



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 3, 2022

**BY EMAIL**

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RE: MUR 7881

Dear Messrs. Davidson and Hardy:

On March 1, 2021, the Federal Election Commission notified your clients, Arnold Schwarzenegger, Carol Folt, Christian Grose, Conyers Davis, and Dana Goldman, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On July 26, 2022, the Commission found no reason to believe that Schwarzenegger violated 52 U.S.C. § 30116(a)(1)(A) by making an excessive individual contribution. The Commission further found no reason to believe that Folt, Grose, Davis, and Goldman violated 52 U.S.C. § 30118(a) by consenting to prohibited corporate contributions. Accordingly, the Commission closed its file in this matter.

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). The Factual and Legal Analysis, which explains the Commission's finding, is enclosed for your information.

If you have any questions, please contact Richard Weiss, the attorney assigned to this matter, at (202) 694-1021.

Sincerely,

A handwritten signature in cursive script that reads "Ana J. Peña-Wallace".

Ana J. Peña-Wallace  
Assistant General Counsel

Enclosure  
Factual and Legal Analysis

1 **FEDERAL ELECTION COMMISSION**  
2 **FACTUAL AND LEGAL ANALYSIS**

3 Respondents: USC Schwarzenegger Institute for State MUR 7881  
4 and Global Policy  
5 Arnold Schwarzenegger  
6 Carol Folt  
7 Dana Goldman  
8 Christian Grose  
9 Conyers Davis

10  
11 **I. INTRODUCTION**

12 This matter was generated by a Complaint alleging that grants funded by Arnold  
13 Schwarzenegger and distributed by the University of Southern California Schwarzenegger  
14 Institute for State and Global Policy (the “Institute”) constituted excessive in-kind contributions  
15 from Schwarzenegger to Joe Biden’s 2020 principal campaign committee, Biden for President, in  
16 violation of the Federal Election Campaign Act of 1971, as amended (the “Act”). The  
17 Complaint also raises potential allegations that the grants were prohibited corporate in-kind  
18 contributions from the Institute to Biden for President. Schwarzenegger donated \$2.5 million to  
19 the Institute, which the Institute then used to make grants to state and local election  
20 administrators to help them address the challenges of holding an election during the COVID-19  
21 pandemic. The Complaint, however, alleges that the true purpose of the grants was to increase  
22 votes for Biden in swing states to help him win the election. The Complaint further alleges that  
23 Schwarzenegger remained in control of the funds after he made the donation to the Institute.

24 Respondents deny the allegations, asserting that the grants were made solely for the  
25 purpose of increasing voter access in jurisdictions with demonstrated financial need, and not to  
26 influence the outcome of any federal election. Further, Respondents contend that the Institute  
27 awarded the grants based on objective criteria to states previously subject to Section 5 of the

1 Voting Rights Act, and that the Institute ultimately awarded grants to all eligible applicants,  
2 including both majority Republican and majority Democrat counties.

3 As discussed below, the available information does not provide a reasonable basis to  
4 conclude that Respondents funded or awarded the grants at issue for the purpose of influencing a  
5 federal election. The Complaint’s chief support for the allegations is essentially limited to the  
6 identities of the grant recipients, which included ten counties in Georgia and one in Arizona that  
7 the Complaint alleges were important to Biden winning those states. Regardless of Respondents’  
8 purpose for awarding the grants, however, there is no indication that they coordinated with any  
9 candidate or committee.

10 Accordingly, the Commission finds no reason to believe that Schwarzenegger made an  
11 excessive individual contribution, in violation of 52 U.S.C. § 30116(a)(1)(A). In addition, the  
12 Commission finds no reason to believe that the Institute made, and Institute officials Conyers  
13 Davis, Carol Folt, Dana Goldman, and Christian Grose impermissibly consented to, prohibited  
14 corporate contributions, in violation of 52 U.S.C. § 30118(a).

