



AGENDA DOCUMENT NO. 15-14-A
APPROVED MARCH 10, 2015

MINUTES OF AN OPEN MEETING
OF THE
FEDERAL ELECTION COMMISSION
THURSDAY, FEBRUARY 12, 2015

PRESENT: **Ann M. Ravel, Chair, presiding**

Matthew S. Petersen, Vice Chairman

Lee E. Goodman, Commissioner

Caroline C. Hunter, Commissioner¹

Steven T. Walther, Commissioner

Ellen L. Weintraub, Commissioner

Alec Palmer, Staff Director

Lisa J. Stevenson, Deputy General Counsel - Law

Shawn Woodhead Werth, Secretary and Clerk

¹ Commissioner Hunter was absent and did not participate in the meeting.

Chair Ann M. Ravel called the Federal Election Commission to order in an open meeting at 10:29 A.M. on Thursday, February 12, 2015 with a quorum present.

Chair Ravel recognized Vice Chairman Petersen who

MOVED to suspend the rules on the timely submission of agenda documents in order to consider Agenda Document No. 15-10-A (Draft A for Advisory Opinion 2014-20), Agenda Document No. 15-10-B (Draft B for Advisory Opinion 2014-20), Agenda Document No. 15-09-A (Advisory Opinion 2014-21), and Agenda Document No. 15-07-B (Joe Walsh for Congress Committee audit).

The motion carried by a vote of 6-0 with Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.²

Chair Ravel stated that Commissioner Hunter is unavailable today but has indicated that she will submit her votes at the end of the day.

I. CORRECTION AND APPROVAL OF MINUTES

**Minutes for January 15, 2015
Agenda Document No. 15-08-B
(Replacement Page 6)**

Chair Ravel recognized Vice Chairman Petersen who

MOVED to approve the minutes for the meeting held on January 15, 2015 as set forth in Agenda Document No. 15-08-B.

² Commissioner Hunter's vote was recorded in accordance with Directive 10, Paragraph H.

The motion carried by a vote of 6-0 with Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.³

II. DRAFT ADVISORY OPINION 2014-20

**Make Your Laws PAC, Inc.
by Sai, President and Treasurer**

(Held over from the January 15, 2015 meeting at the request of the requestor)

**Agenda Document No. 15-10-A (Draft A)
(Submitted Late)**

**Agenda Document No. 15-10-B (Draft B)
(Submitted Late)**

Chair Ravel recognized Sai, the requestor's representative, who was available to answer Commissioners' questions. Sai thanked Ms. Jessica Selinkoff, Mr. Robert Knop, Mr. Theodore Lutz, and Ms. Rachel Provencher of the General Counsel's Office for their help with his request.

Chair Ravel recognized Ms. Provencher of the General Counsel's Office who stated that an additional comment submitted by Make Your Laws PAC, Inc. (MYLP) yesterday on the Drafts posed a question that is potentially complicated. She explained that the General Counsel's Office would need more time to review the matter before advising the Commission. Discussion followed.

³ Commissioner Hunter's vote was recorded in accordance with Directive 10, Paragraph H.

Chair Ravel asked Sai if MYLP would agree to an extension of time for the Commission to complete its review. Sai stated that MYLP would agree to an extension.

Chair Ravel recognized Ms. Provencher of the General Counsel's Office who presented the draft advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, and the Commission regulations to MYLP's request. MYLP is a political committee that asks whether it may accept the assignment of intellectual property resulting from unpaid volunteer services performed by foreign nationals. She summarized the similarities and distinctions between the Drafts and asked for authority to make technical and conforming changes if a Draft is approved by the Commission.

Sai participated in the discussion that followed.

Chair Ravel stated that staff from the General Counsel's Office will contact Sai regarding the extension, and the matter will be held over to a future meeting.

Chair Ravel thanked Ms. Provencher, a Presidential Management Fellow, for all of her work as this is her last week at the Commission.

