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November 22, 2023

**VIA E-MAIL**

Lisa J. Stevenson, Acting General Counsel  
Attn.: Kathryn Ross, Paralegal  
Federal Election Commission  
Office of Complaints Examination and Legal Administration  
1050 First Street, NE  
Washington, D.C. 20463  
Email: cela@fec.gov

**Re: Matter Under Review 8172 (DSCC)**

Dear Ms. Stevenson:

We write as counsel to DSCC (the “*Committee*”) and Allison Wright, in her official capacity as treasurer of the Committee (collectively, the “*Respondents*”), in response to the complaint filed with the Federal Election Commission (“*FEC*” or the “*Commission*”) by the Foundation for Accountability and Civic Trust (“*Complainant*”) in MUR 8172 (the “*Complaint*”). Complainant alleges that the Committee violated 11 C.F.R. § 110.20(i) by hiring the independent contractor La Machine Consulting for paid canvassing work, which is run by a foreign national. Section 110.20(i) of Commission regulations prohibits a foreign national from participating in the administration of a political committee or its decision-making regarding contributions or expenditures. Yet, Complaint provides no evidence whatsoever of services provided by La Machine Consulting to the Committee that violate this prohibition. In fact, as demonstrated herein, the vendor did not perform any services on behalf of the Committee that involved participation in the administration of the Committee or its decision-making regarding contributions or expenditures. Accordingly, there is no reason to believe that the Respondents violated the Federal Election Campaign Act, as amended (the “*Act*”) or the Commission’s implementing regulations and the Complaint should be immediately dismissed.

**FACTUAL BACKGROUND**

During the 2022 election cycle the Committee operated an extensive canvassing program in battleground Senate states across the country (the “*Program*”). The Program involved selecting specific universes of potential voters to contact by knocking on their doors, dropping off printed materials and, when an individual answered the door, delivering an oral script and tracking the individual’s responses. Committee staff designed and strategically executed the Program, including, but not limited to, making decisions regarding where to canvass, the audience (*i.e.*, the

exact list of names and addresses of specific individual's doors to knock) and designing and drafting the content of the printed materials and oral scripts.<sup>1</sup>

In order to implement the Program, the Committee hired one or more canvassing firms for each target state (the "*canvassing firms*"). To effectuate such a big program, the Committee also engaged a consultant, OTG Strategies, to supervise and manage the canvassing firms (the "*Supervising Firm*"). OTG Strategies provided the Committee with a number of services including: (1) working with the canvassing firms to create achievable canvass ramps (i.e., the pace at which doors were knocked), (2) producing a report updated regularly that showed weekly progress towards the Committee's goal, (3) regularly communicating with the Committee when an individual canvassing firm was falling behind expected pace, and (4) regularly running quality control checks on all canvass data.

The Committee contracted with La Machine Consulting ("*La Machine*") to serve as one of the Committee's many paid canvassing firms under the Supervising Firm.<sup>2</sup> Antonio Valdovinos is the CEO of La Machine; the Complaint alleges he is a foreign national. The Committee engaged La Machine as an independent contractor to assist with implementation of a part of the Program, specifically Committee's planned canvassing in the states of Arizona and Georgia. As outlined in a signed agreement La Machine was responsible for recruiting, vetting, hiring and training the individual paid canvassers who knocked doors. Under the contract, Committee paid La Machine a flat fee in return for executing a specified number of door knocks. Originally, the Committee contracted with La Machine for 85,000 door knocks in Arizona in return for a fee of \$500,000. The parties later amended the contract to add on an additional 60,000 door knocks in Georgia for an additional fee of \$540,000.

The Committee made six payments to La Machine in return for these services.<sup>3</sup> These payments match the exact flat fee amounts specified in the original agreement and subsequent amendments. All payments made to La Machine constituted the fair market value of the services provided and were consistent with contractual arrangements made with the other canvassing firms. Further, in the agreement with Committee, La Machine warrants, at its own expense, to comply with all federal laws and regulations applicable to the services performed. Critically, to the extent La Machine was able to effectuate the door knocks for less than the amount paid by the Committee, such funds were converted to profit, and were not otherwise returned to the Committee.

