

BEFORE THE FEDERAL ELECTION COMMISSION

CAMPAIGN LEGAL CENTER
1411 K Street NW, Suite 1400
Washington, DC 20005
(202) 736-2200

MARGARET CHRIST
1411 K Street NW, Suite 1400
Washington, DC 20005
(202) 736-2200

v.

MUR No. _____

OHIO FIRST PAC
Julie Dozier, Treasurer
PO Box 9891
Arlington, VA 22219

RENACCI FOR SENATE
Russell Corwin, Treasurer
150 Smokerise Drive
Wadsworth, OH 44281

MAJORITY STRATEGIES, LLC
12854 Kenan Dr.
Jacksonville, FL 32258

RECEIVED
FEC MAIL CENTER
2018 AUG -9 PM 5:21

COMPLAINT

1. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information and belief that Ohio First PAC (ID: C00666750) has failed to report and misreported contributions received and has misreported disbursements in violation of the Federal Election Campaign Act (“FECA”), 52 U.S.C. § 30101, *et seq.*
2. “If the Commission, upon receiving a complaint . . . has reason to believe that a person has committed, or is about to commit, a violation of [FECA] . . . [t]he Commission *shall* make an

investigation of such alleged violation” 52 U.S.C. § 30109(a)(2) (emphasis added); *see also* 11 C.F.R. § 111.4(a).

3. Campaign Legal Center (“CLC”) is a nonpartisan, nonprofit 501(c)(3) organization whose mission is to protect and strengthen the U.S. democratic process through litigation and other legal advocacy. CLC participates in judicial and administrative matters throughout the nation regarding campaign finance, voting rights, redistricting, and government ethics issues.

FACTS

4. Ohio First PAC is an independent expenditure-only political action committee (i.e., a “super PAC”) that was active in the primary election for Ohio’s U.S. Senate primary, which was held on May 8, 2018.¹
5. On January 17, 2018, Jim Renacci filed a statement of candidacy with the Commission declaring his candidacy for the Republican nomination for U.S. Senate from Ohio.² His principal campaign committee is Renacci for Senate (ID: COO466359).³
6. On January 21, 2018, Ohio First PAC filed a statement of organization with the Commission.⁴
7. On January 24, 2018, *POLITICO* reported that “Blaise Hazelwood of Grassroots Targeting” was running Ohio First PAC and that Hazelwood “confirmed it’s backing [U.S. Senate candidate Jim] Renacci.”⁵

¹ See 2018 Congressional Pre-Election Reporting Dates, FEC.GOV

https://transition.fec.gov/info/charts_primary_dates_2018.shtml (last visited Aug. 3, 2018).

² James B. Renacci, Statement of Candidacy, FEC Form 2, at 1 (amended May 23, 2018),

<http://docquery.fec.gov/pdf/338/201805230200377338/201805230200377338.pdf>.

³ *Id.* at 1; Renacci for Senate, Statement of Organization, FEC Form 1, at 2 (amended May 15, 2018),

<http://docquery.fec.gov/pdf/329/201805230200377329/201805230200377329.pdf>.

⁴ Ohio First PAC, Statement of Organization, FEC Form 1, at 1 (filed Jan. 21, 2018),

<http://docquery.fec.gov/pdf/613/201801219090501613/201801219090501613.pdf>.

⁵ Theodoric Meyer & Marianne Levine, *Politico Influence Newsletter: January 24, 2018*, *POLITICO* (Jan. 24, 2018), <https://subscriber.politicopro.com/newsletters/politico-influence/2018/01/t-mobile-hires-turnberry-082452>.

