



FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 11, 2022

VIA EMAIL:

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C. Edward Watson, II
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1551 N. Waterfront Parkway
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RE: MUR 7891
National Lead for America, Inc.

Dear Mr. Watson:

On March 23, 2021, the Federal Election Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On April 5, 2022, the Commission found, on the basis of the information in the complaint, and information provided by you and your client, that there is no reason to believe National Lead for America, Inc. violated 52 U.S.C § 30118(a). 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 findings, is enclosed for your information.

If you have any questions, please contact Amanda Andrade, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Peter J. Blumberg
Peter Blumberg
Assistant General Counsel

Enclosure
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Friends of Dan Feehan and Meghan
Maes in her official capacity as treasurer
Leadership for Educational Equity
National Lead for America, Inc. MUR: 7891

I. INTRODUCTION

The Complaint in this matter alleges that Friends of Dan Feehan and Meghan Maes in her official capacity as treasurer (the “Committee”) and two non-profit corporations, National Lead for America (“NLA”) and Leadership for Educational Equity (“LEE”), violated the Federal Election Campaign Act of 1971, as amended (the “Act”) when the corporations apparently paid three individuals to work on behalf of the Committee. The Responses broadly deny violating the Act, with NLA claiming that it never paid anyone to work on behalf of the Committee and LEE arguing that it only paid a small stipend that should be exempt from the definition of a contribution.

20 The available information indicates that although one of the named individuals was a
21 fellow for NLA, NLA did not pay her for work on the Feehan campaign. Rather, she was
22 compensated by the Minnesota Democratic-Farmer-Labor Party (“MDFLP”) for such work. The
23 Commission therefore finds no reason to believe that NLA violated 52 U.S.C. § 30118(a) by
24 making a prohibited corporate contribution to the Committee. The other two individuals appear
25 to have been paid modest stipends by LEE in connection with their work with the Committee.
26 Although there is insufficient information in the record to determine whether these stipends
27 violated the Act, considering the available information and the small amount at issue, further
28 investigation would not be a prudent use of Commission resources. The Commission therefore

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1 dismisses the allegation that Leadership for Educational Equity violated 52 U.S.C. § 30118(a) by
 2 making a prohibited corporate contribution.¹ For the same reason, the Commission dismisses the
 3 allegation that the Committee violated 52 U.S.C. § 30118(a) by accepting or receiving a
 4 prohibited corporate contribution.²

5 **II. FACTUAL BACKGROUND**

6 The Committee was the authorized campaign committee for former House candidate Dan
 7 Feehan. Micah Joselow, Christina Beros, and Monali Bhakta worked on behalf of the
 8 Committee during the 2020 election cycle.³ The Complaint attaches screenshots from the
 9 LinkedIn profiles of each of these individuals, which appear to show connections with the
 10 respondent corporations.⁴ According to these screenshots, Joselow listed his occupation as “LEE
 11 Fellow at Dan Feehan for Congress” beginning June 2020,⁵ Beros listed her occupation as
 12 “Leadership for Educational Equity Campaign Leadership Fellow” at “Dan Feehan for
 13 Congress” beginning in July 2020,⁶ and Bhakta worked for the MDFLP on behalf of “Dan
 14 Feehan for Congress” beginning in April 2020 while also listing herself as “LFMN Fellow at
 15 Lead for America.”⁷

16 NLA is organized as a non-profit corporation under Section 501(c)(3) of the Internal
 17 Revenue Code.⁸ In response to the Complaint, NLA argues that although Bhakta was an NLA

¹ See *Heckler v. Chaney*, 470 U.S. 821 (1985).

² *Id.*

³ See Resp. of Committee at 1 (Apr. 27, 2021).

⁴ Compl. at 2-4 (Mar. 17, 2021).

⁵ *Id.* at 2.

⁶ *Id.* at 3.

⁷ *Id.* at 4. LFMN appears to be an abbreviation for Lead for Minnesota, an arm of National Lead for America. See *About*, LEAD FOR MINN., <https://www.leadforminnesota.org/about> (last visited Nov. 8, 2021).

⁸ See IRS Form 990, NLA, 2019 Return of Organization Exempt from Income Tax at 1 (Apr. 1, 2020).

