



In the Matter of Intellz, Inc.

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MUR 7788

## INTRODUCTION

Through counsel, Intellz, Inc. (“Intellz”) provides the following response to the complaint (“Complaint”) filed with the Federal Election Commission (“FEC” or “Commission”) by John McCann (“Complainant”). The Complaint has been designated by the Commission as MUR 7788.

## BACKGROUND

Intellz provides strategic research, grassroots organization, and media services to political campaigns across the country. Mark Campbell, who has worked in politics for four decades, is the sole owner, President, and Chief Executive Officer of Intellz. During the 2020 election cycle, Campbell began testing a subcontracting relationship with William Collier<sup>1</sup> and his company, Blue Regal Media LLC. Pursuant to their subcontracting relationship, Mr. Collier could utilize the Intellz brand (effectively, Campbell’s reputation as an experienced and successful political consultant) to pitch political campaigns. Pallotta for Congress (“Pallotta Campaign”) was one such client that Mr. Collier was able to secure utilizing the Intellz brand.

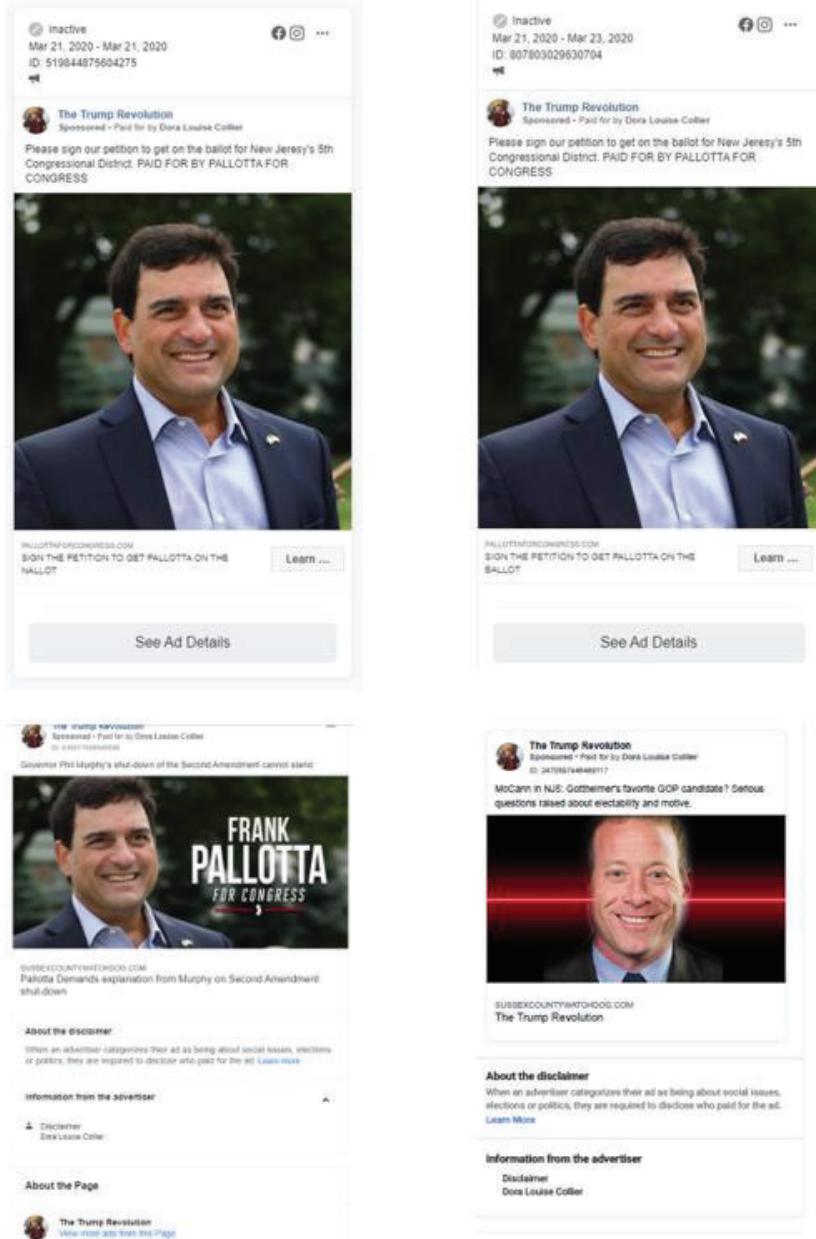
On or around March 10, 2020, the Pallotta Campaign disbursed \$10,000 to Intellz to produce and place various digital advertisements on behalf of the campaign. Although Campbell did not have relevant knowledge of these activities prior to his receipt of the Complaint, Mr. Collier recently informed Campbell and the undersigned counsel that three different digital advertisements he produced and placed on behalf of the Pallotta Campaign were published on “The Trump Revolution” Facebook page.<sup>2</sup> The three advertisements, which were promoted on Facebook via four sponsored “campaigns,” are copied below:

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<sup>1</sup> Mr. Collier, in his individual capacity, is also identified as a respondent in the Complaint.

