



# ***STONEBERG, GILES & STROUP, P.A.***

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November 11, 2019

Federal Election Commission  
Office of Complaints Examination  
& Legal Administration  
ATTN: Kathryn Ross, Paralegal  
1050 1<sup>st</sup> Street NE  
Washington, DC 20463

**By US Mail & Email:**  
**cela@fec.gov**

RE: Matt Prosch for Congress / MUR7644

Dear Ms. Ross:

Enclosed please find the following documents:

1. FEC Campaign Guide for Congressional Candidates and Committees, June 2014 Chapter 2 Page 5 (15 of 199)(Exhibit A);
2. Instructions for FEC Form 2 and Related Schedules (Exhibit B); and
3. Instruction for FEC Form 1 and Related Schedules (Exhibit C).

The Complaint against Matt Prosch for Congress, et al, contains four complaints and a request for relief that can be categorized into essentially two types of complaints.

- The first complaint is in regards to required filing of forms and reporting surrounding finances of the campaign, specifically, that FEC Form 1 and FEC Form 2, along with several FEC form 3 documents were not appropriately filed with the Federal Election Commission.
- The second complaint is in regards to required disclaimers were not appropriately added to signage.

This letter will attempt to address some of the factual misinterpretations found in the Complaint.

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### **Campaign Finance Reporting**

Candidates are required to start completing and filing FEC Forms 1, 2 and 3 within 15 days after becoming a candidate whose activity exceeds \$5,000 in either contributions or expenditures. (See attached Exhibit A).

**Matt Prosch for Congress did not, and has never, accumulated expenditures of \$5,000 or more and did not, and has never, accumulated donations and/or contributions of \$5,000 or more.**

Because Matt Prosch for Congress has not met the thresholds that trigger reporting, the failure to file any such reports is not a violation. Matt Prosch for Congress instead attempted to over report to the Federal Election Commission in the hopes that they would eventually exceed the thresholds noted above. Shortly after filing said documents it became abundantly clear that the candidate was not going to meet the thresholds triggering reporting as indicated by the FEC Campaign Guide for Congressional Candidates and Committees as well as appropriate statutes and rules. Further review of Federal Election Commission instruction forms highlight that reporting is not triggered until the \$5,000 threshold is reached (See attached Exhibits B and C). Again, the candidate did not reach the \$5,000 threshold in either contributions or expenditures during the entirety of the campaign.

In the event that the Commissioner determines that the candidate should file the additional FEC Form 3 documents, it should be known that the candidate did not incur any additional campaign expenses after the last filing, nor has the candidate accumulated any additional contributions. All expenses for the campaign for signage and postage were prepaid during the first reported expense period and no additional monies were expended to the campaign.

Complainant notes that Matt Prosch for Congress continued to campaign up until the primary in August 2018. Included for documentation are various Facebook posts about the candidate attending various parades during town days. It should be noted that the towns that Matt Prosch for Congress attended parades were within an extremely close proximity to his residence and were parades that required no cost from the candidate to participate. As such there was no travel expense associated and no parade expense associated. In the event that the candidate files additional FEC form 3 documents the documents will reflect zero contributions and zero expenditures and requesting such documents would serve no material purpose to the commission, to other candidates, or to the citizens of the United States.

### **Required Disclaimers**

The Complaint alleges that Matt Prosch for Congress failed to include the correct disclosures on signage during the early stages of the campaign. The candidate admits that said disclosures were not initially included on several signs that were initially printed prior to mass production by the candidate. The candidate became of the missing disclosures during FarmFest 2017 which occurred during the first weekend in August. Misprinted signs were returned and destroyed and remaining signs to be produced were printed with the correct disclosures. Missing disclosures on the signs

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were not knowing or willful at the time and upon being notified of the necessary changes that needed to occur the candidate made immediate and prompt correction to the issue. Any pictures on Facebook are photographs taken prior to the change.

Please note that I am requesting all future correspondence to come to my office at the address listed above. Additionally, I am available to answer any questions that you may have further. Please do not hesitate to contact me.

Sincerely,

STONEBERG, GILES & STROUP, P.A.