Both contractually and in practice, La Machine's role was limited to practical, administrative execution of the Committee's pre-set canvassing program in Arizona and Georgia. The Committee

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<sup>1</sup> State party coordinated staff also assisted with script writing, under the supervision and direction of the Committee.

<sup>2</sup> The part of the contract and amendments that set forth the services provided and fees paid are attached as Exhibit A. The rest of the contract is omitted solely to preserve confidentiality around the Committee's contracting terms.

<sup>3</sup> The Complaint only cites four, rather than six disbursements. All six disbursements can be found here: October Monthly Report, Line 21B: <https://docquery.fec.gov/cgi-bin/forms/C00042366/1688710/sb/21B>; Pre-General Report 2022, Line 21B, <https://docquery.fec.gov/cgi-bin/forms/C00042366/1687592/sb/21B>; Year-End 2022, Line 21B, <https://docquery.fec.gov/cgi-bin/forms/C00042366/1693054/sb/21B/1>.

strategically designed the paid canvassing program, set the target universe, and provided the necessary communicative materials (*i.e.*, printed literature and oral scripts) to La Machine. La Machine then simply gathered the necessary infrastructure and executed the specific door knocks requested by Committee. To the best of the Committee’s knowledge, La Machine Consulting did not participate or otherwise join any of the Committee’s strategic meetings.

## LEGAL ANALYSIS

The Act prohibits any “foreign national” from directly or indirectly making a contribution or donation of money or other thing of value in connection with a federal, state, or local election, and any person from soliciting or accepting such contribution or donation.<sup>4</sup> FEC regulations further prohibit a foreign national from participating in the decision-making of a political committee around contributions or expenditures or participating in the administration of a political committee. The regulation states:

A foreign national shall not ***direct, dictate, control, or directly or indirectly participate in the decision-making process*** of any person, such as a corporation, labor organization, political committee, or political organization with regard to such person’s Federal or non- Federal election-related activities, ***such as decisions concerning the making of contributions, donations, expenditures, or disbursements*** in connection with elections for any Federal, State, or local office or ***decisions concerning the administration of a political committee.***<sup>5</sup>

This prohibition is not an absolute bar on any involvement by a foreign national in a political committee’s activities. The Commission has explained that the purpose of this provision is to prevent foreign national participation in the management and key decision making of political committees, stating that “[f]oreign nationals are prohibited from taking part in decisions about contributions and donations to any [] candidates . . . decisions about expenditures and disbursements made in support of, or in opposition to [] candidates [and] are prohibited from involvement in the management of a political committee.”<sup>6</sup>

In fact, the Commission has held that that the Act and Commission regulations permit any person or company — foreign or domestic — to provide goods or services to a political committee if that person or company does so as a “commercial vendor,” *i.e.*, in the ordinary course of business, and at the usual and normal charge, as long as foreign nationals do not directly or indirectly participate in any committee’s management or decision-making process in connection with its election-related activities.<sup>7</sup>

In keeping with the plain language and underlying purpose of Section 110.20, the Commission unanimously rejected the argument that it prohibits foreign nationals from working in any

<sup>4</sup> 52 U.S.C. § 30121(a).

<sup>5</sup> 11 C.F.R. § 110.20(i) (emphasis added).

<sup>6</sup> See Contribution Limits and Prohibitions, 67 Fed. Reg. 69928, 69946 (Nov. 19, 2002).

<sup>7</sup> Factual and Legal Analysis at 9, MUR 7583 (Kemp for Governor, Inc., *et al*); Factual and Legal Analysis at 7, MUR 7587 (Bernard Sanders, *et al*).