## 15 **II. FACTUAL BACKGROUND**

16 Arnold Schwarzenegger served as the 38th governor of California and is presently the  
17 Governor Downey Professor of State and Global Policy at the University of Southern California  
18 (“USC”) and Chairman of the Institute.<sup>1</sup> In 2012, Schwarzenegger committed \$20 million of his  
19 personal funds to USC and formed the Institute for the stated purpose of seeking bipartisan

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<sup>1</sup> Compl. at 6, 29 (Feb. 23, 2021).

1 solutions to various public policy issues.<sup>2</sup> The Institute is a part of USC's School of Public  
2 Policy, which is a 501(c)(3) non-profit corporation.<sup>3</sup>

3 On September 23, 2020, the Institute announced a grant program for local election  
4 officials throughout the country to receive funding to assist with the challenges related to  
5 opening and staffing polling sites, COVID-19, and the election.<sup>4</sup> The grants were funded by a  
6 \$2.5 million donation from Schwarzenegger<sup>5</sup> and were distributed to 33 counties in eight states.<sup>6</sup>  
7 Schwarzenegger wrote an open letter, posted on the grant program's website, that announced the  
8 grants and described the motivation behind funding the program:

9 I am making grants available for local and state elections officials who want to reopen  
10 polling stations they closed because of a lack of funding. These grants are completely  
11 non-partisan and will be offered to those who demonstrate the greatest need and ability to  
12 close gaps in voting access. I don't care if you are an independent authority, a  
13 Democratic elections official, or a Republican elections official — I just don't want a  
14 single American to lose their ability to vote because of a lack of funding.<sup>7</sup>  
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<sup>2</sup> Carla Rivera, *USC And Arnold Schwarzenegger To Launch Policy Think Tank*, L.A. TIMES (Aug. 2, 2012), <https://www.latimes.com/local/la-xpm-2012-aug-02-la-me-0802-usc-gift-20120802-story.html>.

<sup>3</sup> Resp. at 3 (Apr. 16, 2021).

<sup>4</sup> *USC Schwarzenegger Institute Initiates Democracy Grants for Voting Access and Election Administration*, USC SOL PRICE SCHOOL OF PUBLIC POLICY, <https://priceschool.usc.edu/democracy-grants-for-voting-access-and-election-administration/> (last visited Aug. 3, 2021).

<sup>5</sup> Compl. at 2.

<sup>6</sup> *Id.* at 9, 26 (indicating that the Institute awarded grants to 33 counties in eight states: Alabama (1), Arizona (1), Georgia (10), Mississippi (1), North Carolina (10), South Carolina (2), Texas (2), Virginia (6)). The Complaint provides information that the Institute awarded a total of \$1,745,636 to twelve specific counties and states that the amounts for the remaining 21 counties is presently unknown. *Id.* at 20-22.

<sup>7</sup> Arnold Schwarzenegger's Letter to Election Officials, USC SCHWARZENEGGER INSTITUTE, <https://pollingaccessgrants.org/> (last visited Aug 11, 2021).

1           The grant application form echoed Schwarzenegger’s letter, stating that the “awarded  
2 grants are non-partisan and will be awarded to those who demonstrate the greatest need and  
3 ability to close gaps in voting access.”<sup>8</sup>

4           Carol Folt is the President of USC.<sup>9</sup> Dana Goldman is the interim Dean of USC’s School  
5 of Public Policy.<sup>10</sup> Christian Grose is Academic Director of the Institute and oversaw the  
6 election grants program.<sup>11</sup> Conyers Davis is the Global Director of the Institute and participated  
7 in the grant awards process.<sup>12</sup> Schwarzenegger, the Institute, Folt, Goldman, Grose, and Davis  
8 together filed a joint Response in this matter denying the allegations.<sup>13</sup>

9           The Complaint alleges that the true purpose of the election grants program was for  
10 Schwarzenegger to make “partisan election grants to settle his personal and political scores with  
11 Donald Trump,” and that the “election grants were meant to hide his campaign contributions to  
12 Joe Biden.”<sup>14</sup> In support of this contention, the Complaint asserts that of the 33 election grants  
13 awarded by the Institute, ten were awarded to historically Democratic-leaning counties in

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<sup>8</sup> Democracy Grants for Voting Access & Election Administration: Call for Proposals, USC SCHWARZENEGGER INSTITUTE, <https://web.archive.org/web/20201007000853/https://pollingaccessgrants.org/> (July 2, 2021).