Barry R. Gronke, Jr.



Matthew P. Prosch

BRG/eg  
Enclosures  
cc: Matt Prosch

## Starting the Campaign

## CHAPTER 2

## STARTING THE CAMPAIGN

## 1. CANDIDATE REGISTRATION THRESHOLD

An individual triggers registration and reporting responsibilities under the Act when campaign activity exceeds \$5,000 in either contributions or expenditures. Money raised and spent to test the waters does not count toward this dollar threshold until the individual decides to run for federal office or conducts activities that indicate he or she is actively campaigning rather than testing the waters. (See Chapter 1, "Testing the Waters.") The \$5,000 threshold is reached when:

- The individual and/or persons he or she has authorized to conduct campaign activity receive over \$5,000 in contributions or make over \$5,000 in expenditures; or
- The individual fails to disavow unauthorized campaign activity by writing a letter to the FEC within 30 days after being notified by the agency that another person or group has received contributions or made expenditures of more than \$5,000 on the individual's behalf. 100.3(a)(3) and 102.13(a)(2).

## 2. CANDIDATE AND COMMITTEE REGISTRATION

The registration forms mentioned in this section (FEC Forms 1 and 2) are available from the FEC, on the Commission website ([www.fec.gov](http://www.fec.gov)) and as part of the agency's FECFile software. Samples of completed forms appear throughout this chapter. Federal candidates and their committees should also contact the government offices and agencies listed in Appendix G for additional reporting requirements that are not within the FEC's jurisdiction.

## Candidate

Within 15 days after an individual becomes a candidate as described in Section 1 above, he or she must designate a principal campaign committee. This

designation is made by filing either a Statement of Candidacy (FEC Form 2) or a letter with the same information. (A candidate required to file electronically cannot designate a principal campaign committee with a written letter but must instead file Form 2. See below.) 101.1(a) and 102.12(a). House and Senate candidates file their Form 2 with the FEC.<sup>1</sup>

## Principal Campaign Committee

Within 10 days after it has been designated by the candidate, the principal campaign committee must register by filing with the Commission a Statement of Organization (FEC Form 1). 52 U.S.C. §30102(g); 102.1(a).<sup>2</sup>

## Candidates Must Register for Each Election Cycle

A candidate (including an incumbent) must file a new FEC Form 2 for each election cycle in which he or she is a candidate. For example, Mr. Jones, who was a candidate for the U.S. House of Representatives in 2014 wishes to run again in 2016. He must file a new FEC Form 2 within 15 days after crossing the \$5,000 registration threshold (see Section 1) for the 2016 election cycle.<sup>3</sup>

## Principal Campaign Committee

Using Form 2, the candidate may either redesignate his previous campaign committee (if it has not been terminated) or designate a new principal campaign committee.

<sup>1</sup> Candidates running in Guam, Northern Mariana Islands or Puerto Rico must also file a copy of their Form 2 with the appropriate election official in their territory. 108.1.

<sup>2</sup> A copy must also be filed with the appropriate office in Guam, Northern Mariana Islands or Puerto Rico for candidates running for office in those territories. 108.1.

<sup>3</sup> In addition, a separate Form 2 must be filed for any special election in which the candidate is running. For example, if Mr. Jones is also participating in the 2015 Special Election in his district, he must file a Form 2 for the 2015 election year.

## INSTRUCTIONS FOR FEC FORM 2 AND RELATED SCHEDULES

## FEDERAL ELECTION COMMISSION

## Instructions for Statement of Candidacy (FEC FORM 2)

**Who Must File FEC Form 2**

Each individual who is a candidate for federal office must file FEC FORM 2 or, if not filing electronically, a letter containing the same information within 15 days of becoming a candidate. An individual becomes a candidate for federal office whenever any of the following events occur:

- The individual has received contributions aggregating in excess of \$5,000 or made expenditures aggregating in excess of \$5,000;
- The individual has given his or her consent to another person to receive contributions or make expenditures on behalf of that individual and such person has received contributions aggregating in excess of \$5,000 or made expenditures aggregating in excess of \$5,000;
- The aggregate of contributions received in 1 and 2 above combined exceeds \$5,000 or the aggregate of expenditures made in 1 and 2 above combined exceeds \$5,000.

