

**FEDERAL ELECTION COMMISSION**

Washington, D.C. 20463

August 26, 2022

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Saurav Ghosh, Esq.
Director, Federal Campaign Finance Reform
Campaign Legal Center
1101 14th Street NW, Suite 400
Washington, DC 20005

RE: MUR 7774

Dear Mr. Ghosh:

This is in reference to the complaint Campaign Legal Center filed with the Federal Election Commission on August 7, 2020, alleging possible violations of the Federal Election Campaign Act of 1971, as amended. Based on that complaint, on July 12, 2022, the Commission found reason no reason to believe that Antone Melton-Meaux, West Coast Public Affairs, Lake Point Consulting LLC, and North Superior LLC violated 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4) and closed the file as to those respondents. The Commission also dismissed the allegations that Antone for Congress and Dennis Melton in his official capacity as treasurer violated 52 U.S.C. § 30104(b)(4)(i)(A) by misreporting the purpose of funds paid to West Coast Public Affairs.

On that same date, the Commission found reason to believe that Antone for Congress and Dennis Melton in his official capacity as treasure violated 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4) by misreporting the payee of funds paid to West Coast Public Affairs. The Factual and Legal Analysis, which formed a basis for the Commission's findings on July 12, 2022, is enclosed for your information. However, upon further review of this matter, on August 11, 2022, the Commission voted to dismiss this matter as a matter of prosecutorial discretion pursuant to *Heckler v. Chaney* and closed the file in this matter as it pertains to Antone for Congress and Dennis Melton in his official capacity as treasurer. A Statement of Reasons providing a basis for the Commission's decision 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).

MUR 7774 (Antone for Congress, *et al.*)
Saurav Ghosh, Esq.
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The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. *See* 52 U.S.C. § 30109(a)(8).

If you have any questions, please contact Ray Wolcott, the attorney assigned to this matter, at (202) 694-1302 or rwolcott@fec.gov.

Sincerely,

Lisa J. Stevenson
Acting General Counsel

Mark Allen

BY:

Mark Allen
Assistant General Counsel

Enclosure
Factual & Legal Analysis

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

1 RESPONDENTS: Antone for Congress and Dennis Melton MUR 7774
2 in his official capacity as treasurer

I. INTRODUCTION

4 Antone Melton-Meaux was a challenger to incumbent U.S. Representative Ilhan Omar in
5 the 2020 Democratic primary election for Minnesota’s Fifth Congressional District. The
6 Complaint alleges that his authorized campaign committee, Antone for Congress and Dennis
7 Melton in his official capacity as treasurer (“Committee”), failed to itemize \$3,470,618 in
8 reported disbursements for campaign services and intentionally obscured the ultimate payees for,
9 and purposes of, the disbursements. The Complaint alleges that these payments were made to
10 three business entities — Lake Point Consulting LLC (“Lake Point”), North Superior Consulting
11 LLC (“North Superior”), and West Coast Public Affairs (“West Coast”) — formed for the sole
12 purpose of acting as conduits to disguise payments to vendors worried that they would be
13 “blacklisted” by the Democratic Congressional Campaign Committee (“DCCC”) if they
14 provided services to a candidate challenging a Democratic incumbent.

15 The Committee denies the allegations and argues that the disbursements to Lake Point,
16 North Superior, and West Coast were properly reported. As discussed below, the available
17 information indicates that the Committee accurately reported the purpose for \$3,309,026 in
18 disbursements to West Coast, but identified the company merely as “WCPA.” Thus, the
19 Commission finds reason to believe that the Committee violated 52 U.S.C. § 30104(b)(5)(A) and
20 11 C.F.R. § 104.3(b)(4) by misreporting the payee of \$3,309,026 in disbursements reportedly
21 paid to West Coast.