<sup>9</sup> Carol Folt Biography, USC OFFICE OF THE PRESIDENT, <https://www.president.usc.edu/biography/> (last visited Aug. 3, 2021).

<sup>10</sup> Dana Goldman, USC SOL PRICE SCHOOL OF PUBLIC POLICY, <https://priceschool.usc.edu/people/dana-goldman/> (last visited Aug. 3, 2021).

<sup>11</sup> About the Institute: Our Team, USC SCHWARZENEGGER INSTITUTE, <http://schwarzeneggerinstitute.com/about-the-institute/about-the-institute-leadership> (last visited Aug. 3, 2021); Jordan Wilkie, *Concerns About Private Funding For Elections Have Little Grounding In Truth*, CAROLINA PUBLIC PRESS (June 15, 2021), <https://carolinapublicpress.org/46529/concerns-about-private-funding-for-elections-have-little-grounding-in-truth/erinstitute.com/about-the-institute/about-the-institute-leadership>.

<sup>12</sup> Compl. at 3.

<sup>13</sup> Resp. at 1.

<sup>14</sup> *Id.* at 2.

1 Georgia, and one to Maricopa County, Arizona, and were key to the outcome, in favor of Biden,  
2 in those counties.<sup>15</sup>

3 The Complaint further alleges that that Respondents specifically solicited the ten counties  
4 in Georgia and Maricopa County, Arizona, to apply for grants as a form of “gerrymandering,”  
5 whereby “Schwarzenegger deliberately packed money into Democratic counties because he  
6 wanted to increase Biden’s statewide votes,”<sup>16</sup> and that the Institute’s public claims of making  
7 the grant program widely available were untrue.<sup>17</sup> As additional support for the apparent  
8 political motivations in awarding the grants, the Complaint points to Schwarzenegger’s public  
9 comments disparaging Trump and his candidacy, and news reports concerning a dispute between  
10 Schwarzenegger and Trump.<sup>18</sup>

11 And, in order to “cover-up” these targeted grants, the Complaint alleges that the Institute  
12 awarded grants to ten historically Republican-leaning counties in North Carolina,<sup>19</sup> asserting that  
13 “Georgia was a swing state and in play, whereas North Carolina was not.”<sup>20</sup> The Institute  
14 distributed 12 additional grants to counties in Texas, Mississippi, Alabama, Virginia, and South

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<sup>15</sup> *Id.* at 9-16.

<sup>16</sup> Compl. at 3-4, 13-14.

<sup>17</sup> *Id.* at 3-4.

<sup>18</sup> Compl. at 2.

<sup>19</sup> A review of public election results from those ten counties in North Carolina indicates that two were historically Democratic-leaning and eight historically Republican-leaning. *See* 2012 North Carolina Presidential Election Results, POLITICO (Nov. 19, 2012), <https://www.politico.com/2012-election/results/president/north-carolina/>; 2016 North Carolina Presidential Election Results, POLITICO (Dec. 13, 2016), <https://www.politico.com/2016-election/results/map/president/north-carolina/>; 2020 North Carolina County Results, POLITICO, <https://www.politico.com/2020-election/results/north-carolina/> (last visited Aug. 24, 2021).

<sup>20</sup> Compl. at 16-18; *see* List of Grant Recipients, USC SCHWARZENEGGER INSTITUTE, <https://pollingaccessgrants.org/> (last visited Aug. 11, 2021).

