



CAM CAVASSO 4 CONGRESS
P O Box 1010
Waimanalo, HI 96795
808-306-3454
contact@camcavasso.com

RECEIVED
FEDERAL MAIL CENTER
2019 APR -1 AM 8:01

March 25, 2019

Federal Election Commission
Office of Complaints Examination & Legal Administration
1050 First Street, NE
Washington, DC 20463

Attention: Kathryn Ross, Paralegal

Re: **MUR 7572**

Sirs,

Thank you for your request for our response. The complaint MUR 7572 is entirely without merit and should be dismissed.

Please be advised that lawful coordination with the Hawaii Republican Party was in strict compliance with the applicable campaign finance law with reference to individual contributions accepted and reported by our campaign. The Hawaii Republican Party campaign contributions received from individual donors, coordinated with the Cam Cavasso 4 Congress campaign were authorized by, expended by and reported by the Hawaii State Republican Party in accordance with the law.

All of these actions were carefully pre-referred for approved to the FEC prior to action. These actions were carefully vetted by the FEC and approved by the FEC prior to donation acceptance, coordination's, expenditure and reporting by both the Cam Cavasso Congressional campaign and the Hawaii Republican Party. In careful, cautious and safe coordination with our campaign manager, your FEC staff actually confirmed with supervisors before double confirming our activities and procedures as in accordance with the law.

Please refer to <https://www.fec.gov/help-candidates-and-committees/making-disbursements-political-party/coordinated-party-expenditures/>.

Excerpts from the above FEC site and the HRP Chair are attached for clarity.

1. Exhibit A pages 1 to 8. Beginning with: "state party committees may make special expenditures in connection with the general election campaigns of federal

2019 APR -1 AM 10:09
OFFICE OF
GENERAL COUNSEL

candidates. These coordinated party expenditures do not count against the contribution limits..."

- 2. Exhibit B. Coordinated party expenditure limits adjusted for 2019. (Note 2018 only slightly less)...

US House Representative, the limit is \$50,900...

Page 1: "Coordinated party expenditures also differ from contributions in that the party committee must spend the funds on behalf of the nominee rather than give the money directly to the campaign..."

"...only the party committee making the expenditures - not the candidate committee - must report them."

- 3. Exhibit C. Page 1: Contribution limits for 2017-2018 Federal election: Individual donor limits to Candidate Committee: \$2,700 per election. Individual donor limits to State/District/Local Party Committee: \$10,000 per year.

We therefore declare that all contributions made and accepted and reported were within the respective limits. As such, we respectfully ask that this complaint be dismissed as without merit.

Thank you in advance.

We have read and hereby individually and collectively attest to the abovementioned factual statement signed and dated below:

Handwritten signatures and dates for Sandra Lee Ahn (Treasurer), Campbell Cavasso (Candidate), Melba Cavasso (Contributor), and Mikio Izuka (Contributor).

Submitted by,

Handwritten signature of Sandra Lee Ahn

Sandra Lee Ahn
Treasurer
Cam Cavasso 4 Congress

Kathryn Ross, Paralegal

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Enclosures:

1. Exhibit A. Pages 1-8
2. Exhibit B. Pages 1-2
3. Exhibit C. Pages 1
4. Email from Shirlene DelaCruz Santiago Ostrov, Chairman, Hawaii Republican Party.
Pages 1-4

cc: Campbell Cavasso, Candidate
Melba Cavasso, Contributor
Mizio Izuka, Contributor
Shirlene DelaCruz Santiago Ostrov, Chairman, Hawaii Republican Party
Andresen Blom, Campaign Manager

[Home](#) › [Help for candidates and committees](#) › [Making disbursements as a party](#) › [Coordinated party expenditures](#)

Coordinated party expenditures

A national party committee and state party committees may make special expenditures in connection with the general election campaigns of federal candidates. These *coordinated party expenditures* do not count against the contribution limits but are subject to a different set of limits, as explained.

Additionally, coordinated party expenditures must be made with federally permissible funds only.

