



FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 4, 2023

VIA ELECTRONIC MAIL

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RE: MUR 7527
News for Democracy

Dear Mr. Clark, Ms. Utrecht, Ms. Mills, and Ms. Greenwald:

On February 22, 2023, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. §§ 30104(c)(1) and 30120(a), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter. One or more Statements of Reason will follow.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty remains due. If you have any questions, please contact me at (202) 694-1548.

Sincerely,

Elena Paoli

Elena Paoli
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 7527
News for Democracy)	
)	

CONCILIATION AGREEMENT

This matter was generated by a complaint filed with the Federal Election Commission (“Commission”). The Commission found reason to believe that News for Democracy (“Respondent”) violated 52 U.S.C. §§ 30104(c)(1) and 30120(a).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. News for Democracy, according to its Response, is organized under Section 501(c)(4) of the Internal Revenue Code and registered with the District of Columbia as a non-profit organization on August 27, 2018. Respondent describes itself as promoting social welfare by educating the public through identifying inaccurate news or commentary and promoting digital news that is factual in nature to counteract the harmful effects of news or commentary that is not accurate, reliable, or credible or is generated by bots. From September

2018 through early November 2018, Respondent disseminated thousands of paid digital advertisements, primarily on Facebook, to support its mission.

2. In October and November 2018, News for Democracy disseminated a video ad expressly advocating the defeat of U.S. Senate candidate Marsha Blackburn on the “Sounds Like Tennessee” Facebook page, targeted at voters in Tennessee where Blackburn was running. News for Democracy paid Facebook between \$10,000 and \$50,000 to run the ad. The voiceover in the ad states:

The biggest, richest most powerful private corrections company in the United States: Corrections Corporation of America, headquartered right here in Nashville, Tennessee. Blackburn has taken over \$24,000 from the for-profit prison industry this year alone. Making her one of Washington’s biggest recipients of private prison cash. These facilities disproportionately incarcerate African-Americans on non-violent charges. Turning jailing people into a lucrative multibillion dollar industry. We need leaders who fight for us. Not private prisons’ bottom line. Say No to Marsha Blackburn.

The ad ends with the following image:



3. In October 2018, News for Democracy disseminated a video ad expressly advocating the defeat of U.S. Senate candidate Rick Scott on the Spanish-language “Corazon Coqui” Facebook page. The ad targeted voters in Florida where Scott was running. News for Democracy paid between \$10,000 and \$50,000 to Facebook to run the ad. The ad asks, “Will

you vote for him for Senate? followed by the answer, “No. Absolutely Not.” The text concludes, “Rick Scott is not our friend. He does not deserve our votes.”



4 An independent expenditure is an expenditure that (1) expressly advocates the election or defeat of a clearly identified federal candidate, and (2) is not made in concert or cooperation with, or at the request or suggestion of, the candidate or his or her committee or agent, or a political party committee or its agent. The Federal Election Campaign Act of 1971 as amended, (the “Act”), requires political committees and persons other than political committees to report their independent expenditures. Non-political committees making independent expenditures aggregating greater than \$250 in a calendar year must disclose their independent expenditures and itemize such expenditures with information including the name and address of each person who receives disbursements in connection with an independent expenditure, as well as the date, amount, purpose, and identity of the candidate the independent expenditure is supporting or opposing. A person, including a political committee, also may have to file additional disclosure reports depending on the amount and timing of an independent expenditure.

5. Under the Commission’s regulation at 11 C.F.R. § 100.22(a), a communication contains express advocacy when it uses phrases such as

“vote for the President,” “re-elect your Congressman,” “support the Democratic nominee,” “cast your ballot for the Republican challenger for U.S. Senate in Georgia,” “Smith for Congress,” “Bill McKay in ’94,” “vote Pro-Life” or “vote Pro-Choice” accompanied by a listing of clearly identified candidates described

as Pro-Life or Pro-Choice, “vote against Old Hickory,” “defeat” accompanied by a picture of one or more candidate(s), “reject the incumbent,” or communications of campaign slogan(s), or individual word(s), which in context can have no other reasonable meaning than to urge the election or defeat of one or more clearly identified candidate(s), such as posters, bumper stickers, advertisements, etc. which say “Nixon’s the One,” “Carter ’76,” “Regan/Bush,” or “Mondale!”

6. In addition, under 11 C.F.R. § 100.22(b), a communication contains express advocacy if, “[w]hen taken as a whole and with limited reference to external events, such as the proximity to the election,” it “could only be interpreted by a reasonable person as containing advocacy of the election or defeat of one or more clearly identified candidate(s),” because it contains an “electoral portion” that is “unmistakable, unambiguous, and suggestive of only one meaning” and “[r]easonable minds could not differ as to whether it encourages actions to elect or defeat one or more clearly identified candidate(s) or encourages some other kind of action.”

7. The Act requires that any “public communication” by any person that expressly advocates the election or defeat of a clearly identified candidate must include a disclaimer in the communication identifying who paid for the communication and, where applicable, whether the communication was authorized by a candidate. Under Commission regulations, a “public communication” includes communications placed for a fee on another person’s website. The Commission has previously determined that a disclaimer is required on the type of paid Facebook advertising involving public communications.

8. The type of information required in a disclaimer varies depending on whether the communication is paid for or authorized by a candidate. If the communication is not paid for or authorized by a candidate, then the disclaimer must “clearly state the full name and permanent street address, telephone number, or World Wide Web address of the person who paid

for the communication, and that the communication is not authorized by any candidate or candidate's committee." This information "must be presented in a clear and conspicuous manner, to give the reader, observer, or listener adequate notice of the identity" of the ad's sponsor.

9. The Commission determined the Blackburn ad expressly advocates against her election by directing viewers to "say no to Marsha Blackburn." By connecting campaign contributions she purportedly received to needing political leaders "who fight for us" and saying "no" to Blackburn, this ad, disseminated just before the general election to people interested in Tennessee, has no other reasonable meaning than to urge Blackburn's defeat in the upcoming election.

10. In the Scott ad, the voiceover at the end of the ad asks, "Will you vote for him for Senate?" followed by the answer, "No. Absolutely not." The text then concludes, "Rick Scott is not our friend. He does not deserve our votes." The Commission determined that the question "will you vote for him for Senate" and response of "no" together with the phrases, "Scott is not our friend" and "he does not deserve our votes" expressly advocates against the election of Scott in the upcoming election.

11. The Commission found reason to believe the Blackburn and Scott ads are express advocacy communications placed on Facebook for a fee and required disclaimers identifying the payor by name, providing the payor's address, phone, or website, and including the appropriate authorization language.

V. 1. Respondent failed to report independent expenditures, in violation of 52 U.S.C. § 30104(c)(1).

2. Respondent failed to include appropriate disclaimers on its advertising, in violation of 52 U.S.C. § 30120(a).

VI. Solely for the purposes of settling this matter, Respondent agrees not to contest the Commission's findings.

VII. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Twenty-Five Thousand dollars (\$25,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

VIII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

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Conciliation Agreement
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oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson
Acting General Counsel

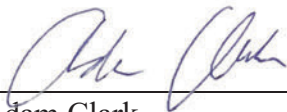
BY: **Charles Kitcher**
Charles Kitcher
Associate General Counsel
for Enforcement

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Date

FOR THE RESPONDENT:


Adam Clark
Counsel for Respondent

1/24/2023

Date