8. On April 9, 2018, *POLITICO* reported that:

A new survey project from a super PAC backing Rep. Jim Renacci's (R-Ohio) Senate campaign found President Donald Trump's popularity in the state surging, and Renacci pulling closer to Democratic Sen. Sherrod Brown, after the president implemented tariffs on steel and aluminum. Grassroots Targeting conducted the survey for Ohio First PAC, a pro-Renacci group.⁶
9. On April 15, 2018, Ohio First PAC filed a five-page April Quarterly report, for the reporting period January 19, 2018 through March 31, 2018, on which it disclosed no financial activity.⁷
10. The deadline for the Ohio pre-primary report was April 26, 2018; for a quarterly filer like Ohio First PAC, the pre-primary report was required to reflect receipts, disbursements, and obligations incurred between April 1, 2018 and April 18, 2018.⁸
11. On June 29, 2018, more than two months after the April 26 deadline,⁹ Ohio First PAC filed a pre-primary report.¹⁰ The report stated that it covered the period April 1, 2018 through April 18, 2018.¹¹ That report disclosed \$0 in receipts, \$0 in operating expenditures, \$0 in independent expenditures, and \$367,667 in debts and obligations.¹²
12. Despite reporting \$0 in independent expenditures on page 4 of its pre-primary report, Ohio First PAC reported \$302,692 in independent expenditures on Schedule E, all in support of Renacci in the U.S. Senate primary in Ohio:

⁶ Kevin Robillard, *GOP Super PAC: Tariffs Lifting Trump, Renacci in Ohio*, *POLITICO* (Apr. 29, 2018) <https://www.politicopro.com/campaigns/whiteboard/2018/04/gop-super-pac-tariffs-lifting-trump-renacci-in-ohio-969341> (excerpted in Kevin Robillard, *Politico Morning Score Newsletter*, *POLITICO* (Apr. 29, 2018), <https://www.politico.com/newsletters/morning-score/2018/04/09/countdown-to-scott-campaign-launch-162837>).

⁷ Ohio First PAC, April Quarterly Report, FEC Form 3X, at 1-5 (filed Apr. 15, 2018), <http://docquery.fec.gov/pdf/721/201804159108157721/201804159108157721.pdf>.

⁸ See 2018 Congressional Pre-Election Reporting Dates, *supra* note 1.

⁹ See *id.*

¹⁰ Ohio First PAC, Pre-Primary Report, FEC Form 3X, at 1 (filed June 29, 2018), <http://docquery.fec.gov/pdf/292/201806299115199292/201806299115199292.pdf>.

¹¹ *Id.* at 1.

¹² *Id.* at 2-4.

- i. \$93,270 to Majority Strategies, LLC for “media placement/media production,” disseminated April 1, 2018;¹³
- ii. \$25,000 to Majority Strategies, LLC for “media production,” disseminated April 1, 2018;¹⁴
- iii. \$2,500 to Majority Strategies, LLC for “media production,” disseminated April 1, 2018;¹⁵
- iv. \$52,307 to Majority Strategies, LLC for “printing/postage,” disseminated April 2, 2018;¹⁶
- v. \$52,307 to Majority Strategies, LLC for “printing/postage,” disseminated April 9, 2018;¹⁷
- vi. \$52,307 to Majority Strategies, LLC for “printing/postage,” disseminated April 16, 2018;¹⁸ and
- vii. \$25,000 to Majority Strategies, LLC for “media placement,” disseminated April 16, 2016.¹⁹

13. On the Schedule D attached to its pre-primary report, Ohio First PAC itemized debts to Majority Strategies, LLC in corresponding amounts and for corresponding purposes as disclosed on its Schedule E independent expenditure report.²⁰ Separate from the debts that matched the Schedule E itemizations, Ohio First PAC also reported a \$20,000 debt for “survey research,” a \$4,975 debt for “web service,” and a \$10,000 debt again for “survey

¹³ *Id.* at 10.
¹⁴ *Id.*
¹⁵ *Id.* at 11.
¹⁶ *Id.*
¹⁷ *Id.* at 12.
¹⁸ *Id.*
¹⁹ *Id.* at 13.
²⁰ *Id.* at 6-9.

research,” all owed to Majority Strategies, LLC.²¹ It additionally reported two \$15,000 debts to The Paroska Group, Inc., for “fundraising consulting.”²²

14. On the same day it filed its pre-primary report, June 29, 2018, Ohio First PAC filed three 48-hour independent expenditure reports that matched the dates, recipients, and amounts as the Schedule E attachments in the simultaneously filed pre-primary report.²³
15. Also on June 29, 2018, Ohio First PAC filed 24-hour reports for additional independent expenditures that supported Renacci and totaled \$169,438:
 - i. \$50,315 to Majority Strategies, LLC for “printing/postage,” disseminated April 23, 2018;²⁴
 - ii. \$51,311 to Majority Strategies, LLC for “printing/postage,” disseminated April 30, 2018;²⁵
 - iii. \$7,700 to Ascent Media LLC for “media production,” disseminated May 1, 2018;²⁶
 - iv. \$58,362 to Majority Strategies, LLC for “media placement,” disseminated May 1, 2018;²⁷ and

²¹ *Id.* at 7-8.

