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**AGENDA DOCUMENT NO. 18-43-B**  
**AGENDA ITEM**  
**For meeting of October 25, 2018**  
**SUBMITTED LATE**

**MEMORANDUM**

TO: The Commission

FROM: Lisa J. Stevenson *LJS*  
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Subject: AO 2018-12 (Defending Digital Campaigns, Inc.) Draft B

Attached is a proposed draft of the subject advisory opinion.

Members of the public may submit written comments on the draft advisory opinion. We are making this draft available for comment until 9:00 am (Eastern Time) on October 25, 2018.

Members of the public may also attend the Commission meeting at which the draft will be considered. The advisory opinion requestor may appear before the Commission at this meeting to answer questions.

For more information about how to submit comments or attend the Commission meeting, go to <https://www.fec.gov/legal-resources/advisory-opinions-process/>

Attachment

1 ADVISORY OPINION 2018-12

2

3 Marc E. Elias, Esq.  
4 Perkins Coie LLP  
5 700 13th Street, NW, #600  
6 Washington, DC 20005

**DRAFT B**

7

8 Michael E. Toner, Esq.  
9 Wiley Rein LLP

10 1776 K Street, NW  
11 Washington, DC 20006

12

13 Dear Messrs. Elias and Toner:

14 We are responding to your advisory opinion request on behalf of Defending Digital  
15 Campaigns, Inc. (“DDC”), concerning the application of the Federal Election Campaign Act, 52  
16 U.S.C. §§ 30101-45 (the “Act”), and Commission regulations to its proposal to provide  
17 cybersecurity services for free or at a reduced cost to federal candidate committees and national  
18 party committees (collectively, “federal candidates and parties”). Because the provision of the  
19 cybersecurity services described in the request would result in the making of a prohibited  
20 corporate in-kind contribution, the Commission concludes that DDC’s proposal is not  
21 permissible.

22 ***Background***

23 The facts presented in this advisory opinion are based on your letter received on  
24 September 6, 2018.

25 DDC is recognized as a nonprofit corporation under Washington, D.C. law and is exempt  
26 from federal income tax under Section 501(c)(4) of the Internal Revenue Code. Advisory  
27 Opinion Request at AOR005, AOR017. According to its articles of incorporation, DDC’s  
28 purpose is “to provide education and research for civic institutions on cybersecurity best  
29 practices and assist them in implementing technologies, processes, resources, and solutions for

1 enhancing cybersecurity and resilience to hostile cyber acts targeting the domestic democratic  
2 process.” AOR017. Consistent with this purpose, DDC proposes to provide federal candidates  
3 and parties with a “set of campaign-tailored resources and training” necessary to combat these  
4 cyberattacks, and to develop “channels for information sharing among committees, technology  
5 providers, and cybersecurity experts in the public and private sectors.” AOR002. DDC intends  
6 to do so on a nonpartisan basis according to neutral, objective criteria, as described below, and  
7 “not to benefit any one campaign or political party over another or to otherwise influence any  
8 federal election,” but to further its mission to “help safeguard American elections from foreign  
9 interference.” *Id.*

#### 10 **I. Threat to Campaigns and Political Parties**

11 You note that, in 2008, hackers “stole large quantities of information” from both then-  
12 Senator Obama’s and then-Senator McCain’s presidential campaigns, and in 2012 the networks  
13 and websites of both then-President Obama’s and Mitt Romney’s presidential campaigns were  
14 hacked. AOR002.<sup>1</sup> In 2016, hackers infiltrated the email accounts of Democratic campaign  
15 staff, stealing and leaking tens of thousands of emails. AOR002-AOR003.<sup>2</sup> Similar threats have  
16 been reported in the current campaign cycle; for example, you state that this year at least four

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<sup>1</sup> See also Michael Isikoff, *Chinese Hacked Obama, McCain Campaigns, Took Internal Documents, Officials Say*, NBC News (June 10, 2013), <http://investigations.nbcnews.com/news/2013/06/06/18807056-chinese-hacked-obama-mccain-campaigns-took-internal-documents-officials-say>.