“meaningful capacity” or engaging in conduct that merely “influences the decision-making process” of a political committee, as the regulation “does not impose such universal or near-universal restrictions on the participation of foreign nationals in a political committee’s operations.”<sup>8</sup> Rather, the Commission has consistently read the regulation to permit foreign nationals to engage in a wide range of activities on behalf of a political committee, so long as such activities do not amount to participating in committee management or decision-making regarding contributions or expenditures. For example, the Commission approved of a candidate’s foreign national fiancé attending and participating in campaign events by speaking or by soliciting funds; participating in meetings with the candidate and his campaign regarding events or political strategy; and accompanying the candidate to the fundraising and campaign events of other political committees.<sup>9</sup> The Commission similarly approved of foreign nationals creating website code, logos, and other items for a political committee, promoting campaign fundraising events and importantly, helping a campaign with “lit drops, door to door canvassing, handing out literature at transit stations, telephone banking, and get out the vote.”<sup>10</sup>

In the matter at issue, the Complainant fails to provide any facts that, even if taken as true, establish a reason to believe that La Machine’s involvement with the Committee’s canvassing program amounted to Antonio Valdovinos’ participation in the management or administration of the Committee or its decisions regarding the making of contributions and expenditures. And in fact, it did not.

La Machine’s services did not in any way involve participation in the management or administration of the Committee, nor does the Complaint make any factual allegation that it did. La Machine’s role was limited to the practical execution of a pre-set canvassing program designed by the Committee. The Committee gave La Machine a target universe and materials and La Machine was tasked with ensuring the door knocks contemplated in the Agreement were made.

La Machine similarly did not participate in decisions regarding Committee contributions or expenditures. Unsurprisingly, the Complaint provides no facts to the contrary. The Complaint merely states that field operations were an important program for the Committee, that the payments to La Machine Consulting were “substantial” (without providing any context or relevance for the claim), and that La Machine’s marketing materials describe many services it has the capability of providing, including campaign strategy.<sup>11</sup>

The Committee never engaged or relied upon La Machine or Antonio Valdovinos to provide strategic advice to the Committee. The Agreement with La Machine was for canvassing a specific number of doors in Arizona and Georgia, using the Committee’s scripts and literature. As a

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<sup>8</sup> Factual & Legal Analysis at n.17, MUR 6959 (DNC).

<sup>9</sup> FEC Adv. Op. 2004-26 (Weller),

<sup>10</sup> FEC Adv. Op. 2014-20 (Make-Your-Laws-PAC); MURs 5987, 5995, and 6015 (Hillary Clinton for President)

Factual and Legal Analysis at 7-9 (explaining that a foreign national recording artist's efforts to promote a campaign fundraising event did not constitute participation in the “decision-making processes” of a committee); FEC Adv. Op. 2007-22 (Hurysz).

<sup>11</sup> Complaint at 16.

crucial, threshold issue the only Committee expenditures at issue are the flat fee payments made by the Committee to La Machine to execute the specific number of door knocks. These payments were nothing more than negotiated fees for a service and La Machine and Antonio Valdovinos had no participation in influencing them beyond the ordinary contracting process. To the extent that La Machine or Antonio Valdovinos made decisions regarding how to spend the funds received by the Committee (*e.g.*, the hourly rate to pay canvassers), they did so as a vendor spending *their own funds*, seeking to meet their contractual obligations while maximizing profit. Discretion by a *vendor* in how to provide services for which it is compensated does not amount to directly or indirectly participating in decisions regarding *committee expenditures*; rather, the vendor is making decisions about its *own resources*. If such vendor spending constituted a committee's expenditures, then a political committee would never be able to hire a foreign national vendor of any kind, as every vendor must necessarily make strategic decisions about how to expend its own resources to provide its offered services. As the Commission has acknowledged, the Act contains no such bar but rather permits any person or company regardless of nationality to provide goods or services to a political committee if that person or company does in the ordinary course of business, at the usual and normal charge and foreign nationals do not directly or indirectly participate in the committee's management or decision-making process in connection with the making of contributions or expenditures.<sup>12</sup>

Of course, a political committee cannot evade compliance with Section 110.20(i) by attempting to pay a flat fee and delegate all strategic decision making over to a vendor. However, that is not what occurred here. In the ordinary course of business, the Committee designed every strategic aspect of a canvassing program then hired multiple vendors for the limited, practical execution of the Program.

Beyond this threshold barrier to Complainant's claims, the services provided by La Machine were highly administrative in nature. La Machine worked under the Supervising Firm as one of dozens of contractors to practically execute part of the Committee's Program. The Committee set the target audience, crafted the messaging and provided the printed literature and oral scripts to La Machine. La Machine, and Antonio Valdovinos, simply took these inputs and executed the Committee's plans by obtaining and mobilizing the necessary infrastructure to knock on doors, nothing more.

