Starboard millions of dollars for ads supporting Tillis, Gardner and Cotton. In the same period, money flowed from these candidates to OnMessage.

"With respect to the work being done for these particular campaigns, certain partners — not just employees — would have had to have been firewalled off from each other," Fischer, the director of the Federal Reform Program at the Campaign Legal Center, said. Kappel, the campaign finance expert, explained, "One way to guarantee separation is to keep employees working for the outside group at one office, and those working for the campaign at another."

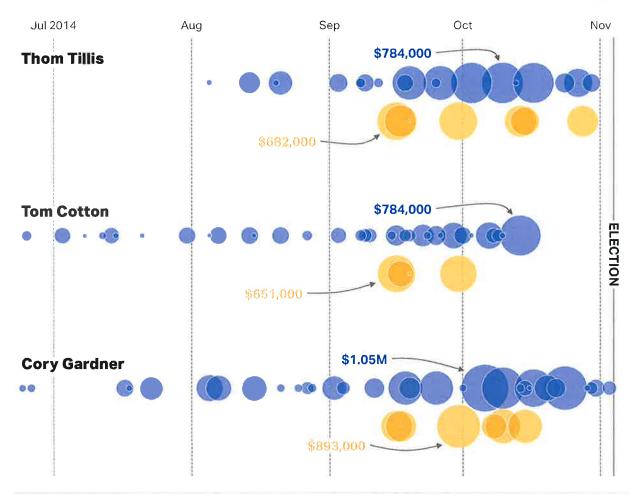
In the three big 2014 Senate races, all expenditures made to Starboard carried one of two addresses where OnMessage maintains workspace. For Tillis and Cotten, the two companies supporting the same candidates would frequently appear in FEC reports at identical locations in Annapolis. Gardner's campaign sent work to OnMessage in Alexandria, where, shortly before Election Day, it overlapped with an NRA payment to Starboard of more than \$525,000. Representatives of Cotton, Tillis, Gardner, Johnson and Scott did not respond to requests for comment for this article.

# Republican candidates in key 2014 Senate races tap OnMessage. The NRA pays millions to Starboard Strategic to sway those contests.

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- Campaign committee payments to OnMessage
- 🍥 NRA payments to Starboard in support of candidate





Graphic: Daniel Nass. Source: Federal Election Commission.

Note: Data consists of expenditures made by the NRA Institute for Legislative Action and the NRA Political Victory Fund. Payments in support of a candidate also include payments opposing that candidate's opponent. Payments are grouped by day.

After the three candidates won their races in November, and Republicans regained control of the Senate, the Onmessageinc.com biography page belonging to Todd — the partner who is friends with NRA lobbyist Chris Cox and well known to Cox's employees — was updated. It <u>now says</u>, "Todd's 2014 clients defeated three incumbent Democratic U.S. Senators in a single election cycle, a feat unmatched by any Republican media consultant in 34 years."

Despite Starboard's impressive run in 2014, there appeared to be no attempt to market the new company to other prospective clients. In fact, according to FEC reports, other than a small sum it received from the National Republican Congressional Committee — business worth less than \$20,000 — it has never had another federal election client besides the NRA. Moreover, none of Starboard's partners has publicly affiliated himself with the company; four of them have LinkedIn pages, for instance, and their profiles only mention OnMessage. One of them is Todd, who used the email address brad@starboardstrategicinc.com to offer the former OnMessage employee a job.

There is also no indication that Starboard has a distinct team of employees working within the offices of OnMessage. As with the partners, there are no staff members who publicly list themselves as working for Starboard, though a second email shows acknowledgement of double duty. Vicki Tomchik is OnMessage's longtime chief financial officer; the job is the only one she lists on her <u>LinkedIn</u> page. But in 2014, when the

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former OnMessage employee received an email from Tomchik, there were two references below her signature. One was OnMessage, and the other was Starboard. (Tomchik did not respond to a request for comment.)

That same year, the NRA invested heavily in Scott's gubernatorial re-election effort in Florida, a race that the incumbent eventually won by a single percentage point. In the NRA's state campaign finance filings, more than a million dollars' worth of independent expenditures are attributed to Starboard, but none to OnMessage, which was working for Scott's campaign. Unlike the federal regulations, Florida law does not require outside groups to disclose whether money was spent to support or oppose a particular candidate. But an ad the NRA **published** online in the fall can be traced back to OnMessage by the former OnMessage employee. The ad tied Scott's Democratic opponent, Charlie Crist, to Michael Bloomberg, and accused the candidate of supporting the former New York City mayor's "gun control agenda." (Bloomberg provides funding to Everytown for Gun Safety, whose 501c3 arm makes grants to The Trace.)

"I remember seeing people from OnMessage work on this ad," the former OnMessage employee said. Yet none of the NRA's 2014 Florida expenditures was attributed to OnMessage. (It is not clear if there was any coordination in this race, but in Florida, coordination is generally permissible.)

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In 2016, the NRA's federal election payments to Starboard ballooned to \$40 million, a massive portion of the gun rights group's total independent spending for the year, which came to almost \$53 million. That cycle, when Johnson was defending his Wisconsin Senate seat for the first time, his campaign paid OnMessage almost \$4 million. The payments stopped in August. Just over two months later, the NRA aided in the reelection effort, and tapped Starboard for nearly \$200,000 worth of advertising.

The sum the NRA paid to Starboard in 2016 was split between the group's Political Victory Fund and its Institute for Legislative Action. The transactions paid by the ILA accounted for roughly \$23.4 million. Unlike the Victory Fund, a free-standing organization affiliated with the gun group, the ILA is a component of the NRA's nonprofit corporation, which means its financial records are subject to oversight by the Internal Revenue Service. In the NRA's tax filings, it is required to disclose its top five independent contractors for any given year, and that includes contractors retained by its divisions, like the ILA. In 2016, Starboard was not **included** on the list, even though, based on what it received from ILA, it would have ranked as the NRA's second highest-earning contractor.

"If Starboard was paid by the Institute for Legislative Action for services, then Starboard was a contractor, and if Starboard was one of the NRA's largest contractors, then it should be listed on the NRA's 990," Marcus Owens, the former head of the IRS division overseeing tax exempt enterprises, said.

As far as the FEC and the public know, OnMessage did no campaign work for the NRA in 2016 — the firm is nowhere mentioned in the group's filings. More than half of the money the NRA paid Starboard that year, about \$25.7 million, was spent in the service of electing Donald Trump to the presidency. After the Republican candidate defeated Hillary Clinton, however, OnMessage celebrated the work it produced for the NRA.

On January 20, 2017, the day of Trump's inauguration, Brad Todd wrote a <u>blog post</u> on OnMessage's website. "When no other outside group on the Republican side of the aisle believed in this race, the NRA made its biggest investment in any Presidential election," he wrote. "They went in early and they went in big." Todd added, "OnMessage Inc. was proud to partner with the NRA and produce their ads in this election."

A month later, OnMessage received a <u>Reed Award</u> for an NRA spot it had created the previous year. The category was "Best Ad For Independent Expenditure Campaign — Presidential," and the winning entry features a woman in bed who is awakened by a burglar. In one hand she grips a phone, and with the other she opens a gun safe, which suddenly disappears before her eyes. "Don't let Hillary leave you protected

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with nothing but a phone," a narrator warns. Currently, the ad can be viewed on OnMessage's website, by **clicking** the tab labeled "Our Work."

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Help us tell the story of America's gun violence crisis.

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