Funds received and payments made for the purpose of determining whether an individual should become a candidate are not considered "contributions" or "expenditures" which may trigger candidacy. Only funds permissible under the Act may be used for such activities. See 11 CFR 100.72(b) and 100.131 for further information.

**Note:** Political committees must file reports in an electronic format under 11 CFR 104.18 if they have either received contributions or made expenditures in excess of \$50,000 during a calendar year, or if they have reason to expect that they will exceed either of those thresholds during the calendar year. If the committee has reached this level of activity, you must file this form in an electronic format.

An authorized committee of a candidate is considered to have reason to expect it will exceed the electronic filing threshold for the next two calendar years after the calendar year in which

it exceeds \$50,000 in contributions or expenditures.

A new authorized committee with no previous contributions or expenditures is considered to have reason to expect it will exceed the electronic filing threshold if it exceeds \$12,500 in contributions or expenditures during the first calendar quarter of the calendar year, or \$25,000 in contributions or expenditures in the first half of the calendar year.

Contact the FEC for more information on filing electronically.

**When to File**

FEC FORM 2 must be filed within 15 days after an individual becomes a candidate (i.e., exceeds the \$5,000 threshold as stated in 1, 2, and 3, above).

**Where to File**

(See also instructions for Line 7, below.)

**House, Senate and Presidential/Vice-Presidential Candidates.** Candidates file with the Federal Election Commission, 1050 First Street, N.E., Washington, D.C. 20463. Reports shipped via FedEx, UPS or DHL should use the ZIP code 20002.

**State Filing.** House and Senate candidates must file a copy of this form with the state in which the office is sought, with the exception of candidates in states that have qualified for the Commission's state filing waiver program. Presidential candidates must file a copy of this form in states where they have made expenditures, with the exception of those states that have qualified for the Commission's state filing waiver program. A list of qualified states is available from the Federal Election Commission.

**Candidate Duties and Responsibilities**

The candidate is personally responsible for the timely and complete filing of this Statement and for the accuracy

of any information contained in it.

Any candidate who receives a contribution, obtains a loan or makes a disbursement in connection with his or her campaign is considered to have received the contribution, obtained the loan or made the disbursement as an agent of his or her authorized committee(s).

When an individual becomes a candidate, all funds received, loans obtained or disbursements made prior to becoming a candidate in connection with his or her campaign are considered to have been received, obtained, or made as an agent of his or her authorized committee(s) and must be reported in the first report filed by the candidate's principal campaign committee.

**Line-by-Line Instructions**

**LINE 1.** Print or type complete name and mailing address of the candidate.

**LINE 2.** Candidates who have never run before, who are running in a different district, or who are seeking a different federal office should leave this blank. When their Statement has been received, they will be assigned an identification number. Candidates who are seeking reelection, and candidates who have terminated a previous candidacy but are now running again for the same seat, should use their original identification number.

**LINE 3.** Check "New" if you are filing Form 2 for the first time. Otherwise, check "Amended."

**LINES 4 - 6.** Provide the requested information.

**LINE 7.** Each candidate for federal office (other than a nominee for the office of Vice President) must designate in writing a political committee to serve as his or her principal campaign committee. The name of the principal campaign committee must include the name of the candidate. The principal campaign committee must file a State-

## INSTRUCTIONS FOR FEC FORM 2 AND RELATED SCHEDULES

ment of Organization (FEC FORM 1) within 10 days of designation by the candidate and must file reports of receipts and disbursements. See instructions for FEC Form 1 for further details. On Line 7, the candidate must indicate the year of the election and the full name and street address of the candidate's principal campaign committee. If the candidate is running in a Special Election, the candidate must note that the designation is for a Special Election under the "Year of Election." If the candidate also runs in the "regular" November general election or in the primary for the November general election, the candidate must file an additional FEC Form 2 and indicate the year of the election on the appropriate line. Any such candidate may designate the same principal campaign committee for the special election and regular primary and general elections.