II. FACTUAL BACKGROUND

Antone Melton-Meaux was a candidate in the 2020 Democratic primary election for Minnesota’s Fifth Congressional District, running as one of several Democratic candidates challenging the incumbent, and eventual winner, Ilhan Omar.¹ Antone for Congress is Melton-Meaux’s authorized campaign committee; Dennis Melton is the Committee Treasurer.² The Committee was formed on November 15, 2019, and is organized as a nonprofit corporation in Minnesota. Heather Faulkner is listed as the Committee’s registered agent on both its Statement of Organization and its corporate filings with the Minnesota Secretary of State.³

Lake Point was formed in Delaware on December 2, 2019, seventeen days after the Committee’s formation, and the Committee’s first reported disbursement to Lake Point was on December 8, 2019.⁴ Lake Point appears to be a single-member LLC,⁵ and although the individual who formed Lake Point is unidentified on the Delaware Secretary of State’s website, the Response identifies her as Heather Faulkner.⁶ According to Respondents, Faulkner was

¹ Melton-Meaux Statement of Candidacy (Dec. 3, 2019); Committee Resp. at 1 (Oct. 29, 2020).

² Antone for Congress Statement of Organization (Dec. 3, 2019).

³ *Id.*; Minnesota Secretary of State Business Entity Search, <https://mbisportal.sos.state.mn.us/Business/BusinessSearch?BusinessName=Antone%20for%20Congress> (search for “Antone for Congress”).

⁴ Resp. Attach. 1; Delaware Department of State Division of Corporations Business Entity Search, <https://icis.corp.delaware.gov/ecorp/entitysearch/NameSearch.aspx> (search for “Lake Point Consulting LLC”); Resp. Attach 1 (redacted affidavit from the unidentified individual who formed Lake Point and associated certificate of formation); Antone for Congress 2019 Year End Report at 81 (Jan. 31, 2020) (disclosing an \$8,000 disbursement for “consulting-strategy”).

⁵ *See* Resp. at 4 (“The Commission has no basis to assume that [Lake Point and North Superior] were anything other than simple single-member LLCs ...”).

⁶ *Id.*, Attach. 1; Antone for Congress Statement of Organization (listing Heather Faulkner as the Committee’s registered agent); Minnesota Secretary of State Business Entity Search, <https://mbisportal.sos.state.mn.us/Business/SearchDetails?filingGuid=3d70e4e7-bd07-ea11-9188-00155d01b4fc> (search for “Antone for Congress”) (showing Heather Faulkner as the entity’s registered agent).

1 selected for a role in the Committee prior to the formation of Lake Point and, apparently through
 2 Lake Point, was “performing campaign director functions” for the Committee.⁷

3 North Superior was formed in Delaware on November 4, 2019, eleven days before the
 4 Committee’s formation, and the Committee’s first reported disbursement to North Superior was
 5 on December 17, 2019.⁸ North Superior appears to be a single-member LLC;⁹ the individual
 6 who formed North Superior is unidentified on the Delaware Secretary of State’s website, and
 7 that person’s name is redacted from the declarations and supporting documents included with the
 8 Response. A press report linking to an unredacted copy of the state-filed documents indicates,
 9 however, that an individual named K. Davis Senseman, who the article describes as an attorney
 10 in Minneapolis and the former treasurer of Ilhan Omar’s 2018 congressional campaign
 11 committee, signed as the “Authorized Person” forming North Superior.¹⁰ Senseman is the
 12 founder of, and sole attorney at, Davis Law Office, PLLC, a law firm in Minneapolis formed in

⁷ Joint Resp. at 4 n.6 (stating that “The person who formed Lake Point LLC was one of the directors selected at the organizational meeting in 2019 and was selected as Secretary of the corporation as well.”). Faulkner’s selection as registered agent for the Committee necessarily preceded filing of the incorporation documents with the Minnesota Secretary of State, which in turn preceded the formation of Lake Point by eighteen days.

