FEDERAL ELECTION COMMISSION
Washington, DC 20463

August 15, 2022

VIA ELECTRONIC MAIL
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Laurence E. Gold, Esq.
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1666 Connecticut Ave., NW, Suite 500
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RE: MUR 8049(RR 21L-71)
Workers Vote and Zaina Tannu in her official capacity as treasurer

Dear Mr. Gold:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission became aware of information suggesting your client, Workers Vote and Zaina Tannu in her official capacity as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On August 9, 2022, the Commission found reason to believe that your client violated 2 U.S.C. § 30104(b)(8) and 11 C.F.R. § 104.3(d) by failing to accurately report its debt. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is enclosed for your information.

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 your client as a way to resolve this matter 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 your client violated the law. Enclosed is a conciliation agreement for your consideration

If your client agrees with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. If your client is interested in engaging in pre-probable cause conciliation, please contact Nick Mueller, the attorney assigned to this matter, at (202) 694-1577 or nmueller@fec.gov, within seven days of receipt of this letter.

During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within 60 days. *See* 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A). Conversely, if your client is 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 FEC Enforcement Process," which is available on the Commission's website at http://www.fec.gov/em/respondent_guide.pdf. 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 your client wishes the matter to be made public.

We look forward to your response.

On behalf of the Commission,

Allen Dickerson
Chairman

Enclosures:
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondents: Workers Vote and Zaina Tannu in her official capacity as treasurer — MUR 8049

I. INTRODUCTION

The Reports Analysis Division ("RAD") referred Workers Vote and Zaina Tannu in her official capacity as treasurer (the "Committee") to the Office of General Counsel ("OGC") for potential violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), arising from its failure to timely and accurately disclose $2,252,771.71 in debts on five reports filed in 2020 and 2021.[1] The Committee acknowledges the reporting of debts was deficient but explains that the errors were unintentional and that the Committee "took the initiative to correct them by ascertaining the necessary information and amending the reports . . . prior to any [Request for Additional Information ("RFAI")] that raised questions about Workers Vote's debt reporting."[2] According to the Committee, all of the errors were ultimately corrected with various amendments to its disclosure reports filed with the Commission in July 2021.[3]

Based on the available information, the Commission finds reason to believe that the Committee violated 52 U.S.C. § 30104(b)(8) and 11 C.F.R. § 104.3(d) by failing to accurately report its debt.

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[1] Referral at 1 (Dec. 16, 2021).

[2] Resp. at 1 (Feb. 8, 2022).

[3] *Id.* at 1, 4.

II. FACTUAL BACKGROUND

Workers Vote is an independent expenditure-only political committee established on August 7, 2020.[4] During 2020 and early 2021, the Committee made independent expenditures in connection with the 2020 general election and the runoff elections for the U.S. Senate in Georgia in January 2021. In the most recent reporting period, the Committee disclosed $175,000 in receipts, $777.20 in disbursements, and $1,611,118.51 in cash on hand.[5]

RAD referred the Committee for enforcement action based on a substantial increase in debt across five reports it filed with the Commission. In some instances, the Committee filed multiple amendments to these reports from April 2021 through July 2021, disclosing additional debt not disclosed on its original reports. The increased debt was disclosed as follows.

Report	Debt Originally Reported	Total Debt Reported in Final Amendment	Previously Unreported Debt
2020 October Monthly Report[6]	$0.00	$270,368.37	$270,368.37
2020 12-Day Pre-General Report[7]	$0.00	$636,100.37	$365,732.00
2020 30-Day Post-General Report[8]	$103,537.88	$841,605.97	$586,348.03
2020 Year-End Report[9]	$2,863,639.35	$3,755,912.20	$421,515.88
2021 30-Day Post-Runoff Report[10]	$2,707,823.33	$4,277,845.77	$608,807.43
		Total:	**$2,252,771.71**

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4 Workers Vote (f/k/a/ Take Back 2020), Statement of Organization (Aug. 7, 2020), https://docquery.fec.gov/pdf/277/202008079261278277/202008079261278277.pdf. Until July 19, 2021, the Committee was named Take Back 2020. *Compare* Workers Vote, Amended Statement of Organization (July 19, 2021), https://docquery.fec.gov/pdf/605/202107199451681605/202107199451681605.pdf, *with* Workers Vote, Amended Statement of Organization (June 17, 2021), https://docquery fec.gov/pdf/649/202106179449206649/202106179449206649.pdf.