Committees authorized to make coordinated party expenditures

National committee

Only a national party committee has a coordinated party spending limit for the party's presidential nominee. Other party committees may spend against this limit if they have the national committee's prior written authorization (which must include the amount that may be spent).

A national party committee also has a coordinated party expenditure limit for the party's House and Senate candidates in the general election.

State committee

A state party committee has its own separate spending limit for each of the party's House and Senate nominees in that state.

Local committees

A district or local party committee or organization may make coordinated party expenditures only if authorized to do so by the national or state committee. District and local party units do not have any coordinated party spending authority of their own.

Assigning spending limits

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PE-1

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A national or state party committee may assign all or part of its coordinated party spending authority to another party committee. The assigning committee must first authorize the spending in a written agreement and must specify the amount the designated committee may spend.

In this way, for example:

- State, district and local party committees may spend against the national committee's presidential spending limit; and
- A district and local party committee may spend against the state committee's limits for House and Senate candidates.

Authorizing committee's responsibility

A state party committee must ensure the entire state party organization complies with the coordinated party expenditure limits, for example by monitoring and disclosing party expenditures made by local committees within the state party structure.

A state committee may use an FEC-recommended plan for this purpose or some other method approved in advance by the Commission.

National party committees should also monitor and disclose coordinated party expenditures made by party committees with assigned authority to spend within the national party committee spending limits.

Party expenditures vs. contributions

In making a coordinated party expenditure, the party committee pays for goods or services in coordination with a candidate but does not give the money directly to the candidate or candidate committee. For example, the payment of a campaign bill could be treated and reported as a coordinated party expenditure, while a check payable to the candidate committee could not—it would have to be treated as a contribution.

Similarities

Coordinated party expenditures are similar to in-kind contributions in that both represent payments for goods or services that benefit a federal candidate. A coordinated expenditure in connection with a general election campaign may count against either the coordinated party expenditure limit or the

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contribution limit for the candidate. It is up to the party committee to decide (assuming it has authority to make a coordinated party expenditure).

Differences

Coordinated party expenditures differ from contributions in the following ways:

- Coordinated party expenditures may be made in connection with the general election only, whereas contributions may be made in connection with any election.
- Coordinated party expenditures count against a separate limit, distinct from the contribution limits.
- There is only one coordinated party expenditure limit per candidate (it applies only to the general election candidate), whereas there is a separate contribution limit for each election in which a candidate participates.
- The coordinated party expenditure limits are much larger than the contribution limits.
- Coordinated party expenditures are reported by the party committee only, while contributions are reported by both the party committee and the recipient candidate committee.

Benefits of party status

Party committees are entitled to spend more money in coordinated support of their candidates for federal office than other political groups.

Additionally, state party committees may spend limited—but substantial—amounts on coordinated party expenditures to support their U.S. House and Senate candidates in the general election. Coordinated party expenditures do not count against the contribution limits.

National party committees can make coordinated party expenditures on behalf of House, Senate and presidential nominees.

Allocation among candidates

A coordinated party expenditure made on behalf of more than one candidate must be allocated in proportion to the benefit each candidate is expected to receive. The amount allocated to a candidate counts against the coordinated spending limit (or contribution limit) for that candidate. Allocation procedures are the same as those used to allocate in-kind contributions.

Pre-nomination expenditures

Party committees may make coordinated party expenditures in connection with the general election campaign before or after the party's candidate has been nominated. All pre-nomination coordinated expenditures are subject to the coordinated party expenditure limitations, whether or not the candidate on whose behalf they are made receives the party's nomination.

Party coordinated communications

When a party committee pays for a communication that is coordinated with a candidate, the communication is either an in-kind contribution or a **coordinated party expenditure**. On the other hand, when a non-party committee pays for a communication that is coordinated with a political party committee, the communication is an in-kind contribution to the party committee.

Coordination defined

Coordinated means made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or their agents, or a political party committee or its agents.

Determining coordination

There is a three-pronged test to determine whether a communication is a party coordinated communication. A communication must satisfy all three prongs of the test to be considered a party coordinated communication. Political party committees are subject to a coordination test similar to, but not the same as, that which would be applied to communications paid for by other persons.

