



COMMUNITY ISSUES PROJECT

The Community Issues Project
 (A Non-Profit, Social Welfare Organization)
 Post Office Box 13182
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2018 NOV 05 PM 12:02

OFFICE OF
GENERAL COUNSEL

Jeff S. Jordan
 Office of Complaints Examination
 Attn: Christal Dennis
 1050 First Street, NE
 Washington, D.C. 20463

Dear Mr. Jordan:

This is in response to your letter of October 17, 2018. It was received on October 22, 2018. Your letter concerned **Matter Under Review 7513**, a complaint filed by an entity known as Torres Group Law. I am not acquainted with the Torres Group Law which appears to be based in Tempe, AZ rather than in Phoenix.

I am the Executive Director of the Community Issues Project. The Project is a small, community-based, grassroots, non-partisan social welfare organization registered with and reporting to the Exempt Organizations Branch of the Internal Revenue Service under section 501c4 of the Internal Revenue Code.

The social welfare mission of the Project is simply to hold local decision makers in the City of Phoenix accountable for their actions and to compare and contrast their public statements and opinions with their actual performance in office. The Project has a single goal: to educate the citizen taxpayers of Arizona about the performance or lack of performance of their local decision makers. Transparency with respect to the public policy positions of these officials has been lacking for too many years. It is the mission of the Project to demand transparency and accountability from local decision makers and to use public pressure to obtain those goals. In educating the citizen taxpayers of Phoenix, the focus of the Project is three-fold: the epidemic of homelessness that confronts Arizona, the tax and spend attitude of former and current Phoenix Mayors and Council members when addressing budget issues facing the City and the dysfunction of local government as exemplified by the never-ending bureaucratic in-fighting between past and present Mayors and members of the City Council. If in carrying out our social welfare mission we cause consternation among local decision makers and upset the local government elites of Phoenix, we embrace every opportunity to do so!

As a tax-exempt social welfare organization, donations to the Project are not tax deductible for income tax purposes. As a result, our ability to raise funds from our supporters in the Phoenix community is quite limited. We, of course, file an annual informational tax return, the Form 990, with the IRS and that return discloses our income and programmatic outlays for the calendar year. Our Form 990 for the year 2018 will be filed with the IRS on or about May 15, 2019 and will, as required by law, be made publically available at that time. While the Form 990 for 2018 has not yet been prepared, since our tax year does not conclude until December 31, 2018, I expect that the Project will report approximately \$200,000 in 2018 revenues with expenditures of a bit less. We will report that approximately 25% of our revenues were expended on administrative and over-head expenses, 70% were expended on programmatic activities and approximately 5% is retained as a reserve for future activities. At this time, our reserve account holds approximately \$5000.00.

Funding for the Project comes, exclusively, from citizen taxpayers in the City of Phoenix or its close-in suburbs. We do not fundraise outside of Phoenix because public policy decision making in the City of Phoenix is at the core of our education mission. We do not solicit, accept or receive finding from any federal, state or local political organization, candidate committee, party committee, or political action committee. To date, we have not received funding from any other tax-exempt organization, to include any 501c3, 501c4 or 501c6. No political organization exercises direction over our activities.

Our public policy education efforts are executed using a variety of cost-effective communications tools, including a website, as well as messaging through the telephone, internet and mail. We would, of course, prefer to utilize more effective forms of public communication, such as broadcast television and radio, cable/ satellite but given our very limited financial resources, we are relegated to the most inexpensive media. The three communications outlined in the complaint are, in fact, mail, an Instagram posting, and telephone calls to landlines in the greater Phoenix area. We do not include an FEC disclosure statement on these messages for the reason that the messages do not originate from a federal political committee. Although not required by the Internal Revenue Code, we do voluntarily disclose information about the Project as the sponsor of our website, mail, telephone and digital messages. All telephone messages are fully compliant with the Telephone Consumers Protection Act. All messages sponsored by the Project are approved, in advance, by outside counsel.

The complaint seems to allege three violations of the FECA: (1) failure to register as a federal political committee; (2) failure to file reports with the Commission as a federal political committee; and (3) the use of incorrect FEC disclaimers on our messages. These allegations are false and unsupported by the facts.