The facts at hand starkly contrast with matters where the Commission has found reason to believe a committee violated Section 110.20(i). For example, in MUR 7587 (Bernard Sanders, *et al*) the foreign national employees at issue were the "Latino leaders and faces of the Sanders campaign" and "were in a position to make decisions about targeting voters and messaging."<sup>13</sup> Here, the Committee told La Machine which potential voters to target and provided the literature and script to use when the individuals hired by La Machine were communicating with them.

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<sup>12</sup> Factual and Legal Analysis at 9, MUR 7583 (Kemp for Governor, Inc., *et al*); Factual and Legal Analysis at 7, MUR 7587 (Bernard Sanders, *et al*).

<sup>13</sup> Factual and Legal Analysis at 7, MUR 7587 (Bernard Sanders, *et al*).

In MURs 7350, 7351, and 7382, Cambridge Analytica, a British consulting firm staffed by foreign nationals, engaged in extensive, strategic participation for multiple political committees. Cambridge provided communications and targeting advice and “directed” the committees in their messaging.<sup>14</sup> Foreign nationals were “embedded” in political committees and were personally part of “multiple conference calls” in which “strategic campaign matters were discussed.”<sup>15</sup> For one of the political committees, Cambridge was “managing basic campaign functions and providing strategic advice.”<sup>16</sup> For another committee, Cambridge had four foreign nationals embedded in the campaign and reportedly provided “polling, focus groups and message development” services and “instructed” the campaign on “which messages go where and to who.”<sup>17</sup> Here, in direct opposition to these facts *the Committee directed La Machine* with regard to targeting, strategy and messaging. Far from being embedded in the Committee, La Machine served as a paid canvassing vendor underneath the Supervising Firm and to the best of Committee’s knowledge, did not participate in any Committee strategy meetings.

The Committee acknowledges that the canvassing program is an important political operation and it spent Committee resources to make it a success. But those facts are irrelevant to this matter — as the Commission has explained, a foreign national may partake in a role that has a “meaningful capacity.”<sup>18</sup> Rather, the relevant question is whether La Machine, and more specifically, Antonio Valdovinos, participated in decisions regarding Committee expenditures or otherwise held a managerial role. Simply put: they did not.

### CONCLUSION

Based on the foregoing, there is no reason to believe that Respondent violated the Act and the Commission should dismiss this matter against Respondent immediately.

Very truly yours,



Jacquelyn Lopez  
Zachary Morrison  
Counsel to Respondents

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<sup>14</sup> Factual and Legal Analysis at 8-14, MURs 7530, 7351, and 7382 (Cambridge Analytica LLC). After conducting an investigation and further considering these matters, the Commission, on September 30, 2021, closed the file in these matters.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Factual & Legal Analysis at n.17, MUR 6959 (DNC).

# **Exhibit A**



## PAID CANVASSING AGREEMENT

This Paid Canvassing Agreement (this "**Agreement**"), by and between La Machine Consulting ("**Consultant**") and DSCC ("**Client**"), is entered into effective as of August 30, 2022 (the "Effective Date"). Client and Consultant shall sometimes be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

### W I T N E S S E T H:

WHEREAS, Client desires to avail itself of the expertise and consulting services of Consultant and Consultant desires to make Consultant's expertise and consulting services available to Client upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the agreements herein contained, the Parties hereto agree as follows:

1. **CONSULTING SERVICES.** Consultant hereby agrees to perform, at Client's request, the following services (the "Services") during the Term of this Agreement:
  - (a) Performing paid canvassing services;
  - (b) Recruiting, employing, supervising, compensating, and providing necessary training to all individuals necessary to conduct any planned canvass program;
  - (c) Conducting background checks of its employees, agents, representatives, and subcontractors;
  - (d) Obtaining necessary information from, and coordinating all activities and consulting services with, Client staff and/or consultants to understand and meet Client's needs regarding the Services rendered;
  - (e) Providing Client with reports and data as requested by Client and in the manner requested by Client;
  - (f) Providing daily telephonic or video-call updates on program results with Client and site visits at least twice a month, if requested by Client;
  - (g) Performing all necessary administrative functions related to the Services rendered, including, but not limited to, securing office



space, vehicle rentals and insurance, supplies, and other expenditures necessary for and incurred in the normal course of these Services; and

- (h) Maintaining a detailed, up-to-date, and trackable budget that allows Client to understand in real time the total amount spent and the categories of such spending.