⁸ Delaware Department of State Division of Corporations Business Entity Search, <https://icis.corp.delaware.gov/ecorp/entitysearch/NameSearch.aspx> (search for “North Superior Consulting LLC”); Joint Resp., Attach 2 (redacted affidavit from the unidentified individual who formed North Superior and associated certificate of formation); Antone for Congress 2019 Year End Report at 84 (disclosing a \$5,000 disbursement for “consulting-strategy”).

⁹ *Supra* note 5.

¹⁰ See Ilhan for Congress Statement of Organization (June 13, 2018) (listing Senseman as treasurer); Gabe Schneider, *Antone Melton-Meaux’s Campaign Paid Almost \$100,000 to Two Consulting Companies — but Won’t Say Who is Involved or What Work They Do*, MINNPOST (July 27, 2020), <https://www.minnpost.com/national/2020/07/antone-melton-meauxs-campaign-paid-almost-100000-to-two-consulting-companies-but-wont-say-who-is-involved-or-what-work-they-do>. The MinnPost article included a link to a PDF copy of the formation documents, page two of which appears to be an unredacted copy of the North Superior formation document included as Attachment B to the Committee’s Response. https://www.minnpost.com/wp-content/uploads/2020/07/234633512_361420_033638.pdf.

2010.¹¹ According to Respondents, North Superior “assisted [the Committee] with its organizational efforts, which included helping craft incorporation documents and organizational meeting documents.”¹²

West Coast is a corporation formed in California in 2012.¹³ According to a declaration from West Coast’s Chief Financial Officer (“CFO”), John Shallman, West Coast provides media services to political, nonprofit, and other organizations, including media strategy, production, and time-buying, which is handled through a sub-vendor.¹⁴ Shallman declares that the Committee’s reported disbursements to West Coast were for such media services, and the time-buying portion of those services was handled through a sub-vendor named Canal Partners Media.¹⁵ He declares that all Committee disbursements received by West Coast were for bona fide media services that West Coast provided to the campaign, either directly or through subcontractors.¹⁶ For its part, Canal Partners appears to serve as a time-buying sub-vendor that purchases political advertising time for federal, state, and local candidates nationwide.

The Committee reported 20 disbursements to West Coast totaling \$3,309,026 for a variety of purposes related to advertising.¹⁷ The Committee reported the disbursements to West

¹¹ Minnesota Secretary of State Business Entity Search, <https://mbisportal.sos.state.mn.us/Business/SearchDetails?filingGuid=ac983a3b-95d4-e011-a886-001ec94ffe7f> (search for “Davis Law Office”); Davis Law Office, About, <https://davismeanbusiness.com/team> (listing Senseman as the founder and sole attorney).

¹² Joint Resp. at 4 n.6.

¹³ California Secretary of State Business Entity Search, <https://businesssearch.sos.ca.gov/CBS/Detail> (search for “West Coast Public Affairs”).

¹⁴ Joint Resp., Attach. 3; West Coast Statement of Information (June 10, 2013), *available at* <https://businesssearch.sos.ca.gov/Document/RetrievePDF?Id=03505102-16543218> (listing Shallman as the CFO).

¹⁵ Joint Resp., Attach. 3.

¹⁶ *Id.*

¹⁷ Antone for Congress 2020 July Quarterly Report at 1922-1923 (July 15, 2020); Antone for Congress 2020 October Quarterly Report at 514-517 (Oct. 15, 2020); Antone for Congress 12 Day Pre-Primary Report at 297-299 (July 30, 2020) (collectively reporting five disbursements for “TV/digital ad buy,” five disbursements for “direct

Coast using the acronym “WCPA,” not the company’s full name. Commission records show that other entities reported significant disbursements to West Coast between 2012 and the present for media services, with each entry using the company’s full name, “West Coast Public Affairs.”¹⁸

The Committee reported fifteen disbursements to Lake Point totaling \$164,092 during the 2020 election cycle; fourteen of these payments were reported with a purpose of “strategic consulting,” and one payment was reported as being for “consulting-strategy.”¹⁹ The Committee reported four disbursements to North Superior totaling \$17,500 for “consulting-strategy” and “strategic consulting.”²⁰ Commission records show no reported disbursements to Lake Point or North Superior from any other entities during the 2020 election cycle.²¹

Referencing press reports, the Complaint and Response assert that during the 2020 election cycle, the DCCC issued an internal policy that amounted to maintaining a “blacklist” of vendors that worked with challengers to incumbent Democratic congressional candidates.²² The

mail,” three disbursements for “TV ad buy,” two disbursements for “media buy,” two disbursements for “digital advertising,” and single disbursements for “retainer,” “television advertising,” and “TV ad buy and production”).

