



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

**VIA Email**

sroberts@hvjt.com

July 20, 2021

Steve Roberts  
Holtzman Vogel Josefiak Torchinsky PLLC  
45 North Hill Drive, Suite 100  
Warrenton, VA 20186

RE: MUR 7476  
Grassroots Targeting LLC

Dear Mr. Roberts:

On August 15, 2018, the Federal Election Commission notified your client, Grassroots Targeting LLC, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

On May 20, 2021, the Commission found, on the basis of the information in the complaint, and information provided by your client, that there is no reason to believe Grassroots Targeting LLC violated the Act. Accordingly, the Commission closed its file in this matter as it pertains to Grassroots Targeting LLC. The Factual and Legal Analysis, explaining the Commission's findings, is enclosed.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109 (a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Nicholas Bamman, the attorney assigned to this matter, at (202) 694-1628.

Sincerely,

A handwritten signature in cursive script that reads "Lynn Y. Tran".

Lynn Y. Tran  
Assistant General Counsel

Enclosure  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS**

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3 RESPONDENT: Grassroots Targeting LLC MUR 7476  
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**I. INTRODUCTION**

6 This matter involves allegations that Ohio First failed to report contributions from its  
7 vendor Grassroots Targeting LLC (“Grassroots Targeting”).<sup>1</sup> Based on the available  
8 information, the Commission finds no reason to believe that Grassroots Targeting violated  
9 the Federal Election Campaign Act of 1971, as amended (the “Act”), in this matter and  
10 closes the file as to Grassroots Targeting.

**II. FACTS**

12 Ohio First is an independent expenditure-only political committee (“IEOPC”) that  
13 registered with the Commission on January 21, 2018.<sup>2</sup> In the weeks leading up to the May 8,  
14 2018, Ohio primary election, Ohio First supported the candidacy of Jim Renacci for the  
15 Republican nomination for U.S. Senate from Ohio by making nearly half a million dollars in  
16 independent expenditures.

17 Most of Ohio First’s activity occurred during April and May 2018.<sup>3</sup> Ohio First’s Pre-  
18 Primary Report disclosed no receipts, no disbursements, no cash on hand, and \$367,667.99 in  
19 debts and obligations along with \$302,691.99 in independent expenditures in support of  
20 Renacci.<sup>4</sup> Ohio First timely filed its next report, the July Quarterly Report covering the

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<sup>1</sup> MUR 7476 Compl. at 10-12 (Aug. 9, 2018).

<sup>2</sup> Ohio First, Statement of Organization (Jan. 21, 2018).

<sup>3</sup> Ohio First, 2018 Pre-Primary Report at 10-13; Ohio First, 2018 July Quarterly Report at 15-17.

<sup>4</sup> Ohio First, 2018 Pre-Primary Report at 2.

1 period from April 19 to June 30, 2018, in which it disclosed receiving its first contributions  
2 (\$79,200 in receipts from five contributors), five additional independent expenditures totaling  
3 \$169,437.67, and debts and obligations in the amount of \$597,104.66.<sup>5</sup> Ohio First’s July  
4 Quarterly Report disclosed, in addition to all of the previously reported debt that remained  
5 due in full, new debts to Majority Strategies for independent expenditures worth \$161,737.67  
6 and \$60,000 owed to Grassroots Targeting — a political research firm headed by Blaise  
7 Hazelwood, who was also Executive Director of Ohio First — for “political strategy  
8 consulting.”<sup>6</sup>

9       According to the Complaint, Grassroots Targeting had conducted survey research for  
10 Ohio First sometime on or before April 9, 2018.<sup>7</sup> Respondent asserts “Grassroots Targeting  
11 invoiced Ohio First for services rendered on June 22, 2018.”<sup>8</sup> Ohio First did not report any  
12 April disbursements to Grassroots Targeting and first reported its \$60,000 debt to Grassroots  
13 Targeting in the 2018 July Quarterly Report, which covered activity from April 19 to June  
14 30, 2018.<sup>9</sup>

15       Ohio First’s 2018 October Quarterly, Pre-General, Post-General, and 2018 Year-End  
16 reports show total receipts of \$925,500 from July 1 through November 26, 2018, and the

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<sup>5</sup> Ohio First, 2018 July Quarterly Report at 2, 6-7, 15-17.

<sup>6</sup> Ohio First, 2018 July Quarterly Report at 2, 9-14; Grassroots Targeting, <https://www.grassrootstargeting.com/> (last visited Apr. 22, 2020).

<sup>7</sup> See MUR 7476 Compl. at 3 (citing *Morning Score*, POLITICO, Apr. 9, 2018, <https://www.politico.com/newsletters/morning-score/2018/04/09/countdown-to-scott-campaign-launch-162837> (“*Morning Score*”)) (“Grassroots Targeting conducted the survey for Ohio First PAC, a pro-Renacci group.”).