²² *Id.* at 9.

²³ See Ohio First PAC, 24/48 Hour Report of Independent Expenditures, Schedule E (filed June 29, 2018), <http://docquery.fec.gov/pdf/313/201806299115199313/201806299115199313.pdf> (reporting independent expenditures disseminated April 9, 2018); Ohio First PAC, 24/48 Hour Report of Independent Expenditures, Schedule E (filed June 29, 2018), <http://docquery.fec.gov/pdf/305/201806299115199305/201806299115199305.pdf> (reporting independent expenditures disseminated April 1-2, 2018); Ohio First PAC, 24/48 Hour Report of Independent Expenditures, Schedule E (filed June 29, 2018), <http://docquery.fec.gov/pdf/314/201806299115199314/201806299115199314.pdf> (reporting independent expenditures disseminated April 16, 2018).

²⁴ Ohio First PAC, 24/48 Hour Report of Independent Expenditures, Schedule E, at 1 (filed June 29, 2018), <http://docquery.fec.gov/pdf/315/201806299115199315/201806299115199315.pdf>.

²⁵ Ohio First PAC, 24/48 Hour Report of Independent Expenditures, Schedule E, at 1 (filed June 29, 2018), <http://docquery.fec.gov/pdf/316/201806299115199316/201806299115199316.pdf>.

²⁶ Ohio First PAC, 24/48 Hour Report of Independent Expenditures, Schedule E, at 1 (filed June 29, 2018), <http://docquery.fec.gov/pdf/317/201806299115199317/201806299115199317.pdf>.

²⁷ *Id.* at 1.

v. \$1,750 to Majority Strategies, LLC for “media production,” disseminated May 1, 2018.²⁸

16. On July 15, 2018, Ohio First PAC filed a July Quarterly report, for the period April 19 through June 30, 2018.²⁹ The report disclosed \$79,200 in receipts, from five donors giving between \$4,200 and \$30,000, and \$5,019 in operating expenditures.³⁰ On the Schedule E attached to its July Quarterly report, Ohio First PAC also disclosed five independent expenditures totaling \$169,438 that appear to correspond to those independent expenditures previously reported on the 24 hour reports filed on June 29, 2018.³¹
17. Also on its July Quarterly report, Ohio First PAC reported a total of \$597,105 in debts to Majority Strategies, Ascent Media, Grassroots Targeting, and The Paroska Group.³² This included the debts carried over from its pre-primary report, and \$229,438 in new debts incurred over the July reporting period: \$169,438 in debts for corresponding amounts and for corresponding purposes as disclosed on the June 29, 2018 24 hour independent expenditure reports,³³ as well as \$60,000 owed to Grassroots Targeting for “political strategy consulting.”³⁴
18. To date, Ohio First PAC has reported \$472,130 of independent expenditures to the Commission,³⁵ but claims to have raised just \$79,200.

²⁸ *Id.* at 2.

²⁹ Ohio First PAC, July Quarterly Report, FEC Form 3X, at 1 (filed July 15, 2018), <http://docquery.fec.gov/pdf/438/201807159115526438/201807159115526438.pdf>.

³⁰ *Id.* at 2, 4, 6-7.

³¹ Compare *id.* at 15-17 with sources cited *supra* ¶15. The 24-hour independent expenditure report disclosing \$60,112 to Majority Strategies LLC for “media placement,” disseminated May 1, 2018, was reported on the July Quarterly as \$58,362 to Majority Strategies for “media placement” and \$1,750 for “media production.”

³² Ohio First PAC, July Quarterly Report, FEC Form 3X, at 2, 14 (filed July 15, 2018), <http://docquery.fec.gov/pdf/438/201807159115526438/201807159115526438.pdf>.

³³ *Id.* at 9-14; see also sources cited *supra* ¶15.

³⁴ July Quarterly Report at 9.

³⁵ See sources cited *supra* ¶¶ 12, 15.