**LINE 8.** A candidate may designate additional political committees to accept contributions or make expenditures on behalf of the candidate, this includes joint fundraising representatives. The name of any committee authorized by a candidate must include the name of the candidate. For Line 8, the candidate must fill in the name and street address of any authorized committee(s). If necessary, additional sheets or FEC Form 2's may be attached. The FEC Form 2 for the authorized committee must be filed with the principal campaign committee. All authorized committees must file a Statement of Organization (FEC FORM 1) within 10 days of designation by the candidate. This Statement must be filed with the candidate's principal campaign committee. See instructions for FEC Form 1 for further details. The principal campaign committee must file a copy of the Statement of Organization for the authorized committee with the appropriate office listed above, under "Where to File."

The candidate must sign and date the Statement of Candidacy

## INSTRUCTIONS FOR FEC FORM 1 AND RELATED SCHEDULES

## FEDERAL ELECTION COMMISSION

## Instructions for Statement of Organization (FEC FORM 1)

**When to File**

New political committees must file this form to register the committee once they exceed the applicable threshold, as described below:

- Principal campaign committees must file this form no later than 10 days after the candidate designates the committee on the Statement of Candidacy (FEC FORM 2). Other authorized committees file this form with the principal campaign committee, which in turn must file this form with the appropriate filing offices.
- Committees sponsored by corporations, labor organizations or trade associations (i.e., separate segregated funds) must file this form no later than 10 days after their establishment.
- Local political party committees must file this form no later than 10 days after exceeding one of the following thresholds during a calendar year: (1) receiving contributions in connection with a federal election aggregating in excess of \$5,000; (2) making exempt payments under 11 CFR 100.80, 100.87, 100.89, 100.140, 100.147 or 100.149 aggregating in excess of \$5,000; or (3) making contributions or expenditures in connection with a federal election aggregating in excess of \$1,000.
- All other political committees must file this form no later than 10 days after receiving contributions or making expenditures in connection with a federal election aggregating in excess of \$1,000 during a calendar year.

**Note:** Political committees must file reports in an electronic form under 11 CFR 104.18 if they have either received contributions or made expenditures in excess of \$50,000 during a calendar year, or if they have reason to expect that they will exceed either of those thresholds during the calendar year. If your committee has reached this level of activity, you must file this form in an electronic format.

A political committee is considered to have reason to expect it will exceed the electronic filing threshold for the next two calendar years after the calendar year in which it exceeds \$50,000 in contributions or expenditures. Exception: This does not apply to an authorized committee with \$50,000 or less in net debts outstanding on January 1 of the year following the general election that anticipates terminating prior to January 1 of the next election year, as long as the candidate has not qualified under 52 U.S.C. §30102 as a candidate in the next election and does not intend to become a federal candidate in the next election.

A new committee with no previous contributions or expenditures is considered to have reason to expect it will exceed the electronic filing threshold if it exceeds \$12,500 in contributions or expenditures during the first calendar quarter of the calendar year, or \$25,000 in contributions or expenditures in the first half of the calendar year.

Contact the FEC for more information on filing electronically.

**Line-by-Line Instructions**

**LINE 1.** Print or type full name and mailing address of the committee. The name of a principal campaign committee or other authorized committee must include the name of the candidate who authorized the committee. A political committee which is not an authorized committee can not include the name of any candidate in its name, except that a delegate committee must include the word "delegate(s)" in its name and may also include the name of the Presidential candidate which it supports. A political committee established solely to draft an individual or to encourage an individual to become a candidate may include the name of the individual in the name of the

committee, provided the committee's name clearly indicates that it is a draft committee. The name of a separate segregated fund must include the full name of its connected organization. Any abbreviation or acronym used by the fund must also be reported. Finally, list the committee's electronic mail address and the Internet address (URL) of the committee's official Web site, if such a Web site exists.

**LINE 2.** State the date the group or organization became a political committee. If this filing is an amendment, note the date of the change in information.

**LINE 3.** Only committees that have previously filed a Statement of Organization should fill in this block with the number that was originally assigned to the committee. All new committees will be assigned identification numbers when the completed statement has been received.