<sup>8</sup> See Ohio First, Majority Strategies, Inc., & Grassroots Targeting LLC, Resp. at 4, MUR 7476 (Aug. 9, 2018) (“Joint Response”). The Joint Response is ambiguous as to whether the \$60,000 in services (reported in Ohio First’s July Quarterly 2018 Report as debt owed to Grassroots Targeting) were rendered in June 2018, invoiced in June 2018, or both.

<sup>9</sup> See *id.*

1 repayment of nearly all its debt.<sup>10</sup> Ohio First reported, on its Post-General Report, that it had  
2 repaid \$30,000 of its \$60,000 debt to Grassroots Targeting.<sup>11</sup> In its 2020 April Quarterly  
3 Report, Ohio First continued to report a \$30,000 debt to Grassroots Targeting.<sup>12</sup>

4 The Complaint alleges that Grassroots Targeting made an in-kind contribution to  
5 Ohio First in the form of an extension of credit.<sup>13</sup> Grassroots Targeting's Response states  
6 that Ohio First accurately reported the services provided by Grassroots Targeting, noting that  
7 the description of the services rendered was "adequate."<sup>14</sup> Further, Respondent asserts that  
8 Grassroots Targeting invoiced Ohio First for services rendered on June 22, 2018 and that  
9 Ohio First subsequently reported the debt on its 2018 July Quarterly Report.<sup>15</sup>

### 10 III. LEGAL ANALYSIS

11 The Act requires each treasurer of a political committee to file reports of receipts and  
12 disbursements with the Commission.<sup>16</sup> Such reports must include the total amount of  
13 contributions received, as well as the identification of each person who made a contribution  
14 in excess of \$200 during the reporting period, together with the date and amount of such  
15 contribution.<sup>17</sup>

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<sup>10</sup> Ohio First, 2018 October Quarterly Report at 2 (Oct. 15, 2018); Ohio First, 2018 Pre-General Report at 2 (Oct. 25, 2018); Ohio First, 2018 Post-General Report at 2 (Dec. 6, 2018); Ohio First, 2018 Year-End Report at 2 (Jan. 31, 2019).

<sup>11</sup> Ohio First, 2018 October Quarterly Report at 12-17; Ohio First, 2018 Post-General Report at 7-9, 11.

<sup>12</sup> Ohio First, 2020 April Quarterly Report at 7.

<sup>13</sup> MUR 7476 Compl. at 10-12.

<sup>14</sup> Joint Response at 1, 4-5.

<sup>15</sup> *Id.*

<sup>16</sup> 52 U.S.C. § 30104(a)(1).

<sup>17</sup> 52 U.S.C. §§ 30104(b)(2)(A), (b)(3)(A)-(B).

1           A “contribution” includes “any gift [or] advance . . . of money or anything of value  
2     made by any person for the purpose of influencing any election for Federal office.”<sup>18</sup> The  
3     extension of credit to a political committee by a commercial vendor is a contribution, “unless  
4     the credit is extended in the ordinary course of the person’s business and the terms are  
5     substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and  
6     size of obligation.”<sup>19</sup> A “commercial vendor” is any person who provides goods or services  
7     to a candidate or political committee, and whose usual and normal business involves the sale,  
8     rental, lease, or provision of those goods and services.<sup>20</sup>

9           Commission regulations state that, in determining whether credit was extended in a  
10    commercial vendor’s ordinary course of business, the Commission will consider whether:  
11    (1) the commercial vendor followed its established procedures and its past practice in  
12    approving the extension of credit; (2) the commercial vendor received prompt payment in  
13    full for prior extensions of credit to the same committee; and (3) the extension of credit  
14    conformed to the usual and normal practice in the vendor’s trade or industry.<sup>21</sup> The  
15    Commission has explained that “[t]hese factors are intended to provide guidance . . . . The  
16    factors need not be accorded equal weight and in some cases a single factor may not be  
17    dispositive.”<sup>22</sup>

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<sup>18</sup>       52 U.S.C. § 30101(8)(A)(i).

<sup>19</sup>       11 C.F.R. § 100.55 (explaining that a contribution will also result if a creditor fails to make a  
commercially reasonable attempt to collect the debt); *see also* 11 C.F.R. § 116.3(b).

<sup>20</sup>       11 C.F.R. § 116.1(c).

<sup>21</sup>       11 C.F.R. § 116.3(c).

<sup>22</sup>       Debts Owed by Candidates and Political Committees, 55 Fed. Reg. 26378, 26281 (June 27, 1990); *see*  
Advisory Op. 1991-20 (Call Interactive) at 4.

1           Grassroots Targeting appears to be in the business of providing the services they  
2 provided to Ohio First, and, therefore, appears to be a “commercial vendor.”<sup>23</sup> Regardless of  
3 whether Grassroots Targeting’s extension of credit to Ohio First was in the ordinary course  
4 of its business, any potential contribution would have been permissible and Grassroots  
5 Targeting would have had no independent reporting obligation. Therefore, the Commission  
6 finds no reason to believe that Grassroots Targeting violated the Act in connection with the  
7 extension of credit to Ohio First.

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<sup>23</sup> See 11 C.F.R. § 116.1(c).