



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Mr. Jed Whittaker

DEC 22 2017

Anchorage, AK 99503

RE: MUR 7049
Alaska Democratic Party, *et al.*

Dear Mr. Whittaker:

This is in reference to the complaint you filed with the Federal Election Commission on April 19, 2016, concerning the Alaska Democratic Party and Cyndi Cieslak in her official capacity as treasurer (the "ADP"), Margaret Stock, and Margaret for Alaska and Tim Pearson in his official capacity as treasurer (the "Committee").

Based on that complaint, on December 13, 2017, after considering the circumstances of this matter, the Commission voted to find no reason to believe that Committee violated 52 U.S.C. § 30104(a) and dismissed the allegation that ADP, the Committee, and Margaret Stock violated 52 U.S.C. § 30104(b). At the same time, the Commission instructed ADP and the Committee to consult with the Commission's Reports Analysis Division to amend disclosure reports to accurately reflect transactions related to the Committee's use of ADP's voter database, in compliance with the Act. The Factual and Legal Analysis, which more fully explains the basis for the Commission's decisions, is enclosed.

Documents related to the case will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016).

MUR 7049
Jed Whittaker
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The Federal Election Campaign Act of 1971, as amended, allows a complainant to seek judicial review of the Commission's dismissal of this action. *See* 52 U.S.C. § 30109(a)(8).

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Lisa J. Stevenson
Acting General Counsel



BY: Mark Allen
Assistant General Counsel

Enclosure
Factual and Legal Analysis

100-441000-1

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Alaska Democratic Party and **MUR: 7049**
Carolyn Covington¹ in her
official capacity as treasurer
Margaret Stock
Margaret for Alaska and
Tim Pearson in his official
capacity as treasurer

I. INTRODUCTION

The Complaint alleges that Margaret for Alaska and Tim Pearson in his official capacity as treasurer (the "Committee"), the campaign committee of 2016 U.S. Senate candidate Margaret Stock, violated the Federal Election Campaign Act of 1971, as amended (the "Act"), by failing to file disclosure reports.² A supplemental Complaint alleges that the Alaska Democratic Party ("ADP") violated the Act by "sharing" its voter database with the Committee.

Based on the available information, the Commission finds no reason to believe that the Committee violated 52 U.S.C. § 30104(a) by failing to file required disclosure reports. In addition, the Commission exercises its prosecutorial discretion and dismisses the allegations that Respondents violated 52 U.S.C. § 30104(b) by failing to disclose transactions related to the Committee's use of ADP's voter database.³

¹ At the time of the Complaint, Cyndi Cieslak served as treasurer. On March 3, 2017, the Alaska Democratic Party named Carolyn Covington as its treasurer. See Amended Statement of Organization, Alaska Democratic Party (Mar. 3, 2017), available at <http://docquery.fec.gov/pdf/207/201703039050597207/201703039050597207.pdf>.

² The Complaint also makes allegations concerning candidate eligibility for Alaska's primary election and filing requirements of the Alaska Division of Elections. The Complaint further alleges that ADP conspired to support a Republican candidate running as an Independent in Alaska's 2016 primary election. These allegations are outside the Commission's jurisdiction.

³ See *Heckler v. Chaney*, 470 U.S. 821 (1985).

II. FACTUAL AND LEGAL ANALYSIS

Margaret Stock was an Independent candidate for U.S. Senate in Alaska's 2016 general election, and Margaret for Alaska is her principal campaign committee.⁴ Although Stock ran as an Independent, the Complaint asserts that the Alaska Democratic Party supported Stock instead of its own candidate.⁵

A. Disclosure Reports

The Complaint alleges that the Committee did not file disclosure reports with the Commission.⁶ Margaret Stock responds that her Committee timely filed its disclosure reports since Stock declared her candidacy on February 17, 2016.⁷

The Act and the Commission's regulations require each treasurer of an authorized political committee to file quarterly reports of receipts and disbursements.⁸ In addition to an authorized committee's regular quarterly reports, in any year where there is a regularly scheduled election for which a candidate is seeking election, or nomination for election, the treasurer shall file a pre-election report, which shall be filed no later than the 12th day before an election, as well as a post-general election report, which shall be filed no later than the 30th day after any general election.⁹

⁴ FEC Form 1, Statement of Organization, Margaret for Alaska (Feb. 24, 2016).

⁵ Compl. at 1. There are no entries on ADP's disclosure reports that indicate that it made expenditures on behalf of Stock or the Democratic Senate nominee. Stock placed third in the election, after the Republican incumbent and a Libertarian candidate, but before the Democratic candidate.

⁶ Compl. at 2.

⁷ Stock Resp. at 1-2 (June 14, 2016); FEC Form 2, Statement of Candidacy, available at <http://docquery.fec.gov/pdf/949/201602220200074949/201602220200074949.pdf> (Feb. 16, 2016).