The three prongs of the test consider:

1. The source of payment (payment prong);
2. The subject matter of the communication (content prong); and
3. The interaction between the person paying for the communication and the candidate or political party committee (conduct prong).

Payment prong

A coordinated communication is paid for, in whole or in part, by a political party committee or its agent.

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Content prong

A communication that meets any one of these three standards meets the content prong:

- A public communication that republishes, disseminates or distributes candidate campaign materials, unless the activity meets one of the exceptions at 11 CFR 109.23(b);
- A public communication that expressly advocates the election or defeat of a clearly identified candidate for federal office; or
- A public communication that:
 - Refers to a clearly identified House or Senate candidate and is publicly distributed in the identified candidate's jurisdiction within 90 days of the candidate's primary or general election; or
 - Refers to a clearly identified presidential or vice presidential candidate and is publicly distributed in a jurisdiction during the period starting 120 days before the primary election in that jurisdiction and ending on the date of the general election.

Conduct prong

The purpose of the conduct prong is to determine when interaction between the campaign and the person paying for the communication might constitute coordination. When the conduct prong, the content prong and the payment prong are all satisfied, then the communication is a party coordinated communication and results in an in-kind contribution or a coordinated party expenditure. A communication that satisfies any one of the conduct standards described satisfies the conduct prong.

1. Request or suggestion: This conduct standard has two parts, and satisfying either satisfies the standard. The first part is satisfied if the person creating, producing or distributing the communication does so at the request or suggestion of a candidate, authorized committee, or agent of any of these. A communication satisfies the second part of the "request or suggestion" conduct standard if the person paying for the communication suggests the creation, production or distribution of the communication to the candidate, authorized committee, or agent of any of these, and the candidate assents to the suggestion.

2. Material involvement: This conduct standard is satisfied if a candidate, candidate committee, or an agent of any of these is "materially involved in decisions" regarding any of the following aspects of a public communication paid for by the party committee:

- Content of the communication;

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- Intended audience;
- Means or mode of the communication;
- Specific media outlet used;
- Timing or frequency of the communication; or
- Size or prominence of a printed communication or duration of a communication by means of broadcast, cable or satellite.

3. Substantial discussion: A communication meets this conduct standard if it is created, produced or distributed after one or more substantial discussions between the person paying for the communication, or the person's agents, and the candidate clearly identified in the communication or that candidate's committee, that candidate's opponent or opponent's committee, or an agent of these. A discussion is "substantial" if information about the plans, projects, activities or needs of the candidate that is material to the creation, production or distribution of the communication is conveyed to the person paying for the communication.

4. Employment of common vendor: The conduct standard provides that the use of a common vendor in the creation, production or distribution of a communication satisfies the conduct standard if:

- The person paying for the communication contracts with, or employs, a "commercial vendor" to create, produce or distribute the communication; and
 - The commercial vendor, including any officer, owner or employee of the vendor, has provided to the candidate or that candidate's opponent at least one of nine specific services related to campaigning and campaign communications. Note that these services would have to have been rendered during the previous 120 days before the production of the communication; and
-
- The commercial vendor uses or conveys information about the campaign plans, projects, activities or needs of the candidate or that candidate's opponent, or information previously used by the commercial vendor in serving the candidate or that candidate's opponent, to the person paying for the communication, and that information is material to the creation, production or distribution of the communication.

5. Former employee/independent contractor: This conduct standard applies to communications paid for by a person (or the employer of a person) who has previously been an employee or an independent

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contractor of a candidate's campaign committee or that candidate's opponent during the previous 120 days.

This standard requires that the former employee use or convey information about the campaign plans, projects, activities or needs of the candidate or that candidate's opponent, or information used by the former employee in serving the candidate or that candidate's opponent, to the person paying for the communication, and the information is material to the creation, production or distribution of the communication. Under the rules, a candidate with whom a party coordinated communication is coordinated would not receive or accept an in-kind contribution that resulted only from conduct described in the "Employment of common vendor" and "Former employee/independent contractor" sections.