19. During the same period that Ohio First PAC reported independent expenditures paid and debts owed to Majority Strategies, Renacci for Senate also reported disbursements to Majority Strategies totaling \$37,050:
- i. \$2,250 to Majority Strategies, LLC for “printing,” paid on February 22, 2018;³⁶
 - ii. \$2,015 to Majority Strategies, LLC for “printing,” paid on March 19, 2018;³⁷
 - iii. \$23,625 to Majority Strategies, LLC for “production and delivery,” paid on April 7, 2018;³⁸ and
 - iv. \$9,160 to Majority Strategies, LLC for “printing,” paid on April 7, 2018.³⁹

SUMMARY OF THE LAW

20. A political committee must comply with the organizational and recordkeeping requirements of 52 U.S.C. § 30102, and must file periodic disclosure reports of its receipts and disbursements, 52 U.S.C. § 30104.
21. The political committee disclosure reports required by FECA must disclose to the Commission and the public, including complainants, specific information regarding such committee’s financial activities, including the total amount of contributions received, 52 U.S.C. § 30104(b)(2)(A), as well as the identification of each person or political committee who made a contribution in excess of \$200 during the reporting period, together with the date and amount of such contribution, 52 U.S.C. § 30104(b)(3)(A)-(B). The Supreme Court has repeatedly recognized the importance of campaign finance disclosure to informing the

³⁶ Renacci for Senate, April Quarterly Report, FEC Form 3, at 101 (filed April 12, 2018), <http://docquery.fec.gov/pdf/227/201804190200311227/201804190200311227.pdf>.

³⁷ *Id.* at 135.

³⁸ Renacci for Senate, Pre-Primary Report, FEC Form 3, at 88 (filed April 26, 2018), <http://docquery.fec.gov/pdf/482/201805110200366482/201805110200366482.pdf>.

³⁹ *Id.*

electorate. *See, e.g., Citizens United v. FEC*, 558 U.S. 310, 369 (2010) (“[T]he public has an interest in knowing who is speaking about a candidate shortly before an election.”).

22. “Contribution” includes “any gift . . . of money or anything of value made by any person for the purpose of influencing any election for Federal office.” 52 U.S.C. § 30101(8)(A)(i).
23. “Contribution” also includes an extension of credit, “unless the credit is extended in the ordinary course of the person’s business and the terms are substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation.” 11 C.F.R. § 100.55.
24. A political committee that files quarterly reports and makes an expenditure on behalf of a candidate in a primary election must additionally file a pre-primary report no later than 12 days before that primary, disclosing all receipts and disbursements as of the 20th day before the primary election. 52 U.S.C. § 30104(a)(4)(A); 11 C.F.R. § 104.5(c)(1).
25. Independent expenditures are expenditures that expressly advocate the election or defeat of a clearly identified federal candidate and are not coordinated with such candidate or political party. 52 U.S.C. § 30101(17); 11 C.F.R. § 100.16(a). A political committee that makes independent expenditures must itemize them on its periodic reports. 52 U.S.C. § 30104(b)(4)(H)(iii), (6)(B)(iii); 11 C.F.R. § 104.4(a). A person other than a political committee that makes independent expenditures in excess of \$250 in a calendar year shall similarly file a report with the Commission. 52 U.S.C. § 30104(c); 11 C.F.R. § 109.10(b-c). Every person that makes independent expenditures aggregating \$1,000 or more less than 20 days, but more than 24 hours, before the date of an election must report the expenditures within 24 hours. 52 U.S.C. § 30104(g)(1)(A); 11 C.F.R. §§ 104.4(c), 109.10(d).

26. Any expenditure made in coordination with a candidate—i.e., “in cooperation, consultation, or concert, with, or at the request or suggestion of, a candidate, his authorized political committees, or their agents”—is an in-kind contribution to the candidate, 52 U.S.C. § 30116(a)(7)(B)(i); 11 C.F.R. § 109.20, and must be reported as a contribution to that candidate by the political committee that made the payment, 11 C.F.R. § 109.21(b).⁴⁰
27. A communication is coordinated with a candidate and/or that candidate’s authorized committee, and is thus a contribution to that candidate’s committee, when the communication (1) is paid for, in whole or in part, by a person other than the candidate or committee; (2) satisfies at least one of the “content standards” in the regulation, such as “expressly advocate[ing] . . . the election or defeat of a clearly identified candidate for Federal office;” and (3) satisfies at least one of the “conduct standards” in the regulation. *Id.* § 109.21(a).
28. The “conduct standard” of the regulation is satisfied if the political committee paying for the communication (a) uses a commercial vendor⁴¹ to create, produce, or distribute the communication⁴² that (b) during the previous 120 days also provided certain services to the candidate identified in the communication or a political party committee,⁴³ such as development of media strategy and selection of advertising slots; selection of audiences; polling; developing the content of communications; voter identification; or otherwise providing political or media advice,⁴⁴ and (c) the vendor uses or conveys to the political committee information about the candidates’ or party committee’s “plans, projects, activities