**LINE 4.** All political committees registering for the first time check the box labeled "NEW." Committees that have previously filed FEC FORM 1 and are now submitting changes or corrections check the box labeled "AMENDED." If "AMENDED" is checked, complete Lines 1 through 4. With respect to Lines 5 – 9 include only the change(s) in information previously submitted. Committees are reminded that any change or correction in the information previously filed in the Statement of Organization shall be reported no later than 10 days following the date of the change or correction. Committees that are required to file electronically are also required to file amendments to the Statement of Organization in an electronic format.

## INSTRUCTIONS FOR FEC FORM 1 AND RELATED SCHEDULES

LINE 5. Check and fill out ONE of the eight sections as follows:

- (a) All principal campaign committees check (a) and fill in the corresponding information for the candidate under (b).
- (b) All other authorized committees check (b) and fill in the corresponding information for the candidate. In the boxes for candidate/party affiliation, list the abbreviation of the party (e.g., for Democratic party, list "DEM," for Republican party, list "REP," for Reform party, list "REF," for Green party, list "GRE" or for Independent, list "IND.") Consult the Commission's Web site at [www.fec.gov](http://www.fec.gov) if unsure of the proper abbreviation to use.
- (c) A committee supporting/opposing a single federal candidate which is not authorized by a candidate checks (c), and includes the candidate's name on the line provided. Delegate and draft committees must check (c), and provide the name of the candidate supported.
- (d) All national, State and subordinate committees of a political party check (d) and fill in whether the party is the national party (use code NAT), state party (use code STA) or subordinate committee (use code SUB). In the boxes for candidate/party affiliation, list the abbreviation of the party (e.g., for Democratic party, list "DEM," for Republican party, list "REP," for Reform party, list "REF," for Green party, list "GRE" or for Independent, list "IND.") Consult the Commission's Web site at [www.fec.gov](http://www.fec.gov) if unsure of the proper abbreviation to use.
- (e) All separate segregated funds check (e). A separate segregated fund is a political committee established, financed, maintained or controlled by a corporation, labor organization, membership organization, cooperative or trade association. Check the appropriate box to identify the type of connected organization and provide

its name and address on line 6. If a lobbyist/registrant established or controls the committee, check the Lobbyist/Registrant PAC box. See 52 U.S.C. 30104(i)(7) and 11 CFR 104.22(a)(2), (3) and (4).

- (f) A committee supporting/opposing more than one federal candidate and which is not a separate segregated fund or a political party committee (i.e., a nonconnected committee) checks box (f). If a lobbyist/registrant established or controls the committee, check the Lobbyist/Registrant PAC box. See 52 U.S.C. 30104(i)(7) and 11 CFR 104.22(a)(2), (3) and (4). In addition, if the committee is directly or indirectly established, financed, maintained or controlled by a federal candidate or officeholder, but is not an authorized committee or party, it must check the Leadership PAC box and identify its sponsor on line 6.
- (g), (h) All joint fundraising representatives must check either (g) or (h). A committee established to act as a joint fundraising representative is a political committee selected or established by joint fundraising participants as the committee responsible for keeping joint fundraising records, allocating proceeds and expenses among participants and reporting the overall financial activity of the fundraiser. If one or more federal candidates are participating in the joint fundraiser, check (g). If not, check (h). List the participating committees and their FEC identification numbers in the space provided. NOTE: If a participating committee serves as the joint fundraising representative, it must check (g) or (h) in addition to the appropriate box above (a-f).

LINE 6. Political committees must list all affiliated committees and connected organizations (defined below) as follows. Do not leave this line blank. If there are no affiliated committees as described below, enter "None" on this line. Examples of affiliated committees include:

- Principal campaign committees list all other committees authorized by the same candidate. Under "Relationship," enter "affiliated."
- Political committees authorized by the same candidate (other than the principal campaign committee) list the principal campaign committee authorized by the same candidate. Under "Relationship," enter "affiliated."
- Political committees which have been established, financed, maintained or controlled by the highest level parent organization (i.e., the corporation, labor organization, membership organization, cooperative or trade association) list:
  - The name of the parent organization. Under "Relationship," enter "connected" AND
  - The name of any other political committee(s) established, financed, maintained or controlled by the same parent organization or by a subsidiary, branch or State, local, or other subordinate unit of the same parent organization. Under "Relationship," enter "affiliated."

