



FEDERAL ELECTION COMMISSION
Washington, DC 20463

August 2, 2016

Kent Sorenson
PO Box 633
Indianola, IA 50125

RE: MUR 6724
Kent Sorenson

Dear Mr. Sorenson:

On February 28, 2013, the Federal Election Commission notified you of the complaint in MUR 6724 alleging violations of the Federal Election Campaign Act of 1971, as amended. The Commission did not receive a response to the complaint filed on your behalf.

On June 16, 2016, the Commission found, on the basis of the information in the complaint, that there is no reason to believe you violated 52 U.S.C. § 30104(b)(5). Accordingly, the Commission closed its file in this matter as it pertains to you. The Factual and Legal Analysis explaining the Commission's finding is enclosed.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Peter Reynolds, the attorney assigned to this matter at (202) 694-1650.

Sincerely,

A handwritten signature in black ink that reads "Peter Blumberg" followed by a stylized monogram "Kt".

Peter Blumberg
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 RESPONDENTS: Kent Sorenson

MUR: 6724

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8 **I. INTRODUCTION**

9 This matter was generated by a complaint filed by Peter Waldron and a referral from the
10 Office of Congressional Ethics ("OCE Referral") alleging that presidential candidate Michele
11 Bachmann's principal campaign committee, Bachmann for President and Nancy H. Watkins in
12 her official capacity as treasurer (the "Committee"), and her leadership PAC, Many Individual
13 Conservatives Helping Elect Leaders Everywhere PAC and Barry Arrington in his official
14 capacity as treasurer ("MichelePAC"), and Kent Sorenson, among others, engaged in various
15 transactions that violated the Federal Election Campaign Act of 1971, as amended (the "Act").

16 As discussed below in greater detail, the Commission finds no reason to believe Sorenson
17 violated 52 U.S.C. § 30104(b)(5) (formerly 2 U.S.C. § 434(b)(5)).

18 **II. FACTUAL AND LEGAL ANALYSIS**

19 **A. Facts**

20 Bachmann for President was Representative Michele Bachmann's principal campaign
21 committee during her 2012 presidential campaign.¹ MichelePAC is Bachmann's leadership
22 PAC. Short is the sole principal of C&M Strategies, Inc. ("C&M"), a political consulting firm
23 that was retained by each of the Bachmann Committees during Bachmann's 2012 presidential
24 campaign. Through these arrangements, Short acted as the Committee's National Political
25 Director and MichelePAC's Executive Director.² Kent Sorenson was an Iowa state senator and

¹ Bachmann for President Statement of Organization at 2 (June 8, 2011).

² Compl. at 1.

1 the Committee's Iowa State Chairman from shortly after its establishment in June 2011 through
2 November 2011.³ He is the sole principal of Grassroots Strategy, Inc. ("Grassroots"), a political
3 consulting firm that was hired to support each of the Bachmann Committees during the 2012
4 election cycle.⁴

5 In "early 2011" Andy Parrish, Bachmann's former Chief of Staff, personally recruited
6 Sorenson to support Bachmann's presidential campaign.⁵ On March 11, 2011, Sorenson became
7 the first elected official in Iowa to endorse Bachmann's candidacy.⁶ Sorenson then began
8 "providing strategic advice about the Iowa political landscape, recommending staff members to
9 the campaign, recruiting other Iowa legislators to the Bachmann cause, and making
10 communications on the campaign's behalf."⁷ According to Parrish, it became clear that
11 "Sorenson would require payment in exchange for his work on the Bachmann campaign."⁸
12 Sorenson and Parrish allegedly believed that Iowa Senate Code of Ethics prohibited Sorenson
13 from accepting payment from the Committee or MichelePAC.⁹ Over the course of March and

³ OCE Referral ¶ 1.

⁴ *Id.* ¶ 35. According to its public filings with the Iowa Secretary of State, Sorenson incorporated Grassroots as a domestic profit corporation in 2010, listing himself as its incorporator/director. Grassroots reports no other directors or officers. See IOWA SEC'Y OF STATE, [http://sos.iowa.gov/search/business/\(S\(xnyuv445jwletg455viubin45\)\)/officers.aspx](http://sos.iowa.gov/search/business/(S(xnyuv445jwletg455viubin45))/officers.aspx) (last visited Apr. 2, 2014).

⁵ OCE Referral ¶ 5.

⁶ Report to the Senate Ethics Committee on the Investigation of State Senator Kent Sorenson, 39 (Oct. 2, 2013), available at http://archive.desmoinesregister.com/assets/pdf/Sorenson_investigation_part1.pdf (Volume I) and http://archive.desmoinesregister.com/assets/pdf/Sorenson_investigation_part2.pdf (Volume II) ("Independent Investigator's Report").

⁷ *Id.* at 39-40.

⁸ *Id.* at 40; see OCE Referral ¶ 6.