Special rules regarding dissemination, distribution or republication of campaign material

A communication that republishes, disseminates or distributes campaign material only satisfies the first three conduct standards on the basis of the candidate's conduct—or that of his or her committee or agents—that occurs after the original preparation of the campaign materials that are disseminated, distributed or republished. The financing of the distribution or republication of campaign materials, while considered an in-kind contribution by the person making the expenditure, is not considered an expenditure (or an accepted contribution) by the candidate's authorized committee unless the dissemination, distribution or republication of campaign materials is a party coordinated communication.

The following uses of campaign materials do not constitute a contribution to the candidate who prepared the materials:

- The campaign material is disseminated, distributed or republished by the candidate or authorized committee of the candidate who prepared the material;
- The campaign material is incorporated in a communication that advocates the defeat of the candidate who prepared it;
- The campaign materials is disseminated, distributed or republished in a news story, commentary or editorial;
- The campaign material used consists of a brief quote of materials that demonstrate a candidate's position as part of a person's expression of its own views; or

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- A national, state or local political party pays for the communication using coordinated expenditure authority.

Agreement or formal collaboration

Neither agreement (defined as a mutual understanding on any part of the material aspect of the communication or its dissemination) nor formal collaboration (defined as planned or systematically organized work) is necessary for a communication to be a coordinated communication.

Safe harbor provisions to the conduct prong

Safe harbor for responses to inquiries about legislative or policy issues

A candidate's response to an inquiry about that candidate's positions on legislative or policy issues, which does not include discussion of campaign plans, projects, activities or needs, will not satisfy any of the conduct standards.

Safe harbor for publicly available information

Using information that was obtained from a publicly available source to create, produce or distribute a communication would not, in and of itself, satisfy the conduct standard unless the public communication itself was a request or suggestion by the candidate's committee.

Safe harbor for the establishment and use of a firewall

The conduct standard for coordination is not met if a commercial vendor, former employee or political committee establishes a "firewall" to prohibit the flow of information between employees or consultants of the person paying for the communication and employees or consultants currently or previously providing services to the candidate who is clearly identified in the communication or an opponent of the candidate mentioned in the communication. The firewall must be described in a written policy that is distributed to all relevant employees, consultants and clients affected by the policy.

Safe harbor for candidate endorsements and solicitations

A federal candidate may endorse or solicit funds for a candidate for federal or nonfederal office in a public communication without the communication being considered a coordinated communication with respect to the endorsing or soliciting candidate, so long as the communication does not promote or support the candidate making the endorsement or solicitation and does not attack or oppose his/her opponent. The safe harbor described in this paragraph also covers candidate solicitations for other

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FEC RECORD: OUTREACH

Coordinated party expenditure limits adjusted for 2019

February 7, 2019

The 2019 coordinated party expenditure limits are now available.

The limits are:

- For Senate nominees, the 2019 limits range from \$101,900 to \$3,113,400, depending on each state's voting age population (VAP).
- For House nominees in states that have only one U.S. House Representative, the limit is \$101,900.
- For House nominees in states that have more than one U.S. House Representative, the limit is \$50,900.

For the complete list of 2019 limits, visit our [coordinated party expenditure limits page](#). This page lists the state-by-state coordinated party expenditure limits for Senate nominees. It also includes information on which types of party committees have the authority to make coordinated party expenditures.

The limits are calculated according to a [statutory formula](#) that accounts for the annual cost-of-living adjustment (COLA). The applicable COLA for 2019 is 5.09279.

Coordinated party expenditure limits are separate from the [contribution limits](#). Unlike contributions, the national Senatorial and Congressional committees do not have separate coordinated party expenditure limits; however, they may receive authorization to spend against the national limit or state party limits. [Coordinated party expenditures also differ from contributions in that the party committee must spend the funds on behalf of the nominee rather than give the money directly to the campaign.](#) These expenditures may be made in consultation with the nominee; however, only the party committee making the expenditure – not the candidate committee – must report them. Coordinated party

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EC Record | Outreach | Coordinated party expenditure limits adjusted for 2019

expenditures are reported on Form 3X, line 25, and are always itemized on Schedule F, regardless of amount.