<sup>2</sup> “The Trump Revolution (A Facebook Page)” is also identified as a respondent in the Complaint.

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According to Mr. Collier, "The Trump Revolution" is not a political organization, nonprofit organization, or any other type of entity; rather, it exists solely as a Facebook account controlled by Mr. Collier and his spouse, Dora Louise Collier.<sup>3</sup>

<sup>3</sup> Mrs. Collier, in her individual capacity, is also identified as a respondent in the Complaint.

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Mr. Collier also informed Campbell and the undersigned counsel that he published these digital advertisements on “The Trump Revolution” Facebook page because, at the time they were published, Facebook was not permitting the Pallotta Campaign to sponsor political advertising on their own page while it awaited Facebook’s verification process. Due to time constraints and the uncertainty as to when the Pallotta Campaign’s Facebook account would be verified, Mr. Collier published and promoted these digital advertisements on “The Trump Revolution” Facebook page, which had already gone through Facebook’s verification process and was able to sponsor political advertising.

According to Mr. Collier, he did not publish and promote these digital advertisements on “The Trump Revolution” Facebook page to hide the fact that the Pallotta Campaign was responsible for them. Indeed, although Facebook automatically generated the “Sponsored • Paid for by Dora Louise Collier” disclaimer at the top of the advertisements, Mr. Collier attempted to comply with the Commission’s disclosure requirements by including “PAID FOR BY PALLOTTA FOR CONGRESS” in the text of the digital advertisement that was promoted via two sponsored “campaigns.” While Mr. Collier failed to include “PAID FOR BY PALLOTTA FOR CONGRESS” in the text of the other two digital advertisements, his failure to do so amounts to an oversight and not the conspiracy that the Complainant suggests.

Despite the Complainant’s allegations, the publishing and promotion of these three digital advertisements on “The Trump Revolution” Facebook page did not constitute impermissible “coordination” because the advertisements were paid for by the Pallotta Campaign. Under the Federal Election Campaign Act and Commission regulations, “coordination” simply means the creation of an advertisement paid for by *another person* at the request or suggestion of a candidate or campaign, or with the approval of the candidate or campaign. Critically, for a violation to exist, the communication must be “paid for, in whole or in part, by a person *other than* that candidate, authorized committee, or political party committee.”

To be fair to Mr. Collier, his failure to include “PAID FOR BY PALLOTTA FOR CONGRESS” in the text of the other two digital advertisements could be attributable to Facebook’s confusing political advertising rules. These complex rules require a person placing a paid political advertisement on a Facebook page to meet several requirements

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prior to “boosting” their advertisement.<sup>4</sup> It is widely known that this evolving, yet unclear, process has led to campaigns’ advertisements winding up in limbo.<sup>5</sup>

In particular, Facebook’s rules require a paid political advertisement to include a disclaimer that automatically appears at the top of each advertisement and indicate who paid for the advertisement.<sup>6</sup> Typically, Facebook automatically assigns an advertisement’s disclaimer to the name of the authorized individual owning or managing the Facebook page. For the name of another organization to appear in the Facebook disclaimer, an authorized individual must submit certain documentation to verify the existence of the organization. Once approved by Facebook, the individual then must jump through additional hoops to link the Facebook disclaimer to the respective Facebook page.<sup>7</sup> In this instance, however, Mr. Collier could not take the additional steps necessary to link the Advertisements’ disclaimer to the Campaign’s Facebook page because it was not verified, and, as a result, Facebook tied the Advertisements’ disclaimer to Collier and “The Trump Revolution” Facebook page by default.

