



FEDERAL ELECTION COMMISSION

Washington, D.C. 20463

February 24, 2022

BY U.S. MAIL AND EMAIL

justthetruthpac@gmail.com

Jodi Schwartz, Treasurer
Just the Truth Political Action Committee
P.O. Box 1302
Washington Grove, MD 20880

RE: MUR 7962
(formerly RR 21L-33)
Just the Truth Political Action
Committee and Jodi Schwartz
in her official capacity as treasurer

Dear Ms. Schwartz:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission became aware of information suggesting that Just the Truth Political Action Committee and you in your official capacity as treasurer ("Committee") may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On May 26, 2021, the Commission notified the Committee that it was being referred to the Commission's Office of General Counsel for possible enforcement action under 52 U.S.C. § 30109. On February 15, 2022, the Commission found reason to believe that the Committee violated 52 U.S.C. § 30104(g)(2), a provision of the Act. The Factual and Legal Analysis, approved by the Commission, which provides the basis for the Commission's findings, is enclosed for your information.

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter.¹ See 18 U.S.C. § 1519.

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to resolve this matter

¹ See 18 U.S.C. § 1519.

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at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that the Committee violated the law. Enclosed is a conciliation agreement for your consideration

If you are interested in engaging in pre-probable cause conciliation, please contact Delbert K. Rigsby, the attorney assigned to this matter, at (202) 694-1616 or drigsby@fec.gov, within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that are relevant to the Commission's consideration of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, it may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within sixty days.² Conversely, if you are not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding. Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the Enforcement Process," which is available on the Commission's website at https://www.fec.gov/resources/cms-content/documents/respondent_guide.pdf.

In the meantime, this matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and § 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. Please be advised that, although the Commission cannot disclose information regarding an investigation to the public, it may share information on a confidential basis with other law enforcement agencies.³

² See 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A.).

³ The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* 30107(a)(9).

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Designation of Counsel form stating the name, mailing address, email address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

We look forward to your response.

On behalf of the Commission,

A handwritten signature in blue ink, appearing to read "Allen Dickerson", is written over a horizontal line.

Allen Dickerson
Chairman

Enclosures

Factual and Legal Analysis

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

RESPONDENT: Just the Truth Political Action Committee
and Jodi Schwartz in her official capacity
treasurer

MUR 7962

I. INTRODUCTION

This information was generated by information ascertained by the Federal Election Commission (“Commission”) in the normal course of carrying out its supervisory responsibilities.¹ The Commission’s Reports Analysis Division (“RAD”) referred Just the Truth Political Action Committee and Jodi Schwartz in her official capacity as treasurer (“Committee”) to the Office of General Counsel for failing to timely file eight 48-Hour Reports that supported ten independent expenditures totaling \$455,309.94 disclosed on its amended 2020 October Quarterly Report and one 48-Hour Report supporting two independent expenditures totaling \$76,858.83 disclosed on its 2020 12-Day Pre-General Report.

In response, the Committee states that the failure to timely file the 48-Hour Reports was unintended and it has filed the reports and changed its procedures to ensure future compliance. Accordingly, the Commission found that there is reason to believe that the Committee violated 52 U.S.C. § 30104(g)(2).

II. FACTUAL BACKGROUND

The Committee is an independent expenditure-only political committee registered with the Commission.² The Committee filed an amended 2020 October Quarterly Report disclosing independent expenditures totaling \$455,309.94 and a 2020 12-Day Pre-General Report

¹ See 52 U.S.C. § 30109(a)(2).

² See Just the Truth Political Action Committee Statement of Organization (May 26, 2020).

disclosing independent expenditures totaling \$76,858.83, all of which were in opposition to Presidential candidate Donald Trump and paid to Waldron Strategies, a communications company.³ However, the Committee did not file 48-Hour Reports for these independent expenditures, which were either greater than \$10,000, or when aggregated greater than \$10,000, and listed below:

Disclosure Report	Expenditure Amount	Date
Amended 2020 October Quarterly Report	\$ 8,053.23	July 9, 2020
Amended 2020 October Quarterly Report	\$ 11,200.00	July 21, 2020
Amended 2020 October Quarterly Report	\$ 15,000.00	July 28, 2020
Amended 2020 October Quarterly Report	\$ 13,309.58	August 3, 2020
Amended 2020 October Quarterly Report	\$ 27,500.00	August 7, 2020
Amended 2020 October Quarterly Report	\$ 80,500.00	August 14, 2020
Amended 2020 October Quarterly Report	\$134,375.00	September 3, 2020
Amended 2020 October Quarterly Report	\$ 10,372.33	September 3, 2020
Amended 2020 October Quarterly Report	\$ 90,000.00	September 18, 2020
Amended 2020 October Quarterly Report	\$ 65,000.00	September 25, 2020
2020 12-Day Pre-General Report	\$ 7,858.83	October 1, 2020
2020 12-Day Pre-General Report	\$ 69,000.00	October 2, 2020
TOTAL	\$532,168.77	