⁴⁰ Contributions in the form of “coordinated communications” resulting from conduct described in 11 C.F.R. § 109.21(d)(4) (“common vendor”) need not be reported as received by the campaign committee with which the communication is “coordinated,” absent other conduct. *Id.* § 109.21(b)(2).

⁴¹ The regulation cross-references the definition of “commercial vendor” at 11 C.F.R. § 116.1(c), which includes “any persons providing goods or services to a candidate or political committee whose usual and normal business involves the sale, rental, lease or provision of those goods or services.” *Id.*

⁴² 11 C.F.R. § 109.21(d)(4)(i).

⁴³ *Id.* § 109.21(d)(4)(ii).

⁴⁴ *Id.* § 109.21(d)(4)(ii)(A-I).

or needs” (or information used previously by the commercial vendor in providing services to the candidate) and “that information is material to the creation, production, or distribution of the communication.”⁴⁵ 11 C.F.R. § 109.21(d)(4).⁴⁶

CAUSES OF ACTION

I. Ohio First PAC Failed to Report Contributions Received from, and Disbursements to, Majority Strategies LLC

29. There is reason to believe that Ohio First PAC failed to report contributions received from, and corresponding disbursements to, Majority Strategies LLC.⁴⁷
30. Ohio First PAC formed in Arlington, Virginia in January, had not raised a penny, and had no record of political fundraising, yet according to its late-filed pre-primary report, the Jacksonville, Florida-based Majority Strategies, LLC allegedly extended it at least \$302,692 in credit for “media production,” “media placement,” and “printing/postage” for independent expenditures, and \$34,975 in credit for “survey research” and “web service.”⁴⁸ According to Ohio First PAC’s July Quarterly report, Majority Strategies, LLC then extended the committee an additional \$161,738 in credit for “printing and postage,” “media production,” and “media placement” for independent expenditures.⁴⁹

⁴⁵ *Id.* § 109.21(d)(4)(iii).

⁴⁶ These requirements are not satisfied if the material information was obtained from a publicly available source, 11 C.F.R. § 109.21(d)(5)(ii), or if the committee establishes and implements a firewall in a written policy that prohibits the flow of information about the candidate’s campaign plans, projects, activities or needs to those responsible for the creation, production, or distribution of the communications, pursuant to 11 C.F.R. § 109.21(h). However, in promulgating the rules, the Commission emphasized that it did “not agree the mere existence of a confidentiality agreement or ethical screen should provide a *de facto* bar to the enforcement of the limits on coordinated communication imposed by Congress. Without some mechanism to ensure enforcement, these private arrangements are unlikely to prevent the circumvention of the rules.” 68 Fed. Reg. 421, 435 (Jan. 3, 2003).

⁴⁷ Committees that accept an in-kind contribution report it as both a receipt on Schedule A, and as a disbursement on Schedule B, in order to avoid inflating cash-on-hand. *See* FEC, CAMPAIGN GUIDE: CONGRESSIONAL CANDIDATES AND COMMITTEES at 95 (June 2014), <http://fec.gov/pdf/candgui.pdf>.

⁴⁸ *See* sources cited *supra* ¶¶ 12-13.

⁴⁹ *See* sources cited *supra* ¶¶ 15-17.

31. A vendor may extend credit to a political committee, but if the credit is not “extended in the ordinary course of the person’s business” with terms “substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation,” then the extension of credit is a contribution. 11 C.F.R. § 100.55. Political committees must report the identity of all contributors over \$200, and the date and amount of the contribution. 52 U.S.C. § 30104(b)(3)(A).
32. Majority Strategies, LLC, in the ordinary course of business, does not regularly extend hundreds of thousands of dollars in credit to an entity that was just formed and had a total of \$0 in its bank account. There is no record of Majority Strategies, LLC similarly extending six figures of credit to a newly formed committee with no cash-on-hand, much less making made out-of-pocket payments for “printing/postage,” “survey research,” and “media placement.” Therefore, the extension of credit by Majority Strategies LLC constituted in-kind contributions to Ohio First PAC.
33. As a result, there is reason to believe that Ohio First PAC failed to report in-kind contributions received from, and corresponding disbursements to, Majority Strategies LLC in violation of its reporting obligations at 52 U.S.C. § 30104(b)(3)(A).