## CONCLUSION

Even if the Commission were to determine that a violation occurred as a result of Mr. Collier’s failure to include “PAID FOR BY PALLOTTA FOR CONGRESS” in the text of two digital advertisements, the Commission has broad discretion under *Heckler v. Chaney*, 470 U.S. 821 (1985) to determine how to proceed with respect to complaints or referrals. The Commission has exercised its prosecutorial discretion under *Heckler* to dismiss matters that do not merit the additional expenditure of Commission resources, and this is exactly the type of matter where the amounts in question are insubstantial. Therefore, in consideration of the Commission’s valuable time and resources, as well as the specific the facts and allegations at issue in this matter, we respectfully ask the Commission to exercise its prosecutorial discretion and dismiss this matter as it relates to Intellz.

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<sup>4</sup> See Attachment 1.

<sup>5</sup> See Attachment 2.

<sup>6</sup> To date, the FEC has not issued specific guidance on how campaigns and others must adhere to the dual FEC- and Facebook-required standards.

<sup>7</sup> See Attachment 3.

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If you require additional information or if I can be of any assistance, then I can be reached at (512) 354-1783.

Sincerely,



Chris K. Gober  
Counsel to Intellz, Inc.

# ATTACHMENT 1

Disclaimers (except for the “Your name” option) can be owned by several Page admins each, in addition to the original creator. We encourage co-ownership of disclaimers between Page admins. If a sole owner leaves the Page, changes or loses their Page admin role, or loses authorization, the disclaimer will be paused and can’t be used.

Advertisers have five ways to get disclaimers approved, three of which rely on United States government resources to confirm an organization so they can use its registered name in disclaimers.

- Advertisers will receive a “Confirmed Organization” icon on their ads if they provide a US street address, phone number, business email, a matching business website and complete one of these three options:
  - Tax-registered organization
  - Government organization
  - Federal Election Commission (FEC) registered

Later on, you’ll also be required to assign a Page Owner. These options will allow you to become a “Confirmed Page Owner”, which benefits from advanced impersonation protection and improved search rankings.

- Smaller businesses or local politicians who may not have these credentials can choose from two options. Advertisers who go through these two options will receive an “About this Ad” icon:
  - Submit a self-declared organization name (still requires a US street address, business phone number, email, and matching website)
  - Page admin’s legal name on their ID documents

Having trouble receiving a confirmation email? Click [here](#). Having trouble receiving a phone call? Click [here](#).

Advertisers can choose a self-declared organization or name option when declaring themselves as a “Page Owner”. To become a “Confirmed Page Owner”, you’d need to choose one of the other three options instead to have advanced impersonation protection and improved search rankings.

[Option 1: Tax-registered organization](#)

[Option 2: Government organization](#)

[Option 3: Federal Election Commission \(FEC\) registered organization](#)

Small businesses or individuals that can't use the organization name in the disclaimer. To start, review these steps or watch the video below.

**Note:** This disclaimer can only be used on the page that it was created for and linked to a personal ad account.

1. Visit the **Issue, Electoral or Political Ads** tab in Page settings to create and manage the disclaimer.
2. When choosing a disclaimer to link to an ad account, a Page admin can select the legal name on the ID used to confirm their identity.
3. Click **Create Disclaimer**.
4. Click **Select** on the **Your Name** option.
5. Your name as it appears in official documents will appear as shown on the window. Click **Select** to proceed.
6. Review information for this disclaimer and click **Next**.
7. Click **Submit** to finish.
8. The disclaimer should be created. Click **Continue**.
9. The disclaimer will be shown under **Manage Your Disclaimers**. You'll need to link your account next.

Learn more about [how to share disclaimers across Pages](#).

## Link your ad accounts

To link your ad accounts and set up disclaimers:

1. Go to your Page. If your Page is managed in [Business Manager](#), you'll need to access your Page through Business Manager to complete the rest of the steps.
2. Click **Settings** in the top-right corner.
3. In the left menu, click **Issue, Electoral or Political Ads**.
4. Below **Link Disclaimers For This Page**, click **View**.
5. Before you can begin, you'll need to agree to comply with Terms and Conditions by clicking **Accept**.
6. By default, any ad accounts you're an ad account advertiser or admin on will appear automatically, and you can select the ones that will be used to pay for your Page's ads about social issues, elections or politics. If you need to add additional ad accounts, you'll need to have the numbers associated with each of the ad accounts you'd like to add. Learn how to [find your ad account IDs](#). Once you have your ad account IDs, add them one at a time and click **Add**. Your ad account information will appear as you add it. In the **Enable** section, check the box adjacent to each ad account you'd like to use to run ads about social issues, elections or politics. When you're done, click **Next**.
7. For each ad account specified, choose an approved disclaimer.