1 Carolina, representing five historically Democratic-leaning counties, three historically  
2 Republican-leaning counties, and three historically mixed counties .<sup>21</sup>

3         The Response contends that grantees were determined by a “robust application process”  
4 and that “[e]ach grant application was reviewed by a committee of experts, including USC  
5 faculty, who determined each county’s eligibility with key program criteria and demonstrated  
6 financial need.”<sup>22</sup> The Institute’s grant application stated that the grants would be allocated to  
7 “jurisdictions needing support for the operation of polling.”<sup>23</sup> The application further required  
8 that the recipients be located in states previously covered by Section 5 of the Voting Rights Act,  
9 which thereby limited the pool of potential recipients to 15 states.<sup>24</sup> More specifically, the grant  
10 application form stated that applications would be assessed based on the grantee’s ability to  
11 “open or re-open physical polling places” or infrastructure for vote-by-mail, and a demonstrated  
12 need and ability to increase voting access for “populations otherwise facing the greatest  
13 difficulty in casting a valid ballot.”<sup>25</sup>

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<sup>21</sup> *Id.* at 21-22; *see* List of Grant Recipients, USC SCHWARZENEGGER INSTITUTE, <https://pollingaccessgrants.org/> (last visited Aug. 11, 2021).

<sup>22</sup> Resp. at 2.

<sup>23</sup> Democracy Grants for Voting Access & Election Administration: Call for Proposals, USC SCHWARZENEGGER INSTITUTE, <https://web.archive.org/web/20201007000853/https://pollingaccessgrants.org/> (last visited Aug. 11, 2021).

<sup>24</sup> Resp. at 2-3; *see also* Democracy Grants for Voting Access & Election Administration: Call for Proposals, USC SCHWARZENEGGER INSTITUTE, <https://web.archive.org/web/20201007000853/https://pollingaccessgrants.org/> (last visited Aug. 11, 2021).

<sup>25</sup> Democracy Grants for Voting Access & Election Administration: Call for Proposals, USC SCHWARZENEGGER INSTITUTE, <https://web.archive.org/web/20201007000853/https://pollingaccessgrants.org/> (last visited Aug. 11, 2021).

1 According to the Response, every eligible county that applied was awarded a grant.<sup>26</sup>

2 The Institute announced the grants on the Institute's website,<sup>27</sup> on the USC Sol Price School of  
3 Public Policy website,<sup>28</sup> the grant program's own website,<sup>29</sup> and on Schwarzenegger's Twitter  
4 account.<sup>30</sup> The grant program was also widely covered by national news media.<sup>31</sup>

5 The Response asserts that the Institute's grants were not political contributions under the  
6 Act because their purpose was to increase nonpartisan voter access and not to influence a federal  
7 election.<sup>32</sup> More specifically, the Response argues that the Complaint misdescribes the political

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<sup>26</sup> Resp. at 4. Respondents assert that each grant application was subject to a three-step nonpartisan review process: (1) a committee of USC faculty and staff; (2) individual experts in the field of election administration, voting rights and public policy; and (3) an objective criterion review of population size and the total amount of its requested budget. *See id.*

<sup>27</sup> *Schwarzenegger Institute Announces Democracy Grants for Voting Access & Election Administration*, USC SCHWARZENEGGER INSTITUTE (Sept. 25, 2020), <http://schwarzenegger.usc.edu/institute-in-action/article/schwarzenegger-institute-announces-democracy-grants-for-voting-access-elect>.

<sup>28</sup> *USC Schwarzenegger Institute Initiates Democracy Grants for Voting Access and Election Administration*, USC SOL PRICE SCHOOL OF PUBLIC POLICY, (<https://priceschool.usc.edu/democracy-grants-for-voting-access-and-election-administration/>) (last visited Aug. 12, 2021).

<sup>29</sup> *See supra* note 7.