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1 fellow, it did not compensate her for work with the Committee.⁹ Instead, NLA asserts that
 2 Bhakta was responsible for developing diversity, equity, and inclusion initiatives in parts of
 3 Minnesota on behalf of Lead for Minnesota.¹⁰ NLA further states that while Bhakta was
 4 concurrently employed by the MDFLP, the “two positions were unrelated.”¹¹ According to the
 5 response, MDFLP alone compensated Bhakta for Feehan campaign work, and NLA told her she
 6 “could not record any of her time working on the Feehan Campaign as time she was obligated to
 7 work to meet her fellowship requirements.”¹² In support, NLA attaches an affidavit from
 8 Bhakta explaining her duties on behalf of Lead for Minnesota as well as the circumstances that
 9 led her to become separately employed by the MDFLP.¹³ NLA also attaches an affidavit from
 10 its Deputy Director and Program Coordinator of Lead for Minnesota explaining Bhakta’s work
 11 for the organization, the prohibition on Bhakta commingling her work for NLA with her work
 12 for the Committee, and an avowal that no such commingling had been observed.¹⁴ The
 13 Response from the Committee echoes this explanation.¹⁵ In addition, MDFLP reports filed with
 14 the Commission for the 2020 election cycle show a total of \$11,249 in disbursements to Bhakta
 15 between July 31 and November 20, 2020.¹⁶

⁹ Resp. of NLA at 2 (Apr. 26, 2021).

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at Ex. A. The affidavit further states that “I did not mix my campaign work with my fellowship duties.” *Id.*

¹⁴ *Id.* at Ex. B.

¹⁵ Resp. of Committee at 1 (“[Bhakta] was hired and paid by the Minnesota Democratic-Farmer-Labor Party. . . [she] accepted a separate part-time position as a fellow with National Lead for America.”).

¹⁶ See MDFLP, Amended 2020 August Monthly Report at 223 (Oct. 8, 2020); MDFLP, 2020 Amended September Monthly Report at 337-38 (Oct. 8, 2020); MDFLP, Amended 2020 October Monthly Report at 822-23 (May 5, 2021); MDFLP, Amended 2020 12-Day Pre-General Report at 515 (May 5, 2021); MDFLP, Amended 2020 30-Day Post-General Report at 1507 (May 5, 2021). It appears these payments were coordinated party expenditures. See Resp. of Committee at 1. Although not reported as such, there is no information in the record to suggest

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1 LEE is organized as a non-profit corporation under Section 501(c)(4) of the Internal
 2 Revenue Code.¹⁷ The Commission is in possession of information indicating that LEE retained
 3 Feehan as an independent contractor in 2017 and then as a temporary employee in 2019. It
 4 appears Feehan's compensation from LEE for these two periods totaled \$170,000. In response to
 5 the current allegations, LEE argues that it sponsored Joselow and Beros to work on Feehan's
 6 campaign for educational rather than electoral purposes.¹⁸ Specifically, LEE writes that its focus
 7 is "developing leadership skills and inspiring and supporting a network of civic leaders to end
 8 the injustice of educational inequity."¹⁹ In furtherance of that mission, LEE says it created an
 9 internship program "to allow some of its members the opportunity to gain practical, direct, in-
 10 the-field experience and learn demonstrable campaign skills while volunteering on a political
 11 campaign and completing training and curriculum developed by LEE."²⁰ According to LEE, this
 12 program did not come with a salary but included a stipend of \$2,250 "to help offset living
 13 expenses and other incidental costs."²¹ The Response from the Committee is consistent with that
 14 of LEE.²² The Commission found no additional information about the program from publicly
 15 available sources, and thus it is unclear how many participants the program typically sponsors or
 16 how many campaigns these participants have worked on.

MDFLP exceeded its limit, which was \$51,900, because MDFLP reported no such expenditures during the 2020 election cycle.

¹⁷ See Resp. of LEE at 3 (Apr. 22, 2021); IRS Form 990, LEE, 2018 Return of Organization Exempt from Income Tax at 1 (Nov. 11, 2019) (showing organization as corporation).

¹⁸ Resp. of LEE at 3-4

¹⁹ *Id.* at 3.

²⁰ *Id.*

²¹ *Id.* at 4.

²² Resp. of Committee at 1 ("Mr. Joselow and Ms. Beros were not paid by LEE, although they received a small cost-of-living stipend from LEE.")