⁸ 52 U.S.C. § 30104(a), (b); 11 C.F.R. §§ 104.1, 104.3(a), (b), 104.5(a).

⁹ 52 U.S.C. § 30104(a)(2)(i), (ii); 11 C.F.R. § 104.5(a)(2).

The Committee filed its Statement of Organization on February 24, 2016. Its first quarterly disclosure report, the 2016 April Quarterly Report, was timely filed on April 15, 2016, and it appears that the Committee has met all of its subsequent reporting deadlines.¹⁰ Thus, the Commission finds no reason to believe that the Committee violated 52 U.S.C. § 30104(a).¹¹

B. Use of ADP's Voter Database

The supplement to the Complaint alleges that ADP violated the Act by "sharing" the ADP's voter database with the Committee.¹² The Committee acknowledges in its response that ADP "has made its voter database available to Margaret for Alaska at considerable cost" to the Committee.¹³ Reports on file with the Commission show that the Committee made \$20,000 in "contributions" to ADP,¹⁴ and ADP received these contributions:¹⁵

Margaret for Alaska Contributions Made		Alaska Democratic Party Contributions Received	
Amount	Date	Amount	Date
\$1,000	08/04/2016	\$1,000	08/09/2016
\$1,000	08/15/2016	\$1,000	09/02/2016
\$8,000	09/06/2016	\$8,000	09/07/2016
\$5,000	10/04/2016	\$5,000	10/11/2016
\$5,000	10/19/2016	\$5,000	10/31/2016

¹⁰ See Committee/Candidate Detail, Margaret for Alaska.
<http://www.fec.gov/fecviewer/CandidateCommitteeDetail.do>.

¹¹ The Complainant signed the Complaint on April 19, 2016, four days after the Committee submitted its first disclosure report. See Compl. at 1, 14 (Notarization and Complainant's signature).

¹² Supp. Compl. at 1.

¹³ Committee Resp. to Supp. at 1 (Oct. 17, 2016).

¹⁴ Margaret for Alaska, 2016 October Quarterly Report at 158 (Oct. 14, 2016); 2016 Pre-General Report at 51 (Oct. 24, 2016).

¹⁵ Alaska Democratic Party, 2016 September Monthly Report at 11 (Sept. 21, 2016); 2016 October Monthly Report at 37 (Oct. 20, 2016); 2016 Pre-General Report at 23 (Oct. 27, 2016); 2016 Post-General Report at 40 (Dec. 9, 2016). ADP's August 9, 2016, and September 7, 2016, receipts contain the notation "Candidate Buy-in." The Commission does not know the meaning of this notation, although it may relate to the Complaint's general allegation that the ADP supported Stock, the Independent candidate in the 2016 U.S. Senate election.

1 The Respondents provided further information as to whether these transactions were in
2 partial or full payment for use of the database. The Committee and ADP both acknowledge that
3 at least some of these transactions were the Committee's payments for use of ADP's database.¹⁶

4 The Act and Commission regulations require political committees to itemize
5 disbursements, including a brief description of each disbursement's purpose.¹⁷ Descriptions,
6 when considered along with the identity of the disbursement recipient, must be sufficiently
7 specific to make clear the purpose of the disbursement.¹⁸ Political committees are also required
8 to disclose and itemize contributions and other receipts.¹⁹ In addition, the Act requires political
9 committees to disclose contributions made and received.²⁰

10 Although the Committee states that ADP made its voter database available to the
11 Committee "at considerable cost," it did not disclose any disbursement to ADP regarding the
12 database, and ADP did not disclose any corresponding receipts. Respondents, however, have
13 since acknowledged that at least some of the transactions identified on the two committees'
14 reports as contributions to ADP were actually payments for use of ADP's database.
15 Accordingly, it appears that payments were incorrectly described in disclosure reports.²¹
16 However, given the unique circumstances of this particular case, and in furtherance of the
17 Commission's priorities relative to other matters pending on the Enforcement docket, the

¹⁶ Email from Neil O'Donnell to Wanda Brown (Nov. 13, 2017 08:37 PM) and Email from Neil Reiff to Wanda Brown (Nov. 16, 2017 04:06 PM).

¹⁷ 52 U.S.C. § 30104(b)(4)-(7); 11 C.F.R. § 104.3(b)(3), (4).

¹⁸ 11 C.F.R. § 104.3(b)(3), (4); "Purpose of Disbursement" Entries for Filings with the Commission, 72 Fed. Reg. 887 (Jan. 9, 2007).

¹⁹ 11 C.F.R. § 104.3(a)(2).

²⁰ 52 U.S.C. § 30104(b)(2), (3).

²¹ See 52 U.S.C. § 30104(b)(2)-(4).

- 1 Commission exercises its prosecutorial discretion and dismisses the allegations that Respondents
- 2 violated 52 U.S.C. § 30104(b).²²