5 Workers Vote, 2022 12-Day Pre-Primary Report (May 31, 2022).

6 *See* Referral at 1, Attach. 2.

7 *See id.* at 2, Attach. 2.

8 *See id.* at 3, Attach. 2.

9 *See id.* at 3-4, Attach. 2.

10 *See id.* at 4, Attach. 2.

On April 29, 2021, May 3, 2021, and July 8, 2021, RAD sent RFAIs to the Committee requesting clarification regarding the substantial increase in debts disclosed in each of these reports.[11] On June 3, 2021, the Committee filed a Form 99 addressing issues raised in the RFAIs regarding the 2020 Year-End Report and the 2021 30-Day Post-Runoff Report[12] and on August 11, 2021, the Committee filed three additional Form 99s addressing issues raised in the RFAIs regarding the Amended 2020 October Monthly, Amended 2020 12-Day Pre-General, and Amended 2020 30-Day Post-General Reports.[13] In its August 11, 2021 responses to the RFAIs, the Committee states that it "either did not receive or inadvertently did not calculate information sufficient to attribute the associated costs for debt reporting purposes at the time it filed the original report."[14] The Committee continues, stating that after the 2021 run-off election, it undertook "effort[s] to secure documentation . . . to determine finally the amounts it owed" to the entities that provided personnel, goods, and services to support its independent expenditures.[15]

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11 *Id*. at 2-4; Workers Vote, RFAI (Apr. 29, 2021), https://docquery.fec.gov/pdf/467/202104290300116467/202104290300116467.pdf (regarding 2021 30-Day Post-Runoff Report); Workers Vote, RFAI (May 3, 2021), https://docquery.fec.gov/pdf/601/202105030300117601/202105030300117601.pdf (regarding 2020 Year-End Report); Workers Vote, RFAI (July 8, 2021), https://docquery.fec.gov/pdf/788/202107080300120788/202107080300120788.pdf (regarding 2020 October Monthly Report) Workers Vote, RFAI (July 8, 2021), https://docquery.fec.gov/pdf/790/202107080300120790/202107080300120790.pdf (regarding 2020 12-Day Pre-General Report); Workers Vote, RFAI (July 8, 2021), https://docquery fec.gov/pdf/794/202107080300120794/202107080300120794.pdf (regarding 2020 30-Day Post-General Report).

12 Referral at 4; Workers Vote, Form 99 Miscellaneous Electronic Submission (June 3, 2021), https://docquery.fec.gov/pdf/834/202106039448719834/202106039448719834.pdf.

13 Referral at 5-7; Workers Vote, Form 99 Miscellaneous Electronic Submission (Aug. 11, 2021), https://docquery.fec.gov/pdf/323/202108119466242323/202108119466242323.pdf (regarding Amended 2020 October Monthly Report); Workers Vote, Form 99 Miscellaneous Electronic Submission (Aug. 11, 2021), https://docquery.fec.gov/pdf/324/202108119466242324/202108119466242324.pdf (regarding Amended 2020 12-Day Pre-General Report); Workers Vote, Form 99 Miscellaneous Electronic Submission (Aug. 11, 2021), https://docquery.fec.gov/pdf/326/202108119466242326/202108119466242326.pdf (regarding Amended 2020 30-Day Post-General Report).

14 *Supra* note13.