III. DRAFT ADVISORY OPINION 2014-21

**Cambia Health Solutions, Inc.
by William H. Minor, Esq.**

**Agenda Document No. 15-09-A
(Submitted Late)**

Chair Ravel recognized Mr. Minor, the requestor's counsel, who was available to answer Commissioners' questions.

Chair Ravel recognized Ms. Joanna Waldstreicher of the General Counsel's Office who presented the draft advisory opinion concerning the application of the Federal Election Campaign Act of 1971, as amended, and the Commission regulations to the request of Cambia Health Solutions, Inc. (Cambia). Cambia is a health insurance company that does business under licensing agreements with Blue Cross Blue Shield and also engages in both insurance and other types of business not using the Blue Cross Blue Shield marks. Since its inception, Cambia's separate segregated fund (SFF) has been considered affiliated with the SFF of the Blue Cross Blue Shield association. Cambia asks whether, due to significant changes in Cambia's business relationship with Blue Cross Blue Shield since Cambia's SFF was established, the two SFFs may no longer be considered affiliated. If the Draft is approved, she asked for the authority to make any technical and conforming changes.

Chair Ravel recognized Vice Chairman Petersen who

MOVED to approve Draft Advisory Opinion 2014-21 as set forth in Agenda Document No. 15-09-A and authorize the Office of General Counsel to make any technical and conforming changes necessary.

The motion carried by a vote of 4-2 with Commissioners Goodman, Hunter, Petersen, and Weintraub voting affirmatively for the decision.

Commissioners Ravel and Walther dissented.⁴

Discussion followed.

**IV. AUDIT DIVISION RECOMMENDATION MEMORANDUM ON THE
REPUBLICAN PARTY OF ORANGE COUNTY (FEDERAL)
(RPOC) (A11-23)**

**Memorandum from the Chief Compliance Officer and
Audit Division dated January 20, 2015**

Agenda Document No. 15-05-A

Chair Ravel recognized Mr. Robert Morcomb and Mr. Kendrick Smith of the Audit Division. Mr. Morcomb summarized the four Findings in the Memorandum: 1) misstatement of financial activity; 2) reporting of debts and obligations; 3) recordkeeping for employees; and 4) use of Levin Fund transfers, which was the subject of an audit hearing on November 20, 2014.

Mr. Morcomb participated in the discussion that followed.

⁴ Commissioner Hunter's vote was recorded in accordance with Directive 10, Paragraph H.

Chair Ravel stated that this matter would be held over to the next meeting to provide Commissioner Hunter with an opportunity to ask questions.

V. AUDIT DIVISION RECOMMENDATION MEMORANDUM ON THE DEMOCRATIC PARTY OF WISCONSIN (DPW) (A12-04)

**Memorandum from the Chief Compliance Officer and
Audit Division dated December 22, 2014**

Agenda Document No. 15-06-A

Chair Ravel recognized Ms. Rickida Morcomb and Mr. Smith of the Audit Division. Ms. Morcomb summarized the two Findings in the Memorandum: 1) misstatement of financial activity; and 2) recordkeeping for employees.

Chair Ravel recognized Commissioner Weintraub who

**MOVED to approve the recommendation for Finding 1
(Misstatement of Financial Activity) as set forth in
Agenda Document No. 15-06-A.**

Discussion followed.

**The motion carried by a vote of 5-0 with Commissioners Goodman,
Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.**

Chair Ravel recognized Commissioner Weintraub who

**MOVED to approve the recommendation for Finding 2
(Recordkeeping) as set forth in Agenda Document
No. 15-06-A, subject to an amendment to include the
\$323,279 paid to contract workers.**

The motion failed by a vote of 3-2 with Commissioners Ravel, Walther, and Weintraub voting affirmatively for the motion. Commissioners Goodman and Petersen dissented.

Chair Ravel recognized Ms. Lisa Stevenson of the General Counsel's Office who stated that, in Commissioner Hunter's absence, Chair Ravel can declare that the motion failed to pass by a vote of 3-2.