(1) As I understand it, the FECA uses a straight-forward definition for a federal political committee. The Project does not meet that definition by any objective standard. I understand that a federal political committee is one that receives contributions in excess of \$1000 or makes expenditures in excess of \$1000 in connection with an election in which a candidate for federal office appears on a ballot with the purpose of influencing a federal election, where the text of the message expressly advocates the election or defeat of such a federal candidate or when taken in context with limited reference to outside events can only be interpreted as expressly advocating the election or defeat of a candidate and where the major purpose of the entity making a disbursement is to influence a federal primary or general election.

Our telephone messages focused exclusively on three public policy issues (homelessness in Phoenix, homelessness and fiscal responsibility by Phoenix decision makers and fiscal irresponsibility previously and currently condoned by Phoenix policy makers) and none advocated the election or defeat of any candidate. These messages were simply intended to motivate the citizen taxpayers of Phoenix to take a stand in opposition to the threat posed by these three public policy issues and to hold accountable any Phoenix decision maker who has failed to address these pressing issues in a fiscally responsible manner. The Instagram messages (one of six seconds duration and a second message of 15 seconds duration) focused on homelessness in Phoenix, its 149% exponential increase over the last few years and the refusal of decision makers in city government to address this problem. Our two mail messages both focused exclusively on skyrocketing homelessness in Phoenix (citing a statistic provided to the public by the Maricopa [County] Association of Governments) and the abject failure of local decision makers to provide any solution to this problem. As outlined in a section of the Project's website, the stated purpose of all of these messages was simply to motivate our supporters and the public to contact the Office of the Mayor and the Office of the City Council in Phoenix and demand an accounting for the obvious failures in their leadership. To that end, the website provided concerned and motivated citizen taxpayers with the specific mail addresses for the Project as well as for the Mayor and City Council. These messages were simply intended to cause the public to understand the scope of the issues facing Phoenix and to motivate them to take their concerns directly to the doorstep of the relevant decision makers. These messages did not, as alleged in the complaint, "expressively advocate for the defeat of [former Mayor] Greg Stanton."

(2) The public policy messages were not "independent expenditures" as alleged in the complaint. The Project did not and does not engage in making "independent expenditures" as defined by the FECA since these messages did not constitute an expenditure for a communication that expressly advocated the election or defeat of an identified candidate. Because these messages were not "independent expenditures," the alleged failure to file an "independent expenditure" disclosure form with the FEC is false and unsubstantiated.

(3) The complaint acknowledges that the text of the Project's telephone messages was compliant with the requirements of the Telephone Consumer Protection Act. The complaint alleges that the mail messages failed to provide the requisite FEC disclaimer identifying the Project as the sponsor of these two mail messages. As a matter of fact, the first page of each mail piece did disclose the identity of the Project as the sponsor of the message, even though such a disclosure is not required by the Internal Revenue Service for public messages sponsored by non-profit organizations. Lastly, the complaint alleges that the Instagram message lack a proper FEC disclaimer and does not include text applicable to a message sponsored as an "independent expenditure". No FEC disclaimer was required for this digital message, although the Project's website was voluntarily included in the text of the Instagram message.

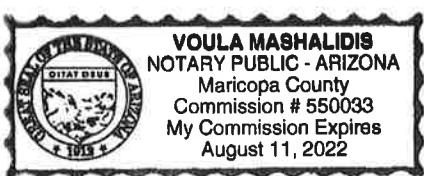
The messages of the Project that are the subject of this complaint are purely and simply educational in nature whose sole purpose was to motivate the citizen taxpayers of Phoenix to hold accountable past and present decision makes in local government. The Project does not act or hold it's self out to the public as a political committee and does not meet the FECA definition of a federal political committee. The Project does not engage in making "independent expenditures" as that term is defined in the FECA. The Project voluntarily discloses its identity as the sponsor of its public messages. For these reasons, I would ask that the FEC exercise its discretion in dismissing this complaint in order that it might devote its limited staff resources to actual and verifiable statutory violations.

Sincerely,

Brian Seitchik

Brian Seitchik
Executive Director

Notary



STATE OF ARIZONA

COUNTY OF MARICOPA.

The foregoing instrument was acknowledged before me this 24 day of OCT 20 18

By BRIAN P. SEITCHIK
Notary Public Voula Moshalidis
My Commission Expires: Aug 11, 2022