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1 **III. LEGAL ANALYSIS**

2 **A. Legal Standard**

3 Corporations are prohibited from making contributions to federal candidates or their
 4 authorized committees, and candidates and authorized committees are prohibited from
 5 knowingly receiving or accepting such contributions.²³ Under Section 30101(8)(A)(ii) of the
 6 Act, the term “contribution” includes “the payment by any person of compensation for the
 7 personal services of another person which are rendered to a political committee without charge
 8 for any purpose.”²⁴

9 **B. The Commission Finds No Reason to Believe that NLA Made Contributions
 10 to the Committee**

11 The Responses from both the Committee and NLA provide substantial evidence that
 12 Bhakta was paid by the MDFLP rather than NLA for her work with the Committee. NLA
 13 submitted two affidavits testifying to her different positions at Lead for Minnesota and the
 14 Committee, which is further supported by contemporaneous reports that the Minnesota
 15 Democratic-Farmer-Labor Party filed with the Commission. In light of this information, the
 16 Commission finds no reason to believe that NLA made a prohibited contribution to the
 17 Committee in violation of 52 U.S.C. § 30118(a).

18 **C. The Commission Dismisses the Allegation that LEE made Prohibited
 19 Contributions to the Committee**

20 With regard to Joselow and Beros, LEE claims it “did not pay them” but admits that it
 21 gave them a “a modest stipend [\$2,250 each for the duration of the fellowship] to cover living

²³ 52 U.S.C. § 30118(a); 11 C.F.R. § 114.2(a), (b)(1).

²⁴ 52 U.S.C. § 30101(8)(A)(ii); 11 C.F.R. § 100.54.

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1 costs while they volunteered.”²⁵ LEE contends that these stipends did not constitute prohibited
 2 in-kind contributions,²⁶ relying on Advisory Opinion 2015-14 (Hillary for America) (“AO 2015-
 3 14”). There, the Commission concluded that a university’s payment of a non-specific \$3,000
 4 stipend to an undergraduate student volunteering for a candidate’s campaign was not a prohibited
 5 corporate contribution.²⁷ Specifically, the Commission determined that the “stipends are
 6 provided to students for *bona fide* educational objectives, not for the provision of personal
 7 services to federal campaigns.”²⁸ Thus, even though the university student provided “substantive
 8 work” to the Clinton Committee, including helping with vetting, the stipend was not offered or
 9 received as compensation for the provision of the personal services.²⁹ Instead, the Commission
 10 found that the sole purpose of the stipend was to assist students with an educational experience in
 11 a wide variety of settings.³⁰ In addition, the program awarding the stipend was non-partisan and
 12 not for the purpose of advancing political goals.³¹

13 The Commission has not had many occasions to consider how far the exemption laid out
 14 in AO 2015-14 might reach. In MUR 7035 (Australian Labor Party), the Commission did not
 15 extend the exemption to a foreign political party that placed “delegates” in “partisan settings.”³²
 16 The Commission explained that there was information in the record that these delegates

²⁵ Resp. of LEE at 3.

²⁶ *Id.* at 5.

²⁷ AO 2015-14 at 4. The \$3,000 stipend provided by DePauw University reimbursed the student in part for travel and subsistence expenses, which were estimated to total \$4,735. *Id.* The student also received academic credit toward a graduation requirement. *Id.* at 2.

²⁸ *Id.* at 4.

²⁹ *Id.* at 3-4.

³⁰ *Id.*

³¹ *Id.* at 4.

³² Factual & Legal Analysis at 5, MUR 7035 (Australian Labor Party).

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1 performed “campaign-related services.”³³ Thus, the Commission found reason to believe that
 2 payment in connection with those services was a prohibited foreign national contribution.³⁴ The
 3 Australian Labor Party ultimately admitted to paying a total of \$16,140 for flights and \$8,282 for
 4 daily stipends, and agreed to settle the matter.³⁵

5 Nonetheless, the available information is enough to rebut the Complaint’s allegation that
 6 these fellows were paid tens of thousands of dollars.³⁶ Even if the Commission were to
 7 determine that LEE’s stipends constituted prohibited corporate contributions, the amount in
 8 violation would have been \$4,500. Moreover, the record is far from clear that LEE actually
 9 administered its program for the purpose of providing services to campaigns. This uncertainty
 10 distinguishes the current matter from MUR 7035 (Australian Labor Party, *et al.*), in which a
 11 foreign political party sent delegates to a specific like-minded American campaign. In the
 12 absence of clearer information and in light of the small dollar-value of the stipends at issue, it
 13 would not be a prudent use of Commission resources to investigate LEE’s fellowship program at
 14 this time. Accordingly, the Commission dismisses the allegations against LEE and the
 15 Committee as an exercise of prosecutorial discretion.³⁷

³³ *Id.* at 5-6.

³⁴ *Id.* at 8.

³⁵ MUR 7035 (Australian Labor Party), Conciliation Agreement ¶¶ IV.4, V.

³⁶ Compl. at 1.

³⁷ See *Heckler v. Chaney*, 470 U.S. 821 (1985).