Mr. Lawrence Calvert of the General Counsel's Office participated in the discussion that followed and clarified the impact of votes submitted pursuant to Directive 10 on "final" votes. He explained that the vote as recorded by members who are present constitutes the "final vote," but that pursuant to Directive 10, Paragraph H, an absent Commissioner is afforded the opportunity to request consent to be recorded as voting. Mr. Calvert explained the procedure (i.e. the absent Commissioner may submit to the Chair, Commissioners, and Commission Secretary, via email before the end of the calendar day, a request for consent to have their vote recorded; staff may also relay the email request to the Chair during the meeting, so that the vote may be recorded during the meeting). Thus, with respect to Commissioner Weintraub's second motion, the "final" vote is 3-2 as announced by the Chair; if Commissioner Hunter requests unanimous consent to change her vote pursuant to Directive 10, and votes in favor of the motion, it would pass by a vote of 4-2. Mr. Calvert also addressed the issue of whether an absent

Commissioner's vote might change the outcome of a decision, wherein he stated that the Commission would be well advised to suspend consideration of a matter without further motion at that point, if the Commission anticipates that the motion would pass upon the recording an absent Commissioner's vote.

It was agreed, by consensus, to hold this matter over to later in the meeting to allow Commissioner Hunter's staff time to contact her and then relay her email request to the Chair during the meeting. (See page 10.)

VI. PROPOSED FINAL AUDIT REPORT ON THE JOE WALSH FOR CONGRESS COMMITTEE, INC. (A13-01)

**Memorandum from the Chief Compliance Officer and
Audit Division dated December 22, 2014**

Agenda Document No. 15-07-A

**Agenda Document No. 15-07-B
(Submitted Late)**

**Chair Ravel recognized Mr. Jim Miller, Mr. Smith, and Ms. Zuzana
Pacious of the Audit Division. Ms. Pacious introduced the Report.**

Discussion followed.

Chair Ravel recognized Vice Chairman Petersen who

**MOVED to approve the Proposed Final Audit Report on
the Joe Walsh for Congress Committee, Inc. (A13-01) as
set forth in Agenda Document No. 15-07-B, subject to the
edit on Page 13 discussed at the table.**

The motion carried by a vote of 6-0 with Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.⁵

V. AUDIT DIVISION RECOMMENDATION MEMORANDUM ON THE DEMOCRATIC PARTY OF WISCONSIN (DPW) (A12-04) (continued)

Chair Ravel recognized Ms. Shawn Woodhead Werth, Commission Secretary, to report on the status of Commissioner Hunter's votes. Ms. Werth stated that by email sent to the Secretary's Office, Commissioner Hunter requested that her vote be recorded in favor of Commissioner Weintraub's first motion on Finding 1, thereby reflecting that the Commission decided by a vote of 6-0 to approve this motion, and against Commissioner Weintraub's second motion on Finding 2, thereby reflecting that the Commission failed by a vote of 3-3 to approve this motion. (See page 7.)

Chair Ravel recognized Commissioner Weintraub who

MOVED to take the following actions:

- 1. Approve the recommendation for Finding 2 (Recordkeeping) as set forth in Agenda Document No. 15-06-A, related to the \$2,192,554 that the committee disclosed as having been paid with an allocation of federal and non-federal funds and \$28,972 that was paid from an exclusively non-federal account during periods in which the employee was also paid with federal funds.**

⁵ Commissioner Hunter's vote was recorded in accordance with Directive 10, Paragraph H.

- 2. Direct the Audit Division to include in the Proposed Final Audit Report an Additional Issues section addressing the \$1,405,736 for 100% non-federal payments.**

The motion carried by a vote of 6-0 with Commissioners Goodman, Hunter, Petersen, Ravel, Walther, and Weintraub voting affirmatively for the decision.⁶

VII. MANAGEMENT AND ADMINISTRATIVE MATTERS

**There being no further business to come before the Commission,
the meeting adjourned at 11:31 A.M.**

Signed:



**Ann M. Ravel
Chair of the Commission**

Attest:



**Shawn Woodhead Werth
Secretary and Clerk of the Commission**

⁶ Commissioner Hunter's vote was recorded in accordance with Directive 10, Paragraph H.