RAD sent a Request for Additional Information (“RFAI”) to the Committee on December 20, 2020, informing it that it may have failed to file one or more 48-Hour Reports concerning independent expenditures disclosed on its amended 2020 October Quarterly Report.⁴ The Committee responded to the RFAI on December 23, 2020, by filing a Miscellaneous Report (“Form 99”) stating, “we were unaware prior to the receipt of the correspondence of the obligation regarding 48-hour reporting for each independent expenditure

³ Just the Truth Political Action Committee Amended 2020 October Quarterly Report at 61-70 (Oct. 21, 2020); Just the Truth Political Action Committee 2020 12-Day Pre-General Report at 9-10 (Oct. 21, 2020).

⁴ See Just the Truth Political Action Committee, RFAI (Dec. 20, 2020).

over \$10,000 (aggregate).”⁵ The Committee also stated that it had immediately submitted appropriate filings for all independent expenditures on the cited report as well as subsequent reports and had modified procedures to ensure compliance in the future.⁶ On the same day, the Committee filed a 48-Hour Report for the independent expenditures identified by RAD that had been disclosed on the amended 2020 October Quarterly Report but not in 48-Hour Reports.⁷

RAD also sent an RFAI to the Committee on February 11, 2021, regarding the failure to file one or more 48-Hour Reports for independent expenditures totaling \$76,858.83 first disclosed on the Committee’s 2020 12-Day Pre-General Report.⁸ The Committee responded to this RFAI on March 10, 2021, by filing a Form 99, which stated similar points to those made in response to the first RFAI and also stated that it had filed a 48-Hour Report for these particular independent expenditures in response to the first RFAI.⁹

In response to the Office of General Counsel’s notification of the RAD Referral, the Committee states that it immediately filed the “delinquent” 48-Hour Reports after it received the first RFAI and that the error to file timely 48-Hour Reports was “unintended negligence.”¹⁰ The Committee also states that it has “altered procedures to ensure delinquent reporting of [48-

⁵ Just the Truth Political Action Committee Form 99 (Dec. 23, 2020).

⁶ *Id.*

⁷ *Id.* See Just the Truth Political Action Committee 48-Hour Report (Image #202012239393683166) (Dec. 23, 2020).

⁸ Just the Truth Political Action Committee, RFAI (Feb. 11, 2021).

⁹ Just the Truth Political Action Committee Form 99 (Mar. 10, 2021). See Just the Truth Political Action Committee 48-Hour Report (Image # 202012239393683179) (Dec. 23, 2020).

¹⁰ Committee Resp. at 1 (June 10, 2021).

Hour Reports] does not happen in the future” and it will draft 48-Hour Reports “at the end of each day that disbursements are made.”¹¹

III. LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended (the “Act”), requires committee treasurers to file reports of receipts and disbursements in accordance with the provisions of the 52 U.S.C. § 30104(b).¹² The reporting requirement includes reporting independent expenditures made by political committees other than authorized committees. The term “independent expenditure” means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate that is not made in concert or in cooperation with, or at the request or suggestion of, such candidate, the candidate’s committee, or their agents.¹³ Every political committee that makes independent expenditures must report them in its regularly scheduled disclosure reports in accordance with 11 C.F.R. § 104.3(b)(3)(vii).

A political committee that makes independent expenditures aggregating \$10,000 or more for an election in any calendar year, up to and including the 20th day before an election, must also report these expenditures within 48 hours.¹⁴ These reports, known as 48-Hour Reports, must be filed by the end of the second day “following the date on which a communication that constitutes an independent expenditure is publicly distributed or otherwise publicly disseminated.”¹⁵

¹¹ *Id.*

¹² 52 U.S.C. § 30104(a)(1); 11 C.F.R. § 104.4(a).

¹³ 52 U.S.C. § 30101(17).

¹⁴ 52 U.S.C. § 30104(g)(2); 11 C.F.R. § 104.4(b)(2).

¹⁵ 11 C.F.R. § 104.4(b)(2).

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The Committee admits that it failed to timely file the required 48-Hour Reports for independent expenditures totaling \$532,168.77 first disclosed on its Amended 2020 October Quarterly Report and 2020 12-Day Pre-General Report. The Commission found that there is reason to believe that the Committee violated 52 U.S.C. § 30104(g)(2).