The coordinated party expenditure limits were published in the Federal Register on February 7, 2019, at 84 Fed. Reg. 2054.

Resources

- Federal Register notice: [84 Fed. Reg. 2054, February 7, 2019](#)
- [Coordinated party expenditure limits](#)
- [Calculating the coordinated party expenditure limits](#)
- Making disbursements as a party: [Coordinated party expenditures](#)

AUTHOR

Dorothy Yeager

Sr. Communications Specialist

Read next:

[Contribution limits for 2019-2020](#)

Related:

[Explore campaign finance data »](#)

This information is not intended to replace the law or to change its meaning, nor does this information create or confer any rights for or on any person or bind the Federal Election Commission or the public.

The reader is encouraged also to consult the Federal Election Campaign Act of 1971, as amended (52 U.S.C. 30101 et seq.), Commission regulations (Title 11 of the Code of Federal Regulations), Commission advisory opinions and applicable court decisions.

CONTRIBUTION LIMITS FOR 2017-2018 FEDERAL ELECTIONS

DONORS	RECIPIENTS				
	Candidate Committee	PAC ¹ (SSF and Nonconnected)	State/District/ Local Party Committee	National Party Committee	Additional National Party Committee Accounts ²
Individual	\$2,700* per election	\$5,000 per year	\$10,000 per year (combined)	\$33,900* per year	\$101,700* per account, per year
Candidate Committee	\$2,000 per election	\$5,000 per year	Unlimited Transfers	Unlimited Transfers	
PAC-Multicandidate	\$5,000 per election	\$5,000 per year	\$5,000 per year (combined)	\$15,000 per year	\$45,000 per account, per year
PAC-Nonmulticandidate	\$2,700* per election	\$5,000 per year	\$10,000 per year (combined)	\$33,900* per year	\$101,700* per account, per year
State/District/Local Party Committee	\$5,000 per election (combined)	\$5,000 per year (combined)	Unlimited Transfers		
National Party Committee	\$5,000 per election ³	\$5,000 per year			

*- Indexed for inflation in odd-numbered years.

¹ "PAC" here refers to a committee that makes contributions to other federal political committees. Independent-expenditure-only political committees (sometimes called "super PACs") may accept unlimited contributions, including from corporations and labor organizations.

² The limits in this column apply to a national party committee's accounts for: (i) the presidential nominating convention; (ii) election recounts and contests and other legal proceedings; and (iii) national party headquarters buildings. A party's national committee, Senate campaign committee and House campaign committee are each considered separate national party committees with separate limits. Only a national party committee, not the parties' national congressional campaign committees, may have an account for the presidential nominating convention.

³ Additionally, a national party committee and its Senatorial campaign committee may contribute up to \$47,400 combined per campaign to each Senate candidate.

This publication provides guidance on certain aspects of federal campaign finance law. This publication is not intended to replace the law or to change its meaning, nor does this publication create or confer any rights for or on any person or bind the Federal Election Commission (Commission) or the public. The reader is encouraged also to consult the Federal Election Campaign Act of 1971, as amended, Commission regulations, Commission advisory opinions, and applicable court decisions.

For further information, please contact:

Federal Election Commission
1050 First Street, N.E., Washington, DC 20463
(800) 424-9530; (202) 694-1100
info@fec.gov

Pg 1
BKC



Cam Cavasso

Fwd: Info for FEC Party Coordinated Expenditures

Shirlene Ostrov

To:

1

Fri, Mar 15, 2019 at 9:27 AM

Sent from my iPhone

Begin forwarded message:

From: Shirlene <>
Date: March 7, 2019 at 9:17:10 AM HST
To: Shirlene >
Subject: Info for FEC Party Coordinated Expenditures

I'm sending this as a reference for the complaint. We've talked about this before. You can see we had much due diligence for this. I'm sorry for the distraction of our mission.