<sup>2</sup> See also Director of National Intelligence, *Assessing Russian Activities and Intentions in Recent US Elections*, Jan. 6, 2017, [https://www.dni.gov/files/documents/ICA\\_2017\\_01.pdf](https://www.dni.gov/files/documents/ICA_2017_01.pdf).

1 congressional candidates have reported hacking attempts,<sup>3</sup> and Microsoft has indicated that it has  
2 detected and blocked hacking attempts against three congressional campaigns. AOR003.<sup>4</sup>

3 According to your request, federal candidates and parties are singularly ill-equipped to  
4 counteract these threats. AOR004. You state that there is no “streamlined, nonpartisan  
5 clearinghouse” to help such committees detect and coordinate responses to new threats and  
6 outbreaks. AOR002, AOR007. Moreover, you state that presidential campaign committees and  
7 national party committees require expert guidance on cybersecurity and you contend that the  
8 “vast majority of campaigns” cannot afford full-time cybersecurity staff and that “even basic  
9 cybersecurity consulting software and services” can overextend the budgets of most  
10 congressional campaigns. AOR004. For instance, you note that a congressional candidate in  
11 California reported a breach to the Federal Bureau of Investigation (“FBI”) in March of this year  
12 but did not have the resources to hire a professional cybersecurity firm to investigate the attack,  
13 or to replace infected computers. AOR003.

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<sup>3</sup> See also Joel Schectman & Christopher Bing, *Exclusive: FBI Probing Cyber Attack on Congressional Campaign in California*, Reuters (Aug. 17, 2018), <https://www.reuters.com/article/us-usa-election-hacking-exclusive/exclusive-fbi-probing-cyber-attack-on-congressional-campaign-in-california-sources-idUSKBN1L22BZ>; Mark Morales, *Democrat Who Challenged GOP Congressman Said He Was Hacked*, CNN (Aug. 15, 2018), <https://www.cnn.com/2018/08/15/politics/dana-rohrbacher-opponent-cyberattack-hack/index.html>; Holley Long, *Campaign: Russians Attempted to Hack AL Congressional Candidate’s Website*, WFSB-12 (July 19, 2018), <http://www.wfsb.com/story/38688628/campaign-russians-attempted-to-hack-al-congressional-candidates-website/>; Miles Parks, *Senate Campaign in Tennessee Fears Hack After Impostor’s Emails Request Money*, NPR (Mar. 8, 2018), <https://www.npr.org/2018/03/08/592028416/senate-campaign-in-tennessee-fears-hack-after-imposter-emails-request-money>.

<sup>4</sup> See also Eric Geller, *Microsoft Reveals First Known Midterm Campaign Hacking Attempts*, Politico (July 19, 2018), <https://www.politico.com/story/2018/07/19/midterm-campaign-hacking-microsoft-733256>; Advisory Opinion 2018-11 (Microsoft) (concluding that Microsoft may offer enhanced security services to election-sensitive clients under certain circumstances).

1           Accordingly, you believe that “[o]ngoing attempts by foreign powers to undermine our  
2 democratic processes through cyber and information operations pose a novel and unprecedented  
3 threat to the integrity of our electoral system.” AOR001.

## 4 **II.     Development and Structure of DDC**

5           Following the 2016 elections, the Belfer Center for Science and International Affairs at  
6 Harvard Kennedy School instituted the Defending Digital Democracy Project, co-led by former  
7 campaign managers of Republican and Democratic presidential campaigns and cyber and  
8 national security experts to “recommend strategies, tools, and technology to protect democratic  
9 processes and systems from cyber and information attacks.” AOR004. The bipartisan group  
10 produced a report, “The Cybersecurity Campaign Playbook,” designed to provide campaigns  
11 with simple, actionable guidance to secure their systems. *Id.* That report noted many limitations  
12 in providing campaigns adequate support — campaigns are inherently temporary and transient,  
13 and lack the time and money to develop long-term, well-tested security strategies, to train large  
14 numbers of new staff, and to buy non-personal hardware and malware. *Id.* Thus, according to  
15 the request, “campaigns are in need of more direct, hands-on assistance to address cybersecurity  
16 threats.” *Id.*