<sup>30</sup> *See* Arnold (@Schwarzenegger), TWITTER (SEPT. 23, 2020, 5:30 PM), <https://twitter.com/schwarzenegger/status/1308881570045071361?lang=en>. Schwarzenegger has 4.9 million followers on his verified Twitter account.

<sup>31</sup> *See, e.g.*, Jessica Napoli, *Arnold Schwarzenegger Offers To Pay For Reopening Of Polling Places In The South: 'I'm A Fanatic About Voting'*, FOX NEWS, <https://www.foxnews.com/entertainment/arnold-schwarzenegger-pay-reopening-polling-places-south> (Sept. 3, 2020); Mike Murphy, MARKET WATCH, *Voting 'Fanatic' Arnold Schwarzenegger Offers To Pay To Reopen Closed Polling Places*, <https://www.marketwatch.com/story/voting-fanatic-arnold-schwarzenegger-offers-to-pay-to-reopen-closed-polling-places-2020-09-03>; Matt Perez, *Schwarzenegger Offers Local Election Officials Funding To Reopen Polling Places*, FORBES (Sept. 23, 2020), <https://www.forbes.com/sites/mattperez/2020/09/23/schwarzenegger-offers-local-election-officials-funding-to-reopen-polling-places/?sh=455e6dba443b>.

<sup>32</sup> Resp. at 2-3; *Democracy Grants for Voting Access & Election Administration: Call for Proposals*, USC SCHWARZENEGGER INSTITUTE, <https://web.archive.org/web/20201007000853/https://pollingaccessgrants.org/> (last visited Aug. 3, 2021).



1   makeup of the recipients and that, in fact, the counties receiving grants did not lean Democratic  
2   or pro-Biden as heavily as claimed by the Complaint.<sup>33</sup>

### 3   **III.   LEGAL ANALYSIS**

4           Under the Act, a “contribution” includes any “gift, subscription, loan, advance, or deposit  
5   of money or anything of value made by any person for the purpose of influencing any election  
6   for Federal office.”<sup>34</sup> The term “anything of value” includes all in-kind contributions, such as  
7   “the provision of any goods or services without charge or at a charge that is less than the usual  
8   and normal charge.”<sup>35</sup> In-kind contributions include “coordinated expenditures,” that is,  
9   expenditures “made by any person in cooperation, consultation or in concert, with, or at the  
10   request or suggestion of, a candidate, his [or her] authorized committees, or their agents.”<sup>36</sup>  
11   They also include coordinated communications, as determined by a three-part test set out in the  
12   Commission’s regulations.<sup>37</sup>

13           The Act prohibits corporations from making contributions to federal candidates, and  
14   likewise bars candidates, political committees (other than independent expenditure-only political  
15   committees and committees with hybrid accounts), and other persons, from knowingly accepting

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<sup>33</sup>     *See* Resp. at 4-6.

<sup>34</sup>     52 U.S.C. § 30101(8); *accord* 11 C.F.R. § 100.52(a).

<sup>35</sup>     11 C.F.R. § 100.52(d) (listing examples of goods or services, such as securities, facilities, equipment, supplies, personnel, advertising services, membership lists, and mailing lists).

<sup>36</sup>     52 U.S.C. § 30116(a)(7)(B); 11 C.F.R. § 109.20; *see also* 52 U.S.C. § 30101(9)(A)(i) (defining the term “expenditure” to include “any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made by any person for the purpose of influencing any election for Federal office”).

<sup>37</sup>     A communication is coordinated and thus treated as an in-kind contribution when it is: (1) paid for by a third-party; (2) satisfies one of five content standards; and (3) satisfies one of five conduct standards. 11 C.F.R. § 109.21(a).

