

FEDERAL ELECTION COMMISSION Washington, DC 20463

## **BY EMAIL ONLY**

April 29, 2022

Troy M. Cumings Warner Norcross & Judd LLP One Michigan Avenue Building 120 North Washington Square, Suite 410 Lansing, MI 48933-1617 tcumings@wnj.com

RE: MUR 7570 Skytron LLC The KMW Group, Inc.

Dear Mr. Cumings:

On February 28, 2019, the Federal Election Commission ("Commission") notified your clients, Skytron LLC and The KMW Group, Inc., of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to your clients at that time. Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on April 26, 2022, decided to exercise its prosecutorial discretion and voted to dismiss this matter. The Commission then closed its file in this matter. The General Counsel's Report, which more fully explains the Commission's decision, is enclosed for your information.

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). If you have any questions, please contact Don Campbell, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Lisa J. Stevenson Acting General Counsel

Roy Q. Luckett

BY:

: Roy Q. Luckett Acting Assistant General Counsel

1	<b>BEFORE THE FEDERAL ELECTION COMMISSION</b>		
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3	ENFORCEMENT PRIORITY SYSTEM		
4	DISMISSAL REPORT		
4 5			
6	MUR: 7570 Respondents	Respondents: Skytron, LLC	
7		The KMW Group, Inc.	
8	Complaint Receipt Date: February 21, 2019	Outsider PAC and	
9 10	Response Dates: Mar. 19. 2019, Apr. 10, 2019, Apr. 19, 2019	Julie Dozier in her official capacity as treasurer <sup>1</sup>	
11	EPS Rating:	<b>-</b>	
12			
13	Alleged Statutory	52 U.S.C. § 30119	
14	Regulatory Violations:	11 C.F.R. §§ 115.1; 115.2	
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17	The Complaint alleges that Skytron, LLC ("Skytron") or its parent company, The KMW		
18	Group, Inc. ("KMW"), made a prohibited \$10,000 federal contractor contribution to Outsider PAC. <sup>2</sup>		
19	Outsider PAC reported receiving a \$10,000 contribution from Skytron on November 1, 2018, and		
20	later amended its filing, reattributing the contribution to KMW. <sup>3</sup> KMW and Skytron assert that		
21	KMW, not Skytron, made the \$10,000 contribution and that KMW was not a federal contractor		
22	when it made the contribution. <sup>4</sup> KMW and Skytron contend that Outsider PAC mistakenly		

<sup>&</sup>lt;sup>1</sup> Outsider PAC and Julie Dozier in her official capacity as treasurer ("Outsider PAC") is an independentexpenditure-only political committee registered with the FEC. *See* Outsider PAC Statement of Organization at 5 (May 16, 2018), <u>http://docquery.fec.gov/pdf/347/201805169112069347/201805169112069347.pdf</u>.

<sup>&</sup>lt;sup>2</sup> Compl. at 1 (Feb. 21, 2019); Suppl. Compl. at 2 (Mar. 25, 2019).

<sup>&</sup>lt;sup>3</sup> Outsider PAC 2018 Post-General Report at 11 (Dec. 6, 2018). Outsider PAC states that after the filing of the Complaint in this matter, it contacted KMW and Skytron to inquire about their federal contractor status and was advised that the contribution was from KMW, not Skytron. Outsider PAC Resp. at 2 (Apr. 10, 2019). Outsider PAC thereafter amended its filing and reattributed the contribution to KMW. Outsider PAC 2018 Amended Post-General Report at 11 (Feb. 21, 2019).

<sup>&</sup>lt;sup>4</sup> Skytron Resp. to Initial Compl. (Mar. 19, 2019); KMW and Skytron Resp. to Suppl. Compl. (Apr. 19, 2019). Publicly available information indicates that Skytron was a federal contractor at the time of the contribution to Outside PAC in November 2018, and Skytron does not deny that it was a federal contractor at that time. *See* USAspending.gov, Recipient Search Skytron, <u>https://www.usaspending.gov/#/keyword\_search/%22skytron%22</u> (last visited Feb. 15, 2022). Publicly available information on the USAspending.gov website reflects a contract that KMW had with the Department of Veterans Affairs during the period July 29, 2013 through December 17, 2018. *See* <u>https://www.usaspending.gov/#/award/36415028</u> (last visited Feb. 15, 2022), (Contract Summary--Order No. VA24913J3106, Awarding Agency—Department of Veteran Affairs, Recipient—KMW Group, Inc., The, Parent IDV—V797P4098B, Period of Performance: July 29, 2013 – Dec. 17, 2018, Award Amount: \$1,351,618). However,

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1 identified Skytron as the contributor, and state that upon discovery of this reporting mistake,

2 Skytron contacted Outsider PAC to correct the error.<sup>5</sup> Outsider PAC asserts there are no facts in the

3 Complaint alleging that it knew KMW and Skytron were federal contractors or that it knowingly

4 solicited a contribution from a federal contractor.<sup>6</sup>

5 Based on its experience and expertise, the Commission has established an Enforcement

6 Priority System using formal, pre-determined scoring criteria to allocate agency resources and

7 assess whether particular matters warrant further administrative enforcement proceedings. These

8 criteria include (1) the gravity of the alleged violation, taking into account both the type of activity

9 and the amount in violation; (2) the apparent impact the alleged violation may have had on the

10 electoral process; (3) the complexity of the legal issues raised in the matter; and (4) recent trends in

11 potential violations and other developments in the law. This matter is rated as low priority for

12 Commission action after application of these pre-established criteria. Given that low rating and the

13 low dollar amount at issue, we recommend that the Commission dismiss the Complaint consistent

14 with the Commission's prosecutorial discretion to determine the proper ordering of its priorities and

15 use of agency resources.<sup>7</sup> We also recommend that the Commission close the file and

KMW argues that this information is in error and that Alliant Enterprises, LLC/Alliant Healthcare Products, Group, Inc., ("Alliant") was the recipient of the contract. Resp. to Suppl. Compl. at 2. KMW provided a copy of a GSA Standard Form 1449 Solicitation/Contract/Order for Commercial Items, dated July 29, 2013, showing Alliant as the recipient of a contract with the same contract and order numbers, awarding agency, award amount, and period of performance. *Id.* Attach, Solicitation/Contract/Order for VA24913J3106.

<sup>&</sup>lt;sup>5</sup> Skytron Resp. to Initial Compl. at 1-2. Skytron submitted a copy of the check, which displays the logo and name of KMW next to the name and address of Skytron. Resp. to Initial Compl. at 3, Attach. (copy of contribution check).

<sup>&</sup>lt;sup>6</sup> Outsider PAC Resp. at 3. Outsider PAC contends that it took steps to ensure that it did not receive a contribution from a federal contractor, was specifically told by KMW and Skytron that the contribution was not from a federal contractor, and has no information contrary to those assumptions. *Id.* at 2.

<sup>&</sup>lt;sup>7</sup> *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).

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1 send the appropriate letters.

> Lisa J. Stevenson Acting General Counsel

Charles Kitcher Associate General Counsel

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Claudio J. Pavia Acting Deputy Associate General Counsel for Enforcement

Roy Q. Luckett

Roy Q. Luckett Acting Assistant General Counsel

CARANS ECANTON

Donald E. Campbell Attorney

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