17           To that end, Defending Digital Democracy Project’s founding members formed DDC  
18 with two aims in mind: to create secure, nonpartisan forums for sharing information among and  
19 between campaigns, political parties, technology providers, law enforcement, and other  
20 government agencies to detect cyber threats and facilitate effective responses to those threats;  
21 and to provide campaigns and political parties with knowledge, training, and resources to defend  
22 themselves from cyber threats. AOR005. You describe DDC as “truly nonpartisan.” *Id.*

1 DDC’s articles of incorporation vest the powers of the corporation in a board of directors —  
2 initially comprising Democrat Robby Mook, Republican Matt Rhoades, and Deborah Plunkett,  
3 the former Director of Information Assurance at the National Security Administration and  
4 member of the National Security Council in both Democratic and Republican Administrations —  
5 who must be elected from time to time in the manner prescribed in DDC’s bylaws. AOR005,  
6 AOR017 (articles of incorporation), AOR028 (bylaws). The bylaws provide that the board of  
7 directors must be advised by a committee of professionals who are knowledgeable about  
8 cybersecurity and election processes, and must elect a president and treasurer to manage day-to-  
9 day operations of the corporation. AOR030.

10       Though DDC is recognized as a social welfare organization under Section 501(c)(4) of  
11 the Internal Revenue Code, its articles of incorporation and bylaws provide that DDC “shall not  
12 participate in, or intervene in (including the publishing or distribution of statements concerning),  
13 any political campaign on behalf of (or in opposition to) any candidate for public office within  
14 the meaning of Section 501(c)(3) of the [Internal Revenue] Code.” AOR005, AOR018 (articles  
15 of incorporation), AOR028 (bylaws). The articles of incorporation and bylaws also provide that  
16 DDC’s directors, officers, and staff may not personally profit from DDC’s activities except for  
17 board-approved reasonable compensation for officers and employees, determined by recognized  
18 procedures and best practices of similarly situated organizations. AOR005, AOR018 (articles of  
19 incorporation), AOR030 (bylaws), AOR046-47 (compensation review policy).

### 20 **III. DDC’s Proposal**

1 DDC proposes to offer free or reduced-cost cybersecurity services, including facilitating  
2 the provision of free or reduced-cost cybersecurity software and hardware from technology  
3 corporations, to federal candidates and parties according to a pre-determined set of criteria.

4 **A. Proposed Eligibility Criteria**

5 DDC proposes to make its services available to all active, registered national party  
6 committees<sup>5</sup> and active, registered federal candidate committees satisfying one of the following  
7 requirements (collectively, “Eligible Committees”):

- 8 • A House candidate’s committee that has at least \$50,000 in receipts for the current  
9 election cycle, and a Senate candidate’s committee that has at least \$100,000 in  
10 receipts for the current election cycle;
- 11 • A House or Senate candidate’s committee for candidates who have qualified for the  
12 general election ballot in their respective elections; or
- 13 • Any presidential candidate’s committee whose candidate is polling above five percent  
14 in national polls.

15 AOR006. You state that DDC has chosen these criteria to ensure that the federal candidates and  
16 parties most likely to be targeted for cyberattacks have access to DDC’s services “on a fair and  
17 equal basis.” *Id.* DDC “will proactively reach out to the Eligible Committees in a consistent  
18 manner and offer the same suite of services to all Eligible Committees in a given race.” *Id.*

19 **B. Proposed Activities**

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<sup>5</sup> Currently, there are 11 national party committees registered with the Commission: the Constitution Party National Committee (C00279802), DNC Services Corp./Democratic National Committee (C00010603), DCCC (C00000935), DSCC (C00042366), Green Party of the United States (C00370221), Green Senatorial Campaign Committee (C00428664), Libertarian National Committee, Inc. (C00255695), Libertarian National Congressional Committee Inc. (C00418103), Republican National Committee (C00003418), NRCC (C00075820), and NRSC (C00027466).

1           You state that DDC’s potential offerings are under development and will depend on  
2 funding, negotiations, and the Commission’s guidance, but that DDC proposes to engage in a  
3 variety of activities, as explained below.