1 or receiving corporate contributions.<sup>38</sup> The Act also provides that “any officer or any director of  
2 any corporation” shall not “consent to any [prohibited] contribution or expenditure by the  
3 corporation.”<sup>39</sup> Further, the Act limits the amount an individual may contribute to an authorized  
4 committee per election, which was \$2,800 during the 2020 cycle.<sup>40</sup>

5 **A. The Commission Finds No Reason to Believe that Schwarzenegger Made an**  
6 **Excessive Individual Contribution or that the Institute Made a Prohibited**  
7 **Corporate Contribution**

8 The Complaint alleges that the grants funded by Schwarzenegger and made by the  
9 Institute were strategically awarded to counties in Georgia and Arizona to help Biden win those  
10 states and that the remaining recipients in other states were designed to conceal the true objective  
11 of the grant program and, therefore, that the grants should be treated as in-kind contributions to  
12 Biden for President.<sup>41</sup>

13 The available information does not suggest that Respondents acted with the purpose of  
14 influencing a federal election. As a threshold matter, Respondents maintain that the Institute  
15 awarded grants to all counties that applied and satisfied the criteria to show that they needed  
16 financial assistance.<sup>42</sup> Moreover, there is no information to indicate that the Institute specifically  
17 targeted or otherwise influenced the counties that applied, and there is information that the

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<sup>38</sup> 52 U.S.C. § 30118(a); *accord* 11 C.F.R. § 114.2(a), (d). For purposes of the corporate contribution ban, the Act defines contribution in section 30118 to include the general definition set out above, as well as “any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or any services, or anything of value . . . to any candidate, campaign committee, or political party or organization, in connection with any election to any of the offices referred to in this section.” 52 U.S.C. § 30118(b)(2).

<sup>39</sup> 52 U.S.C. § 30118(a).

<sup>40</sup> 52 U.S.C. § 30116(a)(1)(A); FEC, *Contribution Limits for 2019-2020*, <https://www.fec.gov/updates/contribution-limits-2019-2020/> (stating inflation-adjusted amounts for 2020 cycle).

<sup>41</sup> Compl. at 16-18.

<sup>42</sup> *See supra* note 26.

1 Institute promoted the grant program widely.<sup>43</sup> It is also relevant that the grants appear to have  
2 been awarded in a manner that is consistent with the Institute’s stated purpose and past  
3 initiatives. The Institute’s stated mission is to advance “post-partisanship, where leaders put  
4 people over political parties and work together to find the best ideas and solutions to benefit the  
5 people they serve.”<sup>44</sup> The Institute has several areas of focus including environmental, health,  
6 fiscal, educational and political policy.<sup>45</sup> Within the political policy area, the Institute has goals  
7 of redistricting, open primaries, transparency, and voter participation.<sup>46</sup>

8 The Complaint’s allegation that that Respondents specifically invited the ten counties in  
9 Georgia and Maricopa County, Arizona, to apply for grants to impact the election in favor of  
10 Biden is unsupported by the factual record.<sup>47</sup> The allegation here is not supported by any  
11 specific examples of outreach by the Institute to those recipient counties, but rather an  
12 assumption that outreach must have occurred given the identity of the grant recipients, which  
13 allegedly favored Biden. The Complaint presumes, without providing any support, that the  
14 recipients of the grants would constitute a “random” selection of the eligible counties.<sup>48</sup>  
15 However, based on the available information, it appears that the grant recipients were self-

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<sup>43</sup> See *supra* notes 27-31.

<sup>44</sup> See USC Schwarzenegger Institute for State and Global Policy, *Mission*, USC SCHWARZENEGGER INSTITUTE, <http://schwarzenegger.usc.edu/about-the-institute/mission> (last visited Aug. 3, 2021).

<sup>45</sup> *Id.*

<sup>46</sup> See USC Schwarzenegger Institute for State and Global Policy, *Political Reform*, USC SCHWARZENEGGER INSTITUTE, <http://schwarzenegger.usc.edu/policy-areas/political-reform> (last visited Aug. 3, 2021).<sup>47</sup> Compl. at 3-4, 13-14.

<sup>47</sup> Compl. at 3-4, 13-14.