II. Ohio First PAC Failed to Report In-Kind Contributions From (or Debts Owed To) Grassroots Targeting

34. On April 9, 2018, *POLITICO* reported that “a new survey project from a super PAC backing Rep. Jim Renacci’s (R-Ohio) Senate campaign found President Donald Trump’s popularity in the state surging . . . Grassroots Targeting conducted the survey for Ohio First PAC, a pro-Renacci group.”⁵⁰

⁵⁰ Robillard, *supra* note 6.

35. Ohio First PAC failed to report any disbursements to Grassroots Targeting on its pre-primary report, which covered the period April 1, 2018 to April 18, 2018, nor did it report any disbursements to the vendor on its April Quarterly report, which covered the period January 1, 2018 to March 31, 2018, nor did it report any such disbursements on its July Quarterly report, which covered the period April 19, 2018 to June 30, 2018.
36. Therefore, the cost of Grassroots Targeting's survey was either a contribution to Ohio First PAC, or if credit is "extended in the ordinary course of [Grassroots Targeting's] business," a reportable debt. 11 C.F.R. § 100.55. Yet Ohio First PAC did not report any contributions from Grassroots Targeting; it reported a \$60,000 debt to the firm on its July Quarterly, but described its purpose as "political strategy consulting" rather than survey research.
37. Therefore, there is reason to believe that Ohio First PAC violated its reporting obligations at 52 U.S.C. § 30104(b) by failing to report disbursements to, and contributions from or debts owed to, Grassroots Targeting for survey research.

III. Ohio First PAC Failed to File Timely Pre-Primary Reports

38. On June 29, 2018, 64 days after the April 26 deadline,⁵¹ Ohio First PAC filed a pre-primary report,⁵² in violation of the reporting obligations at 52 U.S.C. § 30104(a). The 64-day delay in filing these reports deprived voters and the public of statutorily required information before election day. This report is considered to be not filed, pursuant to 11 C.F.R. § 111.43(e)(2).
39. The level of activity in Ohio First PAC's non-filed election-sensitive pre-election report, calculated according to 11 C.F.R. § 111.43(d)(3)(ii), is at least \$605,384: \$302,692 in in-kind

⁵¹ See *2018 Congressional Pre-Election Reporting Dates*, FEC.GOV, https://transition.fec.gov/info/charts_primary_dates_2018.shtml (last visited July 2, 2018).

⁵² Ohio First PAC, Pre-Primary Report, FEC Form 3X, (filed June 29, 2018), <http://docquery.fec.gov/pdf/292/201806299115199292/201806299115199292.pdf>.

contributions for the independent expenditures reported on Schedule E (see Count I), plus the corresponding \$302,692 in disbursements. The level of activity calculation should also include the in-kind contributions from, and corresponding disbursements to, Grassroots Targeting (see Count II).

40. Pursuant to the Commission's penalty schedule at 11 C.F.R. § 111.43(b), the administrative fine for Ohio First PAC's legally non-filed report is at least \$17,011.

IV. Ohio First PAC Has Illegally Made Excessive, Corporate, and Unreported In-Kind Contributions to Renacci for Senate

41. Ohio First PAC has made illegal, excessive, and unreported in-kind contributions to Renacci for Senate by financing coordinated communications through the use of a common vendor, Majority Strategies, LLC.
42. A political committee makes a "coordinated communication" when the communication (1) is paid for, in whole or in part, by a person other than the candidate or committee; (2) satisfies at least one of the "content standards" in the regulation, for example by "expressly advocat[ing] . . . the election or defeat of a clearly identified candidate for Federal office"; and (3) satisfies at least one of the "conduct standards" in the regulation, such as the use of a "common vendor." 11 C.F.R. §§ 109.21(a), 109.21(c)(3).
43. Ohio First PAC's communications satisfy the "payment" and "content" prongs because it reported \$464,430 for Majority Strategies, LLC independent expenditures expressly advocating for Renacci's election.
44. There is reason to believe Ohio First PAC's communications additionally satisfy the "conduct" prong at 11 C.F.R. § 109.21(a)(3). Because (a) the political committee contracted with Majority Strategies, LLC, a commercial vendor within the meaning of the regulation, to create, produce, or distribute communications expressly advocating for Renacci's election,