4                           **i. Information Sharing**

5           DDC proposes to create “information sharing systems,” such as listservs and bulletins, to  
6 allow campaigns, political parties, government agencies, and private sector entities to  
7 anonymously share information on malicious email addresses, IP addresses, and other  
8 intelligence on cyber threats targeting campaigns and elections. AOR007. DDC may also  
9 collaborate with the FBI, Department of Homeland Security (“DHS”), and other law  
10 enforcement agencies in this effort. *Id.* As you explain in the request, DHS has expressly  
11 identified the need for what it refers to as “Information Sharing and Analysis Organizations  
12 (ISAOs)” to allow organizations “to be able to share and respond to cyber risks in as close to  
13 real-time as possible.” *Id.*<sup>6</sup> You state that DDC would operate as an ISAO, serving as a  
14 “streamlined, nonpartisan clearinghouse” to pool and monitor intelligence about cyber threats on  
15 an anonymous basis, facilitate cooperation with the appropriate government agencies, and  
16 provide advice and assistance in the case of a breach. *Id.*

17           For this service, DDC would not charge the private sector entities, government agencies,  
18 or Eligible Committees. AOR007.

19                           **ii. Cybersecurity Hotline**

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<sup>6</sup> See U.S Dep’t of Homeland Security, Information Sharing and Analysis Organizations (ISAOs), <https://www.dhs.gov/isao>.

1 DDC also intends to operate a cybersecurity hotline, at no charge, for Eligible  
2 Committees. AOR007. The hotline would allow Eligible Committees to receive advice or  
3 coaching, and to identify new and emergency cybersecurity threats in order to notify the proper  
4 government agencies if necessary. *Id.*

### 5 **iii. Cybersecurity “Bootcamps,” Advanced Training, and Certification**

#### 6 **Courses**

7 DDC plans to offer free cybersecurity “bootcamps” — trainings covering core  
8 cybersecurity issues — as well as free “advanced cybersecurity training and certification  
9 courses” to Eligible Committees’ leadership and information technology staff. AOR008. DDC  
10 may host these programs at central locations and provide free or discounted transportation and  
11 lodging for Eligible Committees’ staff to attend. *Id.* Moreover, DDC may recruit cybersecurity  
12 professionals to speak at such trainings as volunteers, and contract with cybersecurity firms to  
13 provide advanced training and certification courses. *Id.*

#### 14 **iv. On-Site Training and Assistance**

15 In addition to the above training for Eligible Committees’ leadership and information  
16 technology staff, DDC believes it “vital” to ensure that all employees receive basic cybersecurity  
17 training, and notes that Eligible Committees may need advice on implementing cybersecurity  
18 practices into their unique infrastructure. AOR008. Thus, DDC would like to “facilitate” free  
19 on-site visits to Eligible Committees by cybersecurity professionals who would provide basic  
20 training or general assistance. *Id.* Under one option, cybersecurity professionals would provide  
21 such training and assistance as volunteers while on unpaid leave or while on paid leave under  
22 their employers’ existing policies. *Id.* Under another option, DDC would “establish

1 partnerships” with cybersecurity firms that would agree to provide paid leave to their employees  
2 for the on-site training and assistance. *Id.*

### 3 **v. Cybersecurity Incident Response and Monitoring Services**

4 DDC also plans to form retainer agreements with digital security vendors to provide free  
5 or reduced-cost incident response services by digital security firms, allowing the Eligible  
6 Committees to contact such vendors during threatening cyber events, including phishing attacks  
7 and the receipt of suspicious emails. AOR008. DDC would also like to form similar agreements  
8 with brand monitoring services, which identify fake websites that imitate legitimate federal  
9 candidates or parties, monitor the internet for fraudulent or unauthorized committees posing as  
10 Eligible Committees, and notify the Eligible Committees in the event of harmful behavior. *Id.*