**Note:** You're only allowed to have one disclaimer for each ad account linked to a specific Page.

## Assign Page Owner

To increase transparency about who's behind a Page, an admin on each Page is required to assign a disclaimer as a "Confirmed Page Owner" or "Page Owner" in order to run ads about social issues, elections or politics.

If you choose a "Confirmed Organization" disclaimer (Tax-Registered, FEC, Government Organization options), you can become a "Confirmed Page Owner". It benefits from advanced impersonation protection and improved search rankings. If you choose other disclaimers, you can only be shown as a "Page Owner" and won't receive these benefits. Once assigned, we'll include more information about who is behind the Page in the Ad Library and in the "Organizations That Manage This Page" tab within the Page Transparency section of your Page.

1. Go to your Page. If your Page is managed in [Business Manager](#), you'll need to access your Page through Business Manager to complete the rest of the steps.
2. Click **Settings** in the top-right corner.
3. In the left menu, click **Issue, Electoral or Political Ads**.
4. Under **Your Page**, click **View** to see the Page Transparency tab.

# ATTACHMENT 2



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## TECH

# As Facebook cracks down on fake political ads, businesses are getting caught in the crossfire

PUBLISHED FRI, JUN 28 2019 9:46 AM EDT    UPDATED FRI, JUN 28 2019 10:42 AM EDT



Megan Graham  
@MEGANCGRAHAM

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## KEY POINTS

Facebook has made changes to protect its platform from fake political ads from bad actors.

### BREAKING NEWS

But advertisers say the rules are too broad and difficult to follow.

Small businesses, who often don't pay enough to merit more hands-on help from Facebook, have had issues with ads flagged by Facebook's artificial intelligence and slow response times.

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Earlier this year, Wil Spillane, a social media strategist at Delaware-based Trellist Marketing and Technology, tried to post a [Facebook](#) ad for a client that made a chemical ingredient for paint. He said the ad positioned the product as eco-friendly because customers would only have to use one coat of paint, thus reducing their carbon footprint.

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The ad seemed innocent enough, until Spillane received a response from Facebook that his ad had been flagged and couldn't run without verification that he had U.S. identification documents and a domestic mailing address.

It turns out Facebook's ads manager system had flagged Spillane's paint ad because it determined it was a political or issues-based ad, which requires an extra level of approval to publish on the platform.

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case.

Spillane's experience running ads for small businesses isn't uncommon these days. Since the Cambridge Analytica scandal broke in 2018, Facebook has made a number of changes purporting to make it harder for bad actors to place ads and influence elections. The company [rolled out an archive of ads](#) last year so consumers can see who's spending and how much on ads for politics and other issues.

But advertisers say the changes Facebook made to its artificial intelligence system does more than just flag political ads. Many ads that mention social issues (like marketing for "eco-friendliness") get caught in Facebook's digital net, even if they're not outright advocating for a cause, advertisers said. CNBC spoke to eight advertisers who have encountered various issues with flagging. Many of them characterized the system as overly broad and confusing.

Flagged ads can end up in limbo as they await human review, sometimes taking days to get approval, they said. Small business advertisers said they were particularly affected

**BREAKING NEWS** since ads are often flagged automatically and they often don't often have quick access to a human reviewer to appeal to.

This comes as Facebook pushes hard for the dollars of small businesses, which now have increasingly sophisticated ad offerings from companies like [Snapchat](#), [Google](#) and other platforms that are making it easier for smaller players to advertise online. At the Cannes Lions International Festival of Creativity in France last week, Facebook chief operating officer Sheryl Sandberg characterized Facebook's ad platform as a means of equalizing big and small advertisers.

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Facebook has a [list of “prohibited” content](#) in its advertising policies that spans 30 sections, banning ads on everything from the sale of body parts to payday loans. When it comes to [ads about social issues, elections or politics](#), Facebook says it can restrict those ads, and any advertiser running ads on those topics (except for news publishers identified by Facebook, it says) must complete an authorization process that proves they’re based in the U.S.

The [list of social issues](#) that can be considered to require advertiser authorization and labeling in the U.S. is extensive. It spans hot-button issues like abortion and terrorism, but also includes seemingly less divisive issues, like the environment, health or education. The company said it doesn’t mean a mere mention of those topics will be flagged, but they could be if a post involves discussion, debate or advocacy of a topic. The policy [pertains to ads with](#) “content that takes a position on or advocates for or against social issues.”