Political committees which have been established, financed, maintained or controlled by a subsidiary, branch or State, local, or other subordinate unit of an organization list:

- The name of the subsidiary, branch or State, local, or other subordinate unit and the name of the parent organization of which it is a part. Under "Relationship," enter "connected" AND
- The name of the highest level political committee sponsored by the parent organization. Under "Relationship," enter "affiliated."
- State party committees list any subordinate committees (i.e., any county, district or local committee) under the control or direction of the State committee. Under "Relationship," enter "affiliated." (See 11 CFR 110.3(b).)
- Subordinate State party committees list the State party committee. Under "Relationship," enter "affiliated." (See 11 CFR 110.3(b).)

## INSTRUCTIONS FOR FEC FORM 1 AND RELATED SCHEDULES

•Joint fundraising participants list the committee established to act as the joint fundraising representative. Under "Relationship," enter "joint fundraising representative."

Leadership PACs (as defined in item 5(f) above) must identify their sponsoring candidate or officeholder, but should not list that candidate's campaign committee as an affiliated committee.

Separate segregated funds must provide the full name and address of their "connected organization." Note: The term "connected organization" means any organization which is not a political committee but which directly or indirectly establishes, administers or financially supports a political committee. A connected organization may be a corporation (including a corporation without capital stock), a labor organization, a membership organization, a cooperative or a trade association. The definition of "affiliated committee" is contained at 11 CFR 100.5(g).

LINE 7. Enter the name, address and committee position or the title of custodian of the committee's books and records on Line 7. The telephone number is optional, but is helpful in expeditiously resolving potential filing problems. If the treasurer is the custodian of records, the term "treasurer" is sufficient for Line 7.

LINE 8. Enter the name and address of the committee's treasurer on Line 8. The name and address of any designated agent (e.g., assistant treasurer) must also be included on Line 8. Every political committee must have a treasurer and may designate an assistant treasurer who shall assume the duties and responsibilities of the treasurer, in the event the treasurer is unavailable. The Commission recommends that each political committee designate an assistant treasurer because no contribution or expenditure may be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of the treasurer. No expenditure may be made for or on

behalf of a political committee without the authorization of its treasurer or another agent authorized orally or in writing by the treasurer.

LINE 9. The committee must provide the name and mailing address of any bank, repository, or depository where the committee holds funds. Each political committee must have a checking account or transaction account at one of its depositories. All receipts of a political committee must be deposited into a designated campaign depository. All disbursements must be made by check or similar drafts drawn on an account at a designated campaign depository, except for expenditures of \$100 or less made from a petty cash fund.

Submit any additional information required for any Line on separate continuation sheets appropriately labeled and attached to the Statement of Organization. Indicate in the appropriate section when information is continued on separate page(s).

### Treasurer's Responsibilities

The treasurer of the political committee must preserve a copy of the Statement of Organization and each amendment for a period of not less than 3 years after the date of filing. The treasurer of the political committee is personally responsible for the timely and complete filing of this Statement and for the accuracy of any information contained in it.

### Where to File

The original Statement of Organization (FEC FORM 1) and all amendments must be filed with the appropriate office as follows:

- All political committees file with the Federal Election Commission, 1050 First Street, N.E., Washington, DC 20463.
- An authorized committee which is not the principal campaign committee of a candidate files with the principal campaign committee which must forward a copy to the appropriate office listed herein.

Principal campaign committees of House and Senate candidates must file a copy of this form with the state in which the office is sought, with the exception of committees of candidates in states that have qualified for the Commission's state filing waiver program. Principal campaign committees of Presidential candidates must file a copy of this form in each state in which they have made expenditures, with the exception of those states that have qualified for the Commission's state filing waiver program. A list of qualified states is available from the Federal Election Commission.

Unauthorized political committees must continue to file copies of this form with the states in which they have their headquarters, with the exception of committees that are located in states that have qualified for the state waiver program.

The Treasurer must sign the Statement of Organization.