### 11 **vi. Free or Reduced-Cost Cybersecurity-related Software and Hardware**

12 Under another proposed service, DDC would partner with technology companies (such as  
13 Google and Microsoft) to customize those companies’ existing software for federal candidates  
14 and parties in order to enhance their cybersecurity, and also “negotiate partnerships” with those  
15 companies to secure free or discounted licenses for both customized and non-customized  
16 cybersecurity-related software for Eligible Committees. AOR009. DDC would “act as an  
17 intermediary” between the software providers and Eligible Committees “to ensure that licenses  
18 are provided on a fair and equal basis to all Eligible Committees,” but the actual software license  
19 agreements would be between the providers and the Eligible Committees. *Id.* DDC staff would  
20 assist Eligible Committees in installing the software and educating staff on the proper use of the  
21 software. *Id.* Likewise, DDC would provide similar services acting as an intermediary in  
22 contracts between providers and Eligible Committees for cybersecurity-related hardware. *Id.*

1 ***Questions Presented***

2 1. *May DDC allow Eligible Committees to participate in the following DDC activities*  
3 *without making in-kind contributions to participating Eligible Committees:*

4 a. *DDC's free cybersecurity information-sharing forums; and*

5 b. *DDC's free cybersecurity hotline?*

6 2. *May DDC provide cybersecurity bootcamps, advanced training sessions, and*  
7 *certification courses without charge to Eligible Committees without making in-kind*  
8 *contributions to such Eligible Committees?*

9 3. *May DDC entirely or partially pay for the transportation and lodging expenses of*  
10 *Eligible Committees' staff to attend DDC's cybersecurity bootcamps, advanced trainings,*  
11 *or certification courses without making in-kind contributions to such Eligible*  
12 *Committees?*

13 4. *May DDC coordinate on-site cybersecurity training and assistance for Eligible*  
14 *Committees without making in-kind contributions to Eligible Committees when such*  
15 *training and assistance is provided by:*

16 a. *Cybersecurity professionals employed by cybersecurity firms with whom DDC*  
17 *has a partnership and who have agreed to provide paid leave to employees to*  
18 *conduct such on-site training and assistance; or*

19 b. *Cybersecurity professionals who are acting in a volunteer capacity?*

20 5. *May DDC provide cybersecurity incident response services and brand monitoring*  
21 *services to Eligible Committees free of charge or at a reduced cost without making in-*  
22 *kind contributions to such Eligible Committees?*

1       6. *May DDC facilitate the provision of free or discounted cybersecurity-related software*  
2           *licenses or hardware from private sector companies to Eligible Committees without DDC*  
3           *or the private sector companies making in-kind contributions to Eligible Committees*  
4           *receiving such software licenses or hardware?*

5       7. *May DDC assist Eligible Committees with installing and using the software licenses or*  
6           *hardware without making in-kind contributions to such Eligible Committees?*

7       ***Legal Analysis and Conclusions***

8           No, DDC may not engage in the activities described in the request without making in-  
9       kind contributions to the Eligible Committees, because the value of cybersecurity services would  
10      be provided for free or at less than the usual or normal charge and in connection with a federal  
11      election.

12           The Act and Commission regulations prohibit corporations from making contributions to  
13      federal candidates, political parties, and political committees that make contributions to federal  
14      candidates and political parties. 52 U.S.C. §§ 30118(a), (b)(2); 11 C.F.R. §§ 114.2(b).<sup>7</sup> A  
15      “contribution” includes anything of value made for the purpose of influencing a federal election,  
16      and in the context of contributions by corporations also includes any “direct or indirect payment,  
17      distribution, loan, advance, deposit, or gift of money, or any services, or anything of value . . . in  
18      connection with any [federal] election . . . .” 52 U.S.C. § 30118(b)(2); *see also id.*

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<sup>7</sup> Corporations may, however, make contributions to nonconnected political committees that make only independent expenditures, *see, e.g.*, Advisory Opinion 2011-11 (Colbert); *Citizens United v. FEC*, 558 U.S. 310 (2010); *SpeechNow.org v. FEC*, 599 F.3d 686 (D.C. Cir. 2010) (*en banc*), and to non-contribution accounts of hybrid political committees, *see* Press Release, FEC Statement on *Carey v. FEC*: Reporting Guidance for Political Committees that Maintain a Non-Contribution Account (Oct. 5, 2011), <https://www.fec.gov/updates/fec-statement-on-carey-v-fec/>.

