

ELECTIONS, LLC**RECEIVED**
By OGC-CELA at 5:57 pm, Mar 04, 2022**Attorneys at Law****Nathan Groth**

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March 4, 2022

Roy Q Lockett
Acting Assistant General Counsel
Complaints Examination & Legal Administration
Federal Election Commission
1050 First Street, NE
Washington, DC 20463

VIA EMAIL: cela@fec.gov

RE: MUR 7961

Dear Mr. Lockett:

We represent Leaders Only Unite Political Action Committee ("LOU PAC") and Lou Barletta (collectively, the "Respondents") in connection with the complaint filed by the Democratic Governors Association (the "Complainant") in the above referenced matter. This complaint, which is clearly politically driven and speculative, has no merit and we respectfully request that the Commission find there is no reason to believe a violation has occurred, dismiss the Complaint, and close the file as to all Respondents.

On December 1, 2018, LOU PAC entered into a lease agreement with Mrs. Barletta to rent office space located at 322 Rocky Road, Hazleton, PA (the "Lease")¹ for general operating purposes from January 1, 2019 through October 31, 2020.

Article II of the Lease provides that "Tenant shall pay to Lessor and Lessor shall accept from Tenant as rent for the Premises the sum of Two Thousand Two Hundred Dollars (\$2,200.00) payable on the first day of each and every calendar month." Complainants do not allege, or provide any reason to believe, that the \$2,200 rent per month due under the Lease did not constitute fair market value for the Premises. Complainant's complaint relies solely on the misguided assumption that payments must not have been fair market value, and therefore constituted either an impermissible personal use or an excessive contribution, because the "rent varied significantly over the course of the 2020 election cycle . . . [and LOU PAC] has not explained these drastic changes in rental costs over a short period of time."

As noted above, the rent due under the lease was \$2,200 per month. The \$4,400 payment made by LOU PAC in February 2019 was for January and February 2019 rent. The standard rent

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to those terms in the Lease.

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payment of \$2,200 per month was made through August 2019. From September 2019 through October 2020, LOU PAC relinquished, or otherwise sublet, half of the Premises and accordingly paid 50% of the standard lease amount during such time.

LOU PAC's expenditures pursuant to the Lease from February 2019 to October 2020 constituted fair market value and did not violate the Federal Election Campaign Act of 1971, as amended ("FECA" or the "Act"), or federal regulations. Complainant's allege LOU PAC's expenditures were either impermissible personal use or impermissible excessive contributions – the expenditures were neither. Even if LOU PAC expenditures were subject to the personal use restrictions, LOU PAC's expenditures did not constitute personal use.² Personal use includes rent payments for real property that is owned by the candidate or a member of the candidate's family for campaign purposes, to the extent the payments exceed the fair market value of the property usage. 11 CFR § 113.1(g)(1)(i)(E)(2). Contributions and in-kind contributions include receipt of anything of value, including the provision of goods and services without charge or at a charge less than the usual and normal charge for such goods. 11 CFR § 100.52(d)(1). Usual and normal charge for goods means "the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution." 11 CFR § 100.52(d)(2). The lease agreement between LOU PAC and Mrs. Barletta, and payments made pursuant to such lease agreement, were fair market value. Complainants do not allege, or provide any reason to believe, such valuation was not fair market value other than the variation in prices paid during different portions of the lease, which were detailed above.

Accordingly, as Complainants do not offer any evidence of a violation of the Act or of federal regulations, we respectfully request the Commission find there is no reason to believe a violation has occurred, dismiss the Complaint, and close the file as to all Respondents.

Respectfully submitted,

ELECTIONS, LLC



Nathan Groth

Counsel to Leaders Only Unite Political Action Committee ("LOU PAC") and Lou Barletta

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Respondents do not address, nor concede, whether LOU PAC expenditures were subject to personal use restrictions under the Act because LOU PAC's expenditures constituted fair market value.

**DESCRIPTION OF PRELIMINARY PROCEDURES
FOR PROCESSING COMPLAINTS FILED WITH THE
FEDERAL ELECTION COMMISSION**

1050 First Street, NE
Washington, D.C. 20463
E-MAIL cela@fec.gov

Complaints filed with the Federal Election Commission shall be referred to the Enforcement Division of the Office of the General Counsel, where they are assigned a MUR (Matter Under Review) number and forwarded to Complaints Examination & Legal Administration ("CELA") for processing. Within five days of receipt of the complaint, the Commission shall notify all respondents referenced in the complaint, in writing, that the complaint has been filed, and shall include with such notification a copy of the complaint. Simultaneously, the complainant shall be notified that the complaint has been received. The respondents shall then have 15 days to demonstrate, in writing, that no action should be taken against them in response to the complaint. If additional time is needed in which to respond to the complaint, the respondents may request an extension of time. The request must be in writing and demonstrate good cause as to why an extension should be granted. Please be advised that not all requests are granted.