15 Referral at 6-7; Workers Vote, Form 99 Miscellaneous Electronic Submission (Aug. 11, 2021), https://docquery.fec.gov/pdf/323/202108119466242323/202108119466242323.pdf (regarding Amended 2020 October Monthly Report); Workers Vote, Form 99 Miscellaneous Electronic Submission (Aug. 11, 2021),

In its Response to the Referral, the Committee attributes its debt-reporting errors to the difficulty in obtaining timely and accurate cost information from the entities with which it worked. It elaborates that its independent expenditures were made "almost entirely through door-to-door canvasses of voters" with assistance from UNITE HERE and its affiliates "which had substantial numbers of established staff and members who had extensive experience as organizers and canvassers."[16] The Committee states that it worked with 31 unions and that each union "tracked the nature and amount of its expenses for these individuals, that is, their compensation and other direct costs incurred to foster their participation in Workers Vote canvassing."[17] The Committee also states that it "arranged with UNITE HERE Action Fund [], a tax-exempt social welfare organization, to handle some of the payment processing for canvassers' travel to and from municipalities where canvasses occurred, and their food and lodging while there."[18]

The Committee indicates that it "encountered varying degrees of timeliness and accuracy" issues working with these entities and was ultimately "unable to ascertain accurate figures in time for the initial reports at issue" but acknowledges that "at least estimates should have been reflected on Line 10 of each of the original [2020] October Quarterly and [2020] Pre-General Reports."[19] The Committee also acknowledges several other "errors" that resulted in

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https://docquery.fec.gov/pdf/324/202108119466242324/202108119466242324.pdf (regarding Amended 2020 12-Day Pre-General Report); Workers Vote, Form 99 Miscellaneous Electronic Submission (Aug. 11, 2021), https://docquery.fec.gov/pdf/326/202108119466242326/202108119466242326.pdf (regarding Amended 2020 30-Day Post-General Report).

16 Resp. at 2.

17 *Id*.

18 *Id*. at 3.

19 *Id*.

debts to UNITE HERE Action Fund and a media vendor not being included on the Committee's reports.[20]

Ultimately, the Committee states that it adopted certain remedial measures by engaging "its compliance reporting firm to undertake a comprehensive review of its reporting" and amending its reports from April 2021 through July 2021 as it identified "deficiencies."[21] The Committee also voluntarily participated in the RAD Education Program in September 2021 in lieu of a referral for an audit of the 2019-2020 election cycle.[22] The Committee also states that, if it seeks to engage in similar activities in the future, it will "put in place beforehand the necessary administrative controls that will enable it to timely and accurately report."[23]

The Committee "readily acknowledge[s] that $2.252 million of late-reported debt is a substantial figure" and seeks to resolve the matter through referral to the Alternative Dispute Resolution Office or, alternatively, pre-probable cause conciliation.[24]

III. LEGAL ANALYSIS

Under the Act and Commission regulations, political committees must disclose the amount and nature of outstanding debts and obligations until those debts are extinguished.[25] Debts of $500 or less must be reported no later than 60 days after the obligation is incurred, while debts of more than $500 must be reported as of the date the obligation is incurred.[26]

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[20] *Id*. at 4.

[21] *Id*.

[22] *Id*.

[23] Resp. at 4.

[24] *Id*. at 4-5.

[25] 52 U.S.C. § 30104(b)(8); 11 C.F.R. §§ 104.3(d), 104.11(a).

[26] 11 C.F.R. § 104.11(b).

Five of the Committee's original reports filed with the Commission in 2020 failed to disclose all of its debt. Through its subsequent amendments filed in 2021, the Committee acknowledges its failure to timely disclose the following: debts totaling $270,368.37 on its 2020 October Monthly Report; debts totaling $365,732.00 on its 2020 12-Day Pre-General Report; debts totaling $586,348.03 on its 2020 30-Day Post-General Report; debts totaling $421,515.88 on its 2020 Year-End Report; and debts totaling $608,807.43 on its 2021 30-Day Post-Runoff Report. These errors total $2,252,771.71 in debt that was not timely disclosed on its original reports filed with the Commission. The Committee does not dispute that it made such errors. Accordingly, the Commission finds reason to believe that Workers Vote violated 52 U.S.C. § 30104(b)(8) and 11 C.F.R. § 104.3(d) by failing to accurately report its debt.