Best,

Shirlene

>>

>> Begin forwarded message:

>>

>>> From: Shirlene Ostrov <shirlene@gophawaii.com>

>>> Date: December 31, 2018 at 7:25:42 AM HST

>>> To:

, Steve Yoder

, Lorraine Shinn

, Gwen Honjo <

1

>>> Subject: Fwd: Info for FEC Party Coordinated Expenditures

>>>

>>> Good morning team,

>>>

>>> You may have woken up to a story that Eric Ryan was listening in our November Executive Committee meeting and filed a Federal Election Complaint regarding how we handled two of Cam Cavasso's donations.

>>>

>>> I wanted to give you the reassurance that there was no such violation and will defend as such. I went through three steps prior to us doing this process during the campaign:

>>>

>>> 1). Read the law myself (link attached)

>>> 2). Called the FEC in Washington DC to receive confirmation

>>> 3). Emailed FEC to confirm both law and the advice from their analyst

>>>

>>> In other words, we are in the clear but will be handling it properly.

>>>

>>> Best,

>>> Shirlene

>>>>

>>>>> From: "no-reply@fec.gov" <no-reply@fec.gov>

>>>>> Date: October 30, 2018 at 9:18:17 AM HST

>>>>> To:

>>>>> Subject: RE: Info for FEC Party Coordinated Expenditures

>>>>> Reply-To: "no-reply@fec.gov" <no-reply@fec.gov>

>>>>>

>>>>> Dear Ms. Ostrov:

>>>>>

>>>>> Thank you for your email.

>>>>>

>>>>> Yes, in making a coordinated party expenditure, the party committee pays for goods or services in coordination with a candidate but does not give the money directly to the candidate or candidate committee. For example, the payment of a campaign bill could be treated and reported as a coordinated party expenditure, while a check payable to the candidate committee could not—it would have to be treated as a contribution.

>>>>>

>>>>> We hope this information is helpful. If you have any additional questions about federal campaign finance law, please contact us at 1-800-424-9530 (press #6 when prompted).

>>>>>

>>>>> Information Division

>>>>> Federal Election Commission

>>>>>

>>>>> Please note that the guidance provided by this correspondence is strictly informational and is NOT legally binding. Only the Commission, via the Advisory Opinion process, has the authority to issue a legally binding opinion. This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you are not the named addressee you should not disseminate, distribute or copy this email.

>>>>>

>>>>>

>>>>>

>>>>> ===== ORIGINAL MESSAGE =====

>>>>> From:

>>>>> Sent: 2018-10-30 15:21:22

>>>>> Subject: Info for FEC Party Coordinated Expenditures

>>>>>

>>>>> Good morning,

>>>>>

>>>>>

>>>>>

>>>>> I've talked to one of your analysts (David) but I am just triple checking

>>>>> this information.

>>>>>

>>>>>

>>>>>

>>>>> Below is link to FEC coordinated rules. I've read this portion of the FEC
>>>>> to mean that the Hawaii State party can make coordinated expenditures that
>>>>> are subject to different limits (in our case \$49,700) and that coordination
>>>>> must take place before expenditure (we did that); and that funds can be
>>>>> used to pay a campaign bill, not just media. I'm calling you because this
>>>>> is very different from our State Finance Compliance Rules and we would like
>>>>> to do this for our Congressional Candidate.

>>>>>

>>>>>

>>>>>

>>>>> <https://www.fec.gov/help-candidates-and-committees/making-disbursements-political-party/coordinated-party-expenditures/>

>>>>>

>>>>>

>>>>>

>>>>> Can you please confirm that I am reading all of this info correctly?

>>>>>

>>>>>

>>>>> Respectfully,

>>>>

>>>> Shirlene Delacruz Santiago Ostrov

>>>> Chairman

>>>> HAWAII REPUBLICAN PARTY

>>>> 725 Kapiolani Blvd., #C-105

>>>> Honolulu, Hawaii 96813

>>>>

>>>> Office: 808-593-8180 <(808)%20593-8180>

>>>> Cell:

>>>> Email:

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>>>> Ref:MSG0049411

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