and (b) during the relevant time period, Majority Strategies, LLC provided several of the regulation's enumerated services to Renacci for Senate, there is therefore reason to believe the vendor used or conveyed to Ohio First PAC information about Renacci for Senate's "plans, projects, activities or needs," and that such information was "material to the creation, production, or distribution of the communication," *id.* § 109.21(d)(4).

45. A payment for a coordinated communication is an in-kind contribution to the candidate committee or political party committee with which it is coordinated. 11 C.F.R. § 109.21(b). If Majority Strategies, LLC used strategic information from Renacci for Senate in developing Ohio First PAC's communication, the costs of that communication are an in-kind contribution to the Renacci for Senate.⁵³

46. Therefore, there is reason to believe that Ohio First PAC has made in-kind contributions to Renacci for Senate in the form of coordinated communications, in excess of FECA's \$2,700 limit on contributions by a non-multicandidate political committee to a candidate, 52 U.S.C. § 30116(a)(1), in violation of FECA's prohibition on contributions to a candidate using corporate funds, 52 U.S.C. § 30118(a), (b)(2), and in violation of FECA's reporting requirements. 52 U.S.C. § 30104(b).

V. **In the Alternative, Majority Strategies, LLC Made Unreported Independent Expenditures**

47. There is reason to believe that Majority Strategies, LLC made independent expenditures but failed to file independent expenditure reports pursuant to 52 U.S.C. § 30104(c) and 11 C.F.R. § 109.10(d).

⁵³ Contributions in the form of "coordinated communications" resulting from conduct described in 11 C.F.R. § 109.21(d)(4) ("common vendor") and (d)(5) ("former employee") need not be reported as received by the party committee or candidate committee with which the communication is "coordinated," absent other conduct by that committee. *Id.* § 109.21(b)(2).

48. Ohio First PAC reported at least \$464,430 in independent expenditures in support of Jim Renacci, using Majority Strategies, LLC as a vendor, yet reported no disbursements to Majority Strategies, LLC. Thus, all disbursements made by Majority Strategies, LLC for these independent expenditures, for costs such as “printing/postage” and “media placement,” must have been made by Majority Strategies, LLC itself. Indeed, according to Ohio First PAC’s filed reports, but for a \$7,700 independent expenditure to Ascent Media LLC (disseminated May 1, 2018), Majority Strategies, LLC is otherwise the *only* entity that made disbursements for the independent expenditures reported by Ohio First PAC.
49. Therefore, if the Commission finds that there is not reason to believe that Majority Strategies, LLC made contributions to Ohio First PAC (see Count I), the Commission should find reason to believe that Majority Strategies, LLC made independent expenditures, yet failed to file independent expenditure reports, in violation of 52 U.S.C. § 30104(c) and 11 C.F.R. § 109.10(d).

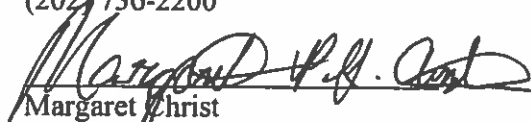
PRAYER FOR RELIEF

50. Wherefore, the Commission should find reason to believe that the Ohio First PAC, Renacci for Senate, and Majority Strategies, LLC violated 52 U.S.C. § 30101 *et seq.*, and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2).
51. Further, the Commission should seek appropriate sanctions for any and all violations, including civil penalties sufficient to deter future violations and an injunction prohibiting the respondents from any and all violations in the future, and should seek such additional remedies as are necessary and appropriate to ensure compliance with the FECA.

Respectfully submitted,

BF

Campaign Legal Center, by
Brendan M. Fischer
1411 K Street, NW, Suite 1400
Washington, DC 20005
(202) 736-2200


Margaret Christ
1411 K Street NW, Suite 1400
Washington, DC 20005
(202) 736-2200

Brendan M. Fischer
Campaign Legal Center
1411 K Street, NW