Consultant further agrees that Consultant will use its best efforts during the performance of such Services to promote the interests of Client and to devote to the business and affairs of Client during the Term of this Agreement such portion of Consultant's time and energies as is necessary to perform such Services. Consultant shall perform such Services in an efficient, expeditious, professional and skillful manner. Consultant shall cause all the Services under this Agreement to be managed by Antonio Valdavinós. Such individual will be available to Client and can be reached by email at [antoniovaldovinos@lamachineconsulting.com](mailto:antoniovaldovinos@lamachineconsulting.com) or phone at (602) 300-5308

Consultant shall be responsible, at its own expense, for complying with all federal, state, and local laws, ordinances, rules, regulations, orders, licenses, permits and other governmental requirements applicable to the Services to be performed by Consultant during the Term of the Agreement, including, but not limited to, any such requirements imposed upon Client with respect to the Services. Consultant shall adopt appropriate employment practices and policies in compliance with these legal obligations including, but not limited to, an equal employment opportunity and harassment policy.

## 2. TERM OF AGREEMENT AND TERMINATION.

(a) The "Term" of this Agreement shall commence as of the Effective Date, and shall terminate on the earliest of the following: (i) November 30, 2022; (ii) the date on which Consultant ceases to perform the Services set forth above; or (iii) the date on which the Agreement is terminated in accordance with Section 2(b).

(b) Client may terminate this Agreement at any time, without cause and without penalty, effective on fourteen (14) days' prior written notice to Consultant. Notwithstanding the foregoing, in the event that Consultant breaches this Agreement, Client may terminate this Agreement immediately upon written notice to Consultant. In the event of termination of this Agreement by Client, Client's sole liability and Consultant's exclusive remedy is limited to reimbursement of expenses incurred prior to the date of termination in accordance with Section 3(b), payment of the fees earned by Consultant, based on doors knocked as of the date of notice, and amounts that



Consultant must pay to third parties pursuant to non-cancelable agreements Consultant entered into in performance of this Agreement with the prior written approval of Client. Consultant expressly waives any right to suspend its performance under, or terminate, this Agreement with or without cause, except for Client's breach of the payment provisions of this Agreement on ten (10) days' prior written notice, provided that Consultant must give Client the ability to cure such breach within the ten (10) day notice period. In the event of any termination by Consultant for Client's breach of the payment provisions of this Agreement, Client's sole liability and Consultant's exclusive remedy is limited to reimbursement of costs and expenses incurred prior to the date of termination in accordance with Section 3(b), payment of the fees earned by Consultant, based on doors knocked as of the date of notice, and amounts that Consultant must pay to third parties pursuant to non-cancelable agreements Consultant entered into in performance of this Agreement with the prior written approval of Client.

### 3. FEES; EXPENSES; INVOICES.

(a) Rate of Compensation. Consultant shall receive total payment of \$600,000 for 85,000 doors knocked in Arizona and the Services provided. Consultant will be paid according to the following schedule:

Within five (5) days of the execution	\$85,000
Sept. 9, 2022	\$85,000
Oct 1, 2022	\$165,000
Oct. 15, 2022	\$165,000

Client, with the assistance of Consultant, will create a budget for each canvassing program, which must be approved by Client prior to the commencement of the program. Client must pre-approve any fees that exceed the program budget. Client reserves the right to increase the program budget and Consultant will provide the Services accordingly.

Notwithstanding the notice requirements in Sec. 18, all invoices must be sent to [billing@dsc.org](mailto:billing@dsc.org) with [operations@dsc.org](mailto:operations@dsc.org) and [marco@otgstrategies.com](mailto:marco@otgstrategies.com) CC'd.