A Facebook spokeswoman said the policy was “broad” when it was announced in 2018 ~~as it sought to improve~~ and refine enforcement and listen to feedback over time.

#### BREAKING NEWS

Facebook, on its Ad Library report for the U.S., claims advertisers have spent [more than \\$650 million](#) on ads about social issues, election or politics since May 2018. That figure includes spend on an ad for a product called a “TreeDiaper” that absorbs rainwater and irrigation water for plants, and one for a free (just pay shipping!) “Poop Emoji Farting Plush Toy.” (A Facebook spokeswoman said the poop emoji toy shouldn’t have been marked as political, while the TreeDiaper was flagged as a “social issue” because part of its marketing claims involve saving the environment).

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human review, but the spokeswoman said that the system is mostly automated, along with humans that support that review. Facebook said it checks an ad's images, text and positioning as well as content on an ad's landing page for community standards and advertising policies. Ads that are already running also might be flagged by artificial intelligence or reported by users.

If an ad is rejected for not complying with policies, the site says it sends the advertiser an email explaining why. Advertisers are prompted to either edit their ad or appeal the decision.

Sam Kessenich, chief digital officer at RyTech, recently tweeted about his troubles when he was trying to run a spot about shoes. Tweeting at Facebook's ads account on Twitter, he said: "I'm just trying to market shoes for a client. Not sure how my ads are being construed as 'political/of national importance' but your lack of response for over a week now definitely isn't clearing anything up."

Kessenich said he's experienced issues both with new spots and spots that were running fine for months then suddenly flagged without even having changed them. What's

**BREAKING NEWS** Identical ads where one might be flagged and the other isn't.

Big advertisers often have a dedicated Facebook representative they can call to push campaigns through or help explain why an ad is being flagged. Those who spend less say they have less personalized attention.

But they still need Facebook.

Tamara MacDuff, a small business mentor at the nonprofit SCORE, said Facebook's targeting capabilities have been crucial for small businesses in the digital age.

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paid ads just in case they have issues with paid ads.

SCORE's director of communications and public relations Betsy Dougert has had various problems of her own with Facebook's flagging of content. The organization is [hosting a webinar](#) this week called "Facebook is Falling: Crucial Marketing Strategies You Must Activate Now." She said that even though small businesses still can get value out of the platform, not having answers can be a source of frustration.

"There is no one there to talk to you," she said. "There is no phone number to call ... the only human beings I've heard from at Facebook are ad reps trying to sell me things. When you can't get a live human being, it can be really frustrating."

And for businesses that rely on Facebook for marketing, time is everything. If a campaign meant for Father's Day can't run on Father's Day, for example, it stands to miss out on sales as it waits for human review.

Paul Reed, who does marketing for music festivals and clubs, said "the flagging process has gotten incredibly aggressive" in the last three months, "way more than it ever was

with rejected ads have involved issues beyond political flagging,

including

He said changes to algorithms and approval policies seem frequent and not communicated clearly to advertisers.

"It's just a giant guessing game," he said. "Then everyone in the digital space is scrambling. It's like we're trying to solve a puzzle of what do we do now?"

Betsy Hindman, principal at digital marketing firm Hindman Company, said the

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The Facebook spokeswoman said the company continues to review its political ads policy to “better understand the types of issue ads that require additional transparency to people who use our platform versus ads that fall outside the scope of true discussion, debate or advocacy.”

For example, Facebook changed its policy to make sure including a Pride flag wouldn’t require extra authorization before it could run, the spokeswoman said.

Valeria Bisceglia, who advises small businesses at the Connecticut Small Business Development Center, said this is a matter of small businesses just learning to better deal with Facebook and becoming as educated as they can be.

“As a small business you’re dealing with this huge company,” she said. “It happens to the everyday consumer trying to reach customer service in many large companies. Sometimes it’s challenging. It requires patience... I think a big part of it is the work that a small business owner can try to do ahead of time to try and prevent the issue to begin with.”

She said issues like a business owner having an account flagged because there’s a mismatch between their account name and billing name is one pitfall she sees, along with things like having too much text in an ad image. Those issues, though frustrating, are preventable, she said.

“I always recommend to people to take a few minutes to read the guidelines first,” she said. “I know it’s tedious and nobody wants to do that ... it can help with a lot.”

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# ATTACHMENT 3

9. The disclaimer will be shown under **Manage Your Disclaimers**. You'll need to link your account next.