1 § 30101(8)(A)(i); 11 C.F.R. § 114.2(b); Advisory Opinion 1999-02 (Premera) (concluding that  
2 certain corporate events at which the corporation proposed to invite federal candidates was “in  
3 connection with a [f]ederal election”). “Anything of value” includes all in-kind contributions,  
4 such as the provision of goods and services without charge or at a charge that is less than the  
5 usual and normal charge. *See* 11 C.F.R. § 100.52(d)(1).

6 Here, DDC proposes to provide cybersecurity services — either directly or by paying  
7 outside entities to provide the services — to the Eligible Committees. These services include  
8 creating and operating information-sharing systems, such as listservs and bulletins,<sup>8</sup> creating and  
9 operating a cybersecurity hotline, hosting cybersecurity bootcamps, advanced training, and  
10 certification courses,<sup>9</sup> entirely or partially paying for transportation or lodging for such training  
11 opportunities, offering cybersecurity incident response services and brand monitoring services,<sup>10</sup>  
12 and assisting in installing and using cybersecurity software licenses and hardware. The provision  
13 of such services for free or at less than the usual or normal charge falls squarely within the  
14 Commission’s definition of “anything of value.” *See* Advisory Opinion 1996-02 (CompuServe)  
15 (concluding that providing free online service to allow candidates to post positions on issues,  
16 provide candidate information, and respond to voters’ questions and concerns would constitute  
17 impermissible corporate in-kind contribution); Advisory Opinion 1989-13 (IBM) (reaching same

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<sup>8</sup> Though outside entities would participate in these forums and share information for them, according to the request DDC would be the creator and operator. *See* AOR002, AOR007.

<sup>9</sup> DDC also “may recruit cybersecurity experts to speak at such trainings in a volunteer capacity and would likely contract with cybersecurity firms to provide the advanced training and certification courses.” AOR008.

<sup>10</sup> You state that “DDC would like to retain a digital security firm providing incident response services and allow Eligible Committees to contact the retained firm” as needed, and that “DDC may also enter into similar retainer agreements with one or more brand protection services.” AOR008.

1 conclusion regarding provision of free computers, software, and technical training to select  
2 candidates for federal office to assist in complying with the Act). Moreover, DDC would  
3 provide these services for the explicit purpose of “help[ing] safeguard American elections from  
4 foreign interference.” AOR002. Given DDC’s stated purpose of protecting federal elections  
5 from cyberattacks and the fact that its proposal is aimed only to protect federal candidates and  
6 parties from such attacks, the Commission concludes that the services described in the request  
7 would be provided in connection with a federal election and thus result in the making of a  
8 contribution. *C.f.* Advisory Opinion 1999-02 (Premera) at 4 (explaining that, in extending  
9 invitations to speak at corporate events, “invitations extended to multiple candidates for the same  
10 office, or invitations extended to candidates qua candidates, establish that the event planned is, in  
11 fact, in connection with a [f]ederal election”).

12 DDC also would facilitate the provision of free or reduced-cost goods and services by  
13 outside entities. Indeed, DDC proposes to coordinate on-site cybersecurity training and  
14 assistance by cybersecurity professionals on paid leave from their employer or in a voluntary  
15 capacity, and to “negotiate partnerships” with technology companies to provide free or reduced-  
16 cost software and hardware to Eligible Committees. AOR008-AOR009. Such facilitation would  
17 be a service to the Eligible Committees. Because DDC would provide such services for free or  
18 at less than the usual and normal charge, and in connection with a federal election, this activity  
19 also would result in the making of a prohibited in-kind contribution by DDC.<sup>11</sup>

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<sup>11</sup> Given the Commission’s conclusion that the services provided by DDC are in connection with a federal election and thus would result in a prohibited corporate in-kind contribution, the Commission need not address whether DDC’s activities would constitute the facilitation of a corporate contribution by DDC’s private sector partners and sponsors under 11 C.F.R. § 114.2(f). Moreover, the Commission’s response here is limited to the services provided by DDC — namely, the coordination of on-site cybersecurity training and assistance, as well as