(b) Expenses. Unless otherwise specified in this Agreement, Consultant shall be responsible for payment of all ordinary expenses incurred in the performance of the Services described in Section 1 above, including travel, telephone, fax, internet connection, computer paper, printer ink, etc. Consultant must obtain pre-approval from Client for any expenses it believes should be reimbursed prior to incurring or invoicing

**ADDENDUM TO CONSULTING AGREEMENT**

This addendum ("Addendum"), dated November 28, 2022 ("Addendum Effective Date") serves to modify the Paid Canvassing Agreement entered into between the DSCC and La Machine ("Consultant" and collectively, "the Parties") with an Effective Date of August 30, 2022 (the "Agreement").

**WHEREAS**, the Parties previously entered into the Agreement regarding services provided by Consultant to the DSCC; and

**WHEREAS**, the Parties have agreed to modify the Agreement as set forth below;

**NOW THEREFORE**, in consideration of the foregoing, the Parties hereby agree to modify the Agreement as follows:

In addition to the payment of \$500,000 for 85,000 doors knocked and the Services provided, DSCC shall pay Consultant an additional fee of \$180,000 for an additional 20,000 doors knocked will be in Georgia. The additional fee shall be paid within five (5) days of the execution of this Agreement by both parties

The Parties specifically agree that all provisions of the Agreement shall remain in full force and effect unless modified by this Addendum.

**IN WITNESS WHEREOF**, the Parties have executed this Addendum as of the Addendum Effective Date.

**DSCC**

  
\_\_\_\_\_

By: \_\_\_\_\_ Lili Snyder

Title: \_\_\_\_\_ COO

Date: \_\_\_\_\_ 12/6/2022

**LA MACHINE**

  
\_\_\_\_\_

By: Antonio Valdevinas DeLaMora

Title: CEO

Date: 12/3/2022



**ADDENDUM TO CONSULTING AGREEMENT**

This addendum ("Addendum"), dated November 26, 2022 ("Addendum Effective Date") serves to modify the Paid Canvassing Agreement entered into between the DSCC and La Machine ("Consultant" and collectively, "the Parties") with an Effective Date of August 30, 2022 (the "Agreement").

**WHEREAS**, the Parties previously entered into the Agreement regarding services provided by Consultant to the DSCC; and

**WHEREAS**, the Parties have agreed to modify the Agreement as set forth below;

**NOW THEREFORE**, in consideration of the foregoing, the Parties hereby agree to modify the Agreement as follows:

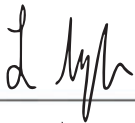
In addition to the payment of \$500,000 for 85,000 doors knocked and the Services provided, DSCC shall pay Consultant an additional fee of \$360,000 for an additional 40,000 doors knocked will be in Georgia. The additional fee shall be paid within five (5) days of the execution of this Agreement by both parties

The Parties specifically agree that all provisions of the Agreement shall remain in full force and effect unless modified by this Addendum.

**IN WITNESS WHEREOF**, the Parties have executed this Addendum as of the Addendum Effective Date.

**DSCC**

**LA MACHINE**



By: Lili Snyder

By: Antonio Valdovinos de la Torre

Title: COO

Title: CEO

Date: 12/6/2022

Date: 12/3/2022



Gary Peters, DSCC Chair

Chuck Schumer, Majority Leader

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**Committed to Protecting and Expanding a Democratic Senate Majority**

November 21, 2023

**VIA EMAIL: [CELA@FEC.GOV](mailto:CELA@FEC.GOV)**

Kathryn Ross & Wanda D. Brown  
Office of Complaints Examination and Legal Administration  
Federal Election Commission  
1050 First Street, N.E.  
Washington, DC 20463

**Re: Designation of Counsel for DSCC**

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Dear Ms. Ross and Ms. Brown,

I write to designate the below named individual as counsel for DSCC and for myself, in my official capacity as treasurer, in all matters before the Federal Election Commission. I authorize these individuals to receive any notifications and other communications from the Commission and to act on my behalf and on behalf of DSCC before the Commission.

Jacquelyn Lopez, [jlopez@elias.law](mailto:jlopez@elias.law)  
Elias Law Group LLP  
250 Massachusetts Ave NW, Suite 400  
Washington, DC 20001

Very truly yours

Allison Wright, Treasurer  
DSCC