¹⁸ Campaign Finance Data, West Coast Public Affairs, 24- and 48-Hour Reports, https://www.fec.gov/data/independent-expenditures/?data_type=processed&is_notice=true&most_recent=true&payee_name=west+coast+public+affairs (showing 87 disbursements to West Coast totaling \$2,590,516.57 for media services associated with independent expenditures between 2012-present).

¹⁹ Antone for Congress 2019 Year-End Report at 81 (Jan 31, 2020); Antone for Congress 2020 April Quarterly Report at 181-182 (Apr. 15, 2020); Antone for Congress 2020 July Quarterly Report at 1912-1913 (July 15, 2020); Antone for Congress 2020 October Quarterly Report at 500 (Oct. 15, 2020); Antone for Congress 12 Day Pre-Primary Report at 287 (July 30, 2020); Antone for Congress 30 Day Post-General Report at 8 (Dec. 2, 2020); Antone for Congress 2021 April Quarterly Report at 8 (Apr. 15, 2021).

²⁰ Antone for Congress 2019 Year End Report at 84; Antone for Congress 2020 April Quarterly Report at 187; Antone for Congress 2020 July Quarterly Report at 1919.

²¹ Campaign Finance Data, 2019-2020, Disbursements, Lake Point Consulting or North Superior Consulting, https://www.fec.gov/data/disbursements/?data_type=processed&recipient_name=Lake+Point+Consulting&recipient_name=north+superior+consulting&two_year_transaction_period=2020.

²² Compl. at 5 (citing Rachael Bade & David Weigel, *Pelosi Endorses Rep. Tlaib in Primary Fight, Moves to Help Members of ‘the Squad,’* WASH. POST (July 29, 2020), https://www.washingtonpost.com/powerpost/pelosi-endorses-rep-tlaib-in-primary-fight-moves-to-help-members-of-the-squad/2020/07/29/028b5692-d1c6-11ea-9038-af089b63ac21_story.html); Joint Resp. at 3; *see also* Daniel Marans, *DCCC Promises to Blacklist Firms that Work with Candidates Challenging Incumbents*, HUFFINGTON POST (Mar. 22, 2019), available at

Complaint alleges that Lake Point, North Superior, and West Coast were formed as conduits to obscure the identity of vendors providing services to the Committee who sought to avoid being “blacklisted” by the DCCC.²³ In March 2021, the DCCC reportedly announced that it would no longer follow this policy.²⁴

The Committee argues that the Complaint is speculative and the Committee accurately disclosed the reported disbursements to Lake Point, North Superior, and West Coast.²⁵ The Committee asserts that Delaware law does not require LLCs to disclose their owners or members in their formation documents, and an attorney can file formation documents on behalf of an LLC.²⁶ The available information suggests that the Committee and Melton-Meaux may have signed nondisclosure agreements (“NDAs”) with both Lake Point and North Superior.²⁷

III. LEGAL ANALYSIS

The Act and Commission regulations require political committees to report the name and address of each person to whom they make expenditures or other disbursements aggregating more than \$200 per calendar year, or per election cycle for authorized committees, as well as the date, amount, and purpose of such payments.²⁸ The relevant reporting requirements under the Act and Commission regulations are intended to ensure public disclosure of “where political

https://www.huffpost.com/entry/dccc-promises-to-blacklist-firms-that-work-with-candidates-challenging-incumbents_n_5c95126ae4b01ebee0ec3ae.