⁹ OCE Referral ¶ 7. Most of the documents in the OCE Referral assume that Sorenson, as a sitting state senator, was prohibited by state law from being paid by the Committee. In any event, the Iowa Supreme Court appointed an independent investigator who found probable cause to believe that Sorenson violated the Iowa Senate Code of Ethics by accepting compensation from MichelePAC (and possibly violated the Code by accepting

1 April 2011, Sorenson, Parrish, and Short negotiated the terms of the arrangement, ultimately
2 agreeing that the Committee would pay an additional \$7,500 per month to C&M under the
3 existing \$15,000 per month contract (for a total of \$22,500 per month), and C&M would then
4 pass the additional amount to Sorenson through Grassroots.¹⁰ The OCE Referral notes that
5 “OCE has received no information” that Sorenson took direction from Short or performed any
6 work for C&M, and that “it does not appear that C&M exercised any independent control over
7 the funds it received” from the Committee that were “earmarked” for Sorenson.¹¹ Accordingly,
8 the OCE Referral concludes that the Committee paid Sorenson \$7,500 per month but “routed”
9 the payments through C&M to avoid disclosing that Sorensen was the intended recipient.¹²

10 Although the Committee was not yet established, Short and Sorenson were already
11 working on behalf of Bachmann’s candidacy. During May, MichelePAC paid \$24,000 to
12 C&M.¹³ Grassroots received its first payment from C&M on May 16 in the amount of \$8,275.¹⁴
13 After the Committee officially formed in June, it entered into the previously arranged contract
14 with C&M, which ran from June 13 to December 31.¹⁵ Pursuant to that contract, the Committee
15 made the following payments to C&M: \$33,750 on July 29 (presumably covering half of June
16 and all of July at a monthly rate of \$22,500); \$25,830 on September 12 (covering August

compensation from the Committee) for his work on the Bachmann campaign. *See* Independent Investigator’s Report at 4-5. Sorenson resigned after the release of the independent investigator’s report.

¹⁰ OCE Referral ¶¶ 6-19. C&M would pass along a total of \$59,915 — \$7,489 per month for eight months — to Sorenson/Grassroots over the course of 2011. *Independent Investigator’s Report* at 48-49.

¹¹ OCE Referral ¶¶ 26, 28.

¹² *Id.*

¹³ *See* Independent Investigator’s Report at 47-49.

¹⁴ *Id.* at 48.

¹⁵ OCE Referral ¶ 15, Ex. 9.

1 services); \$22,500 on October 11 (covering September services); and \$22,500 on November 9
2 (covering October services).¹⁶ The record shows no payments made from the Committee to
3 C&M for services performed during November and December 2011, despite the fact that various
4 witness accounts provided with the OCE Referral state that Short worked on a full-time basis for
5 the Committee in late 2011 and early 2012.¹⁷ This time period is approximately when the
6 Committee began running short of funds.¹⁸

7 As the Committee ceased its payments to C&M, MichelePAC's payments to C&M saw a
8 corresponding increase. MichelePAC — which had been paying \$5,000 per month to C&M
9 since the Committee's establishment in mid-June — then paid \$20,000 on December 6, 2011,
10 and \$20,000 on January 3, 2012, for "fundraising consulting." Combined with a \$5,000 payment
11 from MichelePAC to C&M on November 30, MichelePAC appears to have paid a total of
12 \$45,000 to C&M for services rendered in November and December, the same amount that the
13 Committee owed to C&M and Grassroots (\$22,500 per month) for their work over that period.¹⁹

14 Sorenson did not file a response in this matter. He did, however, submit a response to the
15 Iowa State Senate Ethics Committee, provided to the Commission as part of the OCE Referral,

¹⁶ See 2011 October Quarterly Report; 2011 Year End Report.

¹⁷ See, e.g., Parrish MOI ¶¶ 37-40; OCE Referral, Mem. of Interview, Robert Heckman ¶¶ 22-23 (Mar. 26, 2013) ("Heckman MOI"); Woolson MOI ¶¶ 10, 14, 16. We are not aware of any information about any discussion or agreement between C&M and the Committee to amend the contract to relieve the Committee from its obligation to pay C&M its monthly consulting fee through December 31, 2011. The Committee also did not disclose any debts or obligations to C&M on its 2011 Year End Report covering the last quarter of the year (and just a \$1,532.70 debt to Short during that time, which it listed as "mileage" when it reimbursed him on January 4, 2013).

¹⁸ See Bachmann MOI ¶ 40; Parrish MOI ¶ 41; Woolson MOI ¶¶ 17-18.

¹⁹ Sorenson shifted his support to Ron Paul in December 2011. Parrish Aff. ¶ 5.

1 wherein he maintains that he “was never paid directly or indirectly” by either of the Bachmann
2 Committees.²⁰

3 **B. Analysis**

4 1. There is No Reason to Believe Sorenson Violated Section 30104(b)(5)

5 Sorenson’s involvement under these facts ends with his receiving payments from the
6 Committee and MichelePAC. Merely receiving those payments, however, does not impress
7 upon the recipient an obligation to report the committees’ expenditures. Accordingly, the
8 Commission finds no reason to believe that Sorenson violated 52 U.S.C. § 30104(b)(5) (formerly
9 2 U.S.C. § 434(b)(5)).

²⁰ OCE Referral ¶ 32, Ex. 16.