1           DDC’s proposal differs from Advisory Opinion 2000-16 (Third Millennium), where the  
2 Commission approved a proposal by a nonprofit corporation to pay for several internet  
3 advertisements supporting various presidential candidates for the purpose of gathering survey  
4 data to enable it to determine how to “encourage participation in the electoral and legislative  
5 processes by younger Americans.” *See* Advisory Opinion 2000-16 (Third Millennium) at 1, 5.  
6 The Commission did not agree on a rationale and, in separate statements, none of the  
7 Commissioners addressed whether the proposed activities were in connection with a federal  
8 election.<sup>12</sup> Unlike Third Millennium, where the requestor proposed to financially support a  
9 discrete, singular study independent of any particular federal candidate or party, DDC proposes  
10 to provide, or facilitate the provision of, a broad array of cybersecurity services, software, and  
11 hardware directly to federal candidates and parties at no or a reduced cost. Similarly, the  
12 Commission’s recent decision in Advisory Opinion 2018-11 (Microsoft) is inapposite, because  
13 DDC would not be providing its services in the ordinary course of its business and for  
14 commercial reasons.

15           The Commission recognizes that the Act and Commission regulations provide a limited  
16 exception from the definition of contribution to permit nonprofit corporations to engage in

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the facilitation of software and hardware — and does not address any volunteer activity, software, or hardware the cybersecurity professionals may provide directly to Eligible Committees without DDC’s involvement.

<sup>12</sup> *See* Concurrence in Advisory Opinion 2000-16, Chairman Wold and Commissioners Mason and Smith at 4, Advisory Opinion 2000-16 (Third Millennium) (Aug. 24, 2000) (concluding that the proposed activities were not for the purpose of influencing a federal election); Concurrence in Advisory Opinion 2000-16, Commissioners McDonald and Thomas at 2, Advisory Opinion 2000-16 (Third Millennium) (Aug. 25, 2000) (applying exemption for nonpartisan activity designed to encourage individuals to vote or register to vote under 52 U.S.C. § 30101(9)(B)(ii)); Concurrence in Advisory Opinion 2000-16, Commissioner Sandstrom at 2, Advisory Opinion 2000-16 (Third Millennium) (Dec. 15, 2000) (concluding that the proposed activities were not for the purpose of influencing a federal election).

1 certain nonpartisan activities without making prohibited in-kind contributions to federal  
2 candidates or parties, for example the staging of candidate debates as long as the staging  
3 organizations do not endorse, support, or oppose political candidates or political parties, and use  
4 pre-established objective criteria to determine which candidates may participate in the debate.  
5 *See* 11 C.F.R. § 110.13; *c.f.*, *e.g.*, 52 U.S.C. § 30101(9)(B)(ii) (permitting nonpartisan activity  
6 designed to encourage individuals to vote or to register to vote without limitation); 11 C.F.R.  
7 § 114.4(c)(6) (permitting corporations to endorse candidates). However, neither the Act nor  
8 Commission regulations carve out a similar exception for nonprofit organizations that exist to  
9 provide free or reduced cost cybersecurity services to federal candidates and committees.

10 In sum, the value of the proposed cybersecurity services would be provided for free or at  
11 less than the usual or normal charge and in connection with a federal election. Thus, DDC may  
12 not engage in the activities described in the request without making in-kind contributions to the  
13 Eligible Committees.

14 This response constitutes an advisory opinion concerning the application of the Act and  
15 Commission regulations to the specific transaction or activity set forth in your request.  
16 *See* 52 U.S.C. § 30108. The Commission emphasizes that, if there is a change in any of the facts  
17 or assumptions presented, and such facts or assumptions are material to a conclusion presented in  
18 this advisory opinion, then the requestor may not rely on that conclusion as support for its  
19 proposed activity. Any person involved in any specific transaction or activity which is  
20 indistinguishable in all its material aspects from the transaction or activity with respect to which  
21 this advisory opinion is rendered may rely on this advisory opinion. *See* 52 U.S.C.  
22 § 30108(c)(1)(B). Please note that the analysis or conclusions in this advisory opinion may be

1 affected by subsequent developments in the law including, but not limited to, statutes,  
2 regulations, advisory opinions, and case law. Any advisory opinions cited herein are available  
3 on the Commission's website.

4 On behalf of the Commission,

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Caroline C. Hunter  
Chair