²³ Compl. at 1-2.

²⁴ See Ally Mutnick, *House Democrats End Controversial Consultant Ban*, POLITICO (Mar. 9, 2021), <https://www.politico.com/news/2021/03/09/dccc-ban-primary-challengers-474588>.

²⁵ Resp. at 1.

²⁶ *Id.* at 2

²⁷ Schneider, *supra* note 10 (“Melton-Meaux’s campaign manager also claimed to have signed nondisclosure agreements with the companies that prevented them from revealing any further information”).

²⁸ 52 U.S.C. § 30104(b)(5), (6); 11 C.F.R. § 104.3(b)(3)(i), (ix) (political committees other than authorized committees); *id.* § 104.3(b)(4)(i), (vi) (authorized committees); *id.* § 104.9(a), (b) (all political committees).

campaign money comes from and how it is spent.”²⁹ Disclosure requirements also “deter[] and help[] expose violations” of the Act and Commission regulations.³⁰

The Committee appears to have violated the plain language of 11 C.F.R. § 104.3(b)(4), which states that committees “shall report the full name and address” of each “person to whom an expenditure in an aggregate amount or value in excess of \$200 within the election cycle is made by the reporting authorized committee to meet the authorized committee’s operating expenses.”³¹ The use of the acronym made it very difficult for a member of the public to identify the recipient of \$3,309,026 in disbursements — 71% of the Committee’s total disbursements during the 2020 election cycle.³² Because the Committee violated the plain language of the relevant regulation, and appears to have done so to obscure West Coast as the payee, the Commission finds reason to believe that the Committee violated 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4) by misreporting the payee of funds paid to West Coast.

²⁹ *Buckley v. Valeo*, 424 U.S. 1, 66 (1976); *see also Citizens United v. FEC*, 558 U.S. 310, 369-71 (2010) (describing importance of disclosure requirements to serve informational interest, because “transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages”).

³⁰ *SpeechNow.org v. FEC*, 599 F.3d 686, 698 (D.C. Cir. 2010) (en banc); *see also Buckley*, 424 U.S. at 67-68 (explaining that disclosure requirements “deter actual corruption and avoid the appearance of corruption by exposing large contributions and expenditures to the light” and that “recordkeeping, reporting, and disclosure requirements are an essential means of gathering the data necessary to detect violations” of the Act); *McConnell v. FEC*, 540 U.S. 93, 196 (2003) (concurring with the stated government interests in disclosure requirements described in *Buckley* — “providing the electorate with information, deterring actual corruption and avoiding any appearance thereof, and gathering the data necessary to enforce” the Act and Commission regulations).

³¹ 11 C.F.R. § 104.3(b)(4), (b)(4)(i); *see also* 52 U.S.C. § 30104(b)(5)(A) (committee reports shall disclose “the name and address” of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the election cycle is made by the reporting committee).

³² The Committee disclosed \$4,650,989.07 in total disbursements during the 2020 election cycle. Campaign Finance Data, Antone for Congress, Spending, <https://www.fec.gov/data/committee/C00729582/?cycle=2020&tab=spending>.

1 Statements of Purpose for Disbursements to West Coast

2 The Committee reported 20 disbursements to West Coast totaling \$3,309,026 for a
3 variety of purposes related to advertising.³³ The descriptions of purpose for these disbursements
4 were reported as “TV/digital ad buy,” “direct mail,” “TV ad buy,” “media buy,” “digital
5 advertising,” “retainer,” “television advertising,” and “TV ad buy and production”.³⁴ These
6 descriptions appear to be sufficiently detailed and in line with the services that Respondents state
7 were provided to the Committee by West Coast. Accordingly, the Commission dismisses the
8 allegations that the Committee violated 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R.
9 § 104.3(b)(4)(i)(A) by misreporting the purpose of funds paid to West Coast.

³³ *Supra* note 17.

³⁴ *Id.*