

BEFORE THE FEDERAL ELECTION COMMISSION
ENFORCEMENT PRIORITY SYSTEM
DISMISSAL REPORT

MUR: 7837

Respondents: Valadao for Congress and
Melissa Allen in her official
capacity as treasurer (the
“Committee”)
Vitoria PAC and Melissa Allen
in her official capacity as
treasurer (the “PAC”)
David Valadao
Andrew Renteria

Complaint Receipt Date: Oct. 26, 2020

Response Date: Nov. 12, 2020

EPS Rating:

Alleged Statutory

52 U.S.C. § 30116(a)(1)(C);

Regulatory Violations:

11 C.F.R. § 110.1(d)

The Complaint alleges that David Valadao used funds from his leadership PAC to supplement the salary of his campaign manager, Andrew Renteria, and by doing so the PAC made excessive and unreported in-kind contributions to the Committee, in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”) and Commission regulations.¹ The Complaint states that the Committee’s Federal Election Commission (“FEC”) filings show the Committee paid Renteria \$6,404.81 per month for “campaign manager services” from January 2020 through June 2020, after which Renteria’s monthly payment was reduced to \$1,500 from July 2020 through September 2020.² The Complaint further states that the PAC’s FEC filings show that the PAC paid Renteria \$4,904.81 per month for “campaign manager services” from July 2020 through September 2020, and assert that the Committee’s \$1,500 monthly payment to Renteria plus the

¹ Compl. at 1 (Oct. 26, 2020).

² *Id.* at 2-3; *see, e.g.*, Valadao For Congress, 2020 Pre-Primary Report at 80-81 (Feb. 20, 2020), <https://docquery.fec.gov/pdf/801/202002209186962801/202002209186962801.pdf>; Valadao For Congress, 2020 October Quarterly Report at 502-503 (Oct. 15, 2020), <https://docquery.fec.gov/pdf/647/202010159294994647/202010159294994647.pdf>.

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1 PAC's \$4,904.81 monthly payment to Renteria equals the \$6,404.81 that Renteria previously
2 received each month from the Committee before July.³ The Complaint argues that the PAC's salary
3 payment to Renteria were meant to supplement his Committee salary and therefore constituted an
4 excessive and unreported in-kind contribution from the PAC to the Committee.⁴

5 The Response asserts that Renteria works for both committees and each committee
6 appropriately compensated him in proportion to the services provided, with such compensation
7 allocated appropriately between the two committees based on the relative amount of time Renteria
8 devoted to each committee's activities.⁵ The Response asserts that any staff working for both the
9 Committee and the PAC are compensated according to the amount of time spent working on behalf
10 of each committee.⁶ In particular, regarding Renteria, the Response states that in July 2020,
11 fundraising efforts for the Committee reduced significantly as donors reached the allowable limit,
12 while fundraising efforts for the PAC increased significantly, therefore requiring an adjustment of
13 the portion of Renteria's compensation paid by each committee.⁷

14 Based on its experience and expertise, the Commission has established an Enforcement
15 Priority System using formal, pre-determined scoring criteria to allocate agency resources and
16 assess whether particular matters warrant further administrative enforcement proceedings. These

³ Compl. at 3; *see* Vitoria PAC 2020 October Quarterly Report at 15-16 (Oct. 15, 2020), <https://docquery.fec.gov/pdf/721/202010159294432721/202010159294432721.pdf>.

⁴ Compl. at 1, 5.

⁵ Resp. at 1, 2 (Nov. 12, 2020). Respondents state that the PAC has amended its reports to clarify the description of disbursements to Renteria and accurately reflect the nature of services provided to the PAC. *Id.* at 2,6,21,37. *See* Vitoria PAC Amended 2020 October Quarterly Report at 15-16 (Nov. 9, 2020), <https://docquery.fec.gov/pdf/440/202011099336977440/202011099336977440.pdf>; *see also* Vitoria PAC Amended 2020 Pre-General Report at 7 (Nov. 9, 2020), <https://docquery.fec.gov/pdf/464/202011099336977464/202011099336977464.pdf>; Vitoria PAC Amended 2020 Post-General Report at 9 (May 23, 2021), <https://docquery.fec.gov/pdf/302/202105239447381302/202105239447381302.pdf>; Vitoria PAC Amended 2020 Year-End Report at 6 (May 23, 2021), <https://docquery.fec.gov/pdf/313/202105239447381313/202105239447381313.pdf>.

⁶ Resp. at 2.

⁷ *Id.* at 2.

1 criteria include (1) the gravity of the alleged violation, taking into account both the type of activity
 2 and the amount in violation; (2) the apparent impact the alleged violation may have had on the
 3 electoral process; (3) the complexity of the legal issues raised in the matter; and (4) recent trends in
 4 potential violations and other developments in the law. This matter is rated as low priority for
 5 Commission action after application of these pre-established criteria. Given that low rating, the
 6 speculative nature of the allegations, and the low dollar amount at issue, we recommend that the
 7 Commission dismiss the Complaint consistent with the Commission's prosecutorial discretion to
 8 determine the proper ordering of its priorities and use of agency resources.⁸ We also recommend
 9 that the Commission close the file and send the appropriate letters.

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 11 Acting General Counsel
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17
 18 1/21/2022
 19 Date

20 BY:



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⁸ *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).