After the response period has elapsed, cases are prioritized and maintained in CELA. Cases warranting the use of Commission resources are assigned as staff becomes available. Cases not warranting the use of Commission resources are dismissed.

If a case is assigned to a staff person, the Office of the General Counsel shall report to the Commission, making recommendations based upon a preliminary legal and factual analysis of the complaint and any submission made by the respondent. The report may recommend that the Commission: (a) find reason to believe that the complaint sets forth a possible violation of the Federal Election Campaign Act of 1971, as amended, (hereinafter the "Act"); or (b) find no reason to believe that the complaint sets forth a possible violation of the Act and, accordingly, close the file.

If, by an affirmative vote of four Commissioners, the Commission determines that there is reason to believe that a respondent has committed or is about to commit a violation of the Act, the Office of the General Counsel shall open an investigation into the matter. During the investigation, the Commission has the power to subpoena documents, to subpoena individuals to appear for deposition, and to order written answers to interrogatories. A respondent may be contacted more than once by the Commission during this phase.

If during this period of investigation, a respondent indicates a desire to enter into conciliation, the Office of the General Counsel may recommend that the Commission enter into conciliation prior to a finding of probable cause to believe that a violation has been committed. Conciliation is an attempt to correct or prevent a violation of the Act by informal methods of conference and persuasion. Most often, the result of conciliation is an agreement signed by the Commission and the respondent. The Conciliation Agreement must be adopted by four votes of

the Commission in order to become final. After signature by the Commission and the respondent, the Conciliation Agreement is made public within 30 days of closing of the entire file.

If the investigation warrants, and no conciliation agreement has been entered into prior to a probable cause to believe finding, the General Counsel must notify the respondent of his/her intent to recommend that the Commission proceed to a vote on probable cause to believe that a violation of the Act has been committed or is about to be committed. The General Counsel shall send the respondent a brief setting forth his/her position on the legal and factual issues of the case. A response brief stating respondent's position on the issues may be submitted within 15 days of receipt of the General Counsel's Brief. Both briefs are then filed with the Commission Secretary and considered by the Commission. Thereafter, if the Commission determines, by an affirmative vote of four Commissioners, that there is probable cause to believe that a violation of the Act has been committed or is about to be committed, the Commission must conciliate with the respondent for a period of at least 30 days, but not more than 90 days. If the Commission is unable to correct or prevent any violation through conciliation, the Office of the General Counsel may recommend that the Commission file a civil suit to enforce the Act against the respondent. Therefore, the Commission may, upon the affirmative vote of four Commissioners, institute civil action for relief in the United States District Court.

See 52 U.S.C. § 30109 and 11 C.F.R. Part 111.

September 2021



FEDERAL ELECTION COMMISSION
1050 First Street, NE
Washington, DC 20463

STATEMENT OF DESIGNATION OF COUNSEL

Provide one form for each Respondent/Witness

E-MAIL: cela@fec.gov

AR/MUR/RR/P-MUR# 7961

Name of Counsel: _____

Firm: Elections LLC

Address: 1050 Connecticut Ave NW Suite 500

Washington, DC 20036

Office#: _____

Fax#: _____

Mobile#: _____

E-mail: nathan.groth@electionlawllc.com

The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

3/7/22

Date

Lou Bartlett Candidate

(Signature - Respondent/Agent/Treasurer)

Title

Lou Bartlett

(Name - Please Print)

RESPONDENT:

Lou Bartlett

(Please print Committee Name/ Company Name/Individual Named in Notification Letter)

Mailing Address: _____

(Please Print)

PO Box 128

Harleton, PA 18201

Home#: _____

Mobile#: _____

Office#: _____

Fax#: _____

E-mail: _____

This form relates to a Federal Election Commission matter that is subject to the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A). This section prohibits making public any notification or investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.



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AR/MUR/RR/P-MUR# _____

Name of Counsel: _____

Firm: _____

Address: _____

Office#: _____ Fax#: _____

Mobile#: _____

E-mail: _____

The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

 Date (Signature - Respondent/Agent/Treasurer) Title

 (Name – Please Print)

RESPONDENT: _____
 (Please print Committee Name/ Company Name/Individual Named in Notification Letter)

Mailing Address: _____
 (Please Print)

Home#: _____ Mobile#: _____

Office#: _____ Fax#: _____

E-mail: _____

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