



FEDERAL ELECTION COMMISSION
Washington, DC 20463

1 **MEMORANDUM**

March 8, 2023

2
3 **TO:** The Commission
4
5 **FROM:** Lisa J. Stevenson
6 Acting General Counsel
7
8 Charles Kitcher
9 Associate General Counsel for Enforcement
10
11 **BY:** Anne B. Robinson *ABR*
12 Assistant General Counsel
13
14 Elena Paoli *eip*
15 Attorney
16
17 **SUBJECT:** MUR 7527 (News for Democracy, *et al.*) – Reopen the File to Make Additional
18 Findings and Re-close the File
19

20
21 **INTRODUCTION**

22
23 On October 18, 2022, the Commission found reason to believe that News for Democracy
24 violated 52 U.S.C. § 30104(c)(1) by failing to report independent expenditures and 52 U.S.C.
25 § 30120(a) by failing to include a required disclaimer on two ads containing express advocacy.¹
26 The Commission also authorized a pre-probable cause conciliation agreement containing the
27 opening settlement offer.² On February 22, 2023, the Commission accepted a negotiated
28 conciliation agreement resolving those findings, approved the appropriate letters, and closed the
29 file.³ However, in preparing the closing letters, we determined that certain recommendations
30 from the First General Counsel’s Report (“First GCR”) remain unresolved.⁴ Thus, we
31 recommend that the Commission reopen the file, make the following additional findings,
32 approve the appropriate letters, and close the file.
33

1 Certification (“Cert.”) ¶ 3.a.-b. (Oct.19, 2022).

2 Cert. ¶ 3.e. (Oct.19, 2022); Cert. ¶ 1 (Nov, 14, 2022).

3 Cert. ¶¶ 1-3 (Feb. 22, 2023).

4 See First Gen. Counsel’s Rpt. (“First GCR”) at 38-39 (Part IV, Recommendations 2-4).

1 Specifically, the First GCR recommended that the Commission find reason to believe that
 2 both News for Democracy and News for Democracy LLC violated 52 U.S.C. §§ 30104(c)(1) by
 3 failing to report independent expenditures and 30120(a) by failing to include required
 4 disclaimers on ads containing express advocacy.⁵ In addition, the First GCR recommended that
 5 the Commission take no action at this time as to the allegation that News for Democracy and
 6 News for Democracy LLC violated 52 U.S.C. § 30121 by accepting foreign national
 7 contributions.⁶ The Commission found reason to believe that News for Democracy violated
 8 52 U.S.C. §§ 30104(c)(1) and 30120(a)⁷ but voted to take no action at this time as to News for
 9 Democracy LLC.⁸ The Commission further voted to take no action at this time as to the
 10 allegation that News for Democracy violated 52 U.S.C. § 30121 by accepting foreign national
 11 contributions.⁹

12
 13 We learned no information during pre-probable cause conciliation indicating that News
 14 for Democracy LLC was involved with the two advertisements found by the Commission to
 15 contain express advocacy or indicating that News for Democracy or News for Democracy LLC
 16 accepted foreign national contributions. Thus, we recommend that the Commission take the
 17 following actions:

- 18 • Dismiss the allegation that News for Democracy and News for Democracy LLC
 19 violated 52 U.S.C. § 30121 by accepting foreign national contributions;
- 20 • Find no reason to believe that News for Democracy LLC violated 52 U.S.C.
 21 § 30104(c)(1) by failing to report independent expenditures in connection with the
 22 two advertisements in the Factual and Legal Analysis; and
- 23 • Find no reason to believe that News for Democracy LLC violated 52 U.S.C.
 24 § 30120(a) by failing to include disclaimers on the two advertisements in the
 25 Factual and Legal Analysis.

26
 27 Finally, as we will remind the Commission by email when the closing letters are sent, a
 28 Statement of Reasons will be required regarding the allegation that News for Democracy and
 29 News for Democracy LLC violated 52 U.S.C. §§ 30102, 30103, and 30104(a) by failing to
 30 register and report as political committees.

31 **RECOMMENDATIONS:**

- 32 1. Reopen the file;

33
 34
 35
 36
 37
 38

5 First GCR at 38-39 (Part IV, Recommendations 2-3).

6 First GCR at 39 (Part IV, Recommendation 4).

7 Cert. ¶ 3.a.-b. (Oct. 19, 2022).

8 Cert. ¶ 3.d. (Oct. 19, 2022).

9 Cert. ¶ 3.c. (Oct. 19, 2022).

MUR 7527 (News for Democracy, *et al.*)

Memorandum to the Commission

Page 3

- 1 2. Dismiss the allegation that News for Democracy and News for Democracy LLC
2 violated 52 U.S.C. § 30121 by accepting foreign national contributions;
3
- 4 3. Find no reason to believe that News for Democracy LLC violated 52 U.S.C.
5 § 30104(c)(1) in connection with the two advertisements in the Factual and Legal
6 Analysis;
7
- 8 4. Find no reason to believe that News for Democracy LLC violated 52 U.S.C.
9 § 30120(a) in connection with the two advertisements in the Factual and Legal
10 Analysis;
11
- 12 5. Approve the appropriate letters; and
13
- 14 6. Close the file.