<sup>48</sup> *Id.* at 13 (“The 0.0000000221938762 probability of winning the UK National Lottery is significantly higher than the 0.0000000000049 probability of USC Schwarzenegger Institute randomly selecting three Georgia counties to receive its grants.”).

1 selected, and Respondents state that the Institute ultimately awarded grants to each eligible  
2 county that applied.<sup>49</sup> The awarding of grants to every qualified applicant is inconsistent with  
3 the Complaint’s theory that grantees were selected based on political motivations. Further, the  
4 multiple ways in which the Institute announced the grants appears to controvert the speculative  
5 allegations in the Complaint that Respondents targeted counties that it deemed helpful to the  
6 alleged purpose of helping Biden win the election.

7       Moreover, regardless of Respondents’ motives for awarding the grants, there is nothing to  
8 suggest that Respondents coordinated their actions with Biden or his campaign. The Complaint  
9 does not allege that any of the Respondents communicated with Biden or his campaign regarding  
10 the grants nor is the Commission aware of any such information. And there is nothing to suggest  
11 that Respondents provided a good or service to Biden or his campaign. The grants were not  
12 directly used to fund campaign work, and even if they had the effect of getting more Biden  
13 voters to the polls, as discussed above, the Institute’s objective appears to have been for the  
14 purpose of aiding nonpartisan election administrators in carrying out the mechanics of voting  
15 during the COVID-19 pandemic rather than for the purpose of influencing an election.  
16 Therefore, the Institute’s grant program could be considered “nonpartisan activity designed to  
17 encourage individuals to vote or to register to vote,” which is specifically excluded from the  
18 definition of an “expenditure,” and thus from the definition of a “contribution.”<sup>50</sup>

19       Accordingly, the available information does not indicate that Schwarzenegger or the  
20 Institute made prohibited or excessive contributions, and the Commission finds no reason to

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<sup>49</sup> Resp. at 4.

<sup>50</sup> See 52 U.S.C. §§ 30101(9)(B)(ii); 30101(8)(B)(vi); *see also* First Gen. Counsel’s Rpt. at 4 & Cert. (Aug. 7, 2006), MUR 5684 (Sean Combs, *et al.*) (dismissing allegations of corporate and excessive contributions when

1 believe that Schwarzenegger violated 52 U.S.C. § 30116(a)(1)(A),<sup>51</sup> or that the Institute violated  
2 52 U.S.C § 30118(a).

3 **B. The Commission Find No Reason to Believe that Institute Officials Davis,**  
4 **Folt, Goldman, and Grose Impermissibly Consented to a Prohibited**  
5 **Corporate Contribution**

6 The Complaint does not clearly explain how Davis, Folt, Goldman, and Grose are alleged  
7 to have violated the Act, but the Complaint could be read to allege that they are officers and  
8 directors at the Institute within the meaning of 52 U.S.C. § 30118(a) and therefore were  
9 prohibited from consenting to prohibited corporate contributions.<sup>52</sup> Although not all of these  
10 individuals appear to be officers or directors within the meaning of Section 30118(a), there is no  
11 evidence that the Institute made a prohibited contribution or that these individuals consented to  
12 the making of a prohibited contribution. Therefore, the Commission finds no reason to believe  
13 that Davis, Folt, Goldman, and Grose violated 52 U.S.C. § 30118(a).

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Citizen Change conducted a media campaign aimed at voter registration and mobilization that included clear and consistent statements as to its non-partisan motivation and goals).

<sup>51</sup> The excessive contribution allegation is premised on the notion that Schwarzenegger maintained control of the funds and therefore made a contribution in the name of another with the Institute acting as the conduit. Compl. at 2, 7, 9, 32; *see* 52 U.S.C. § 30122. The corporate contribution allegation is premised on the Institute taking control of the funds. Compl. at 4. .

<sup>52</sup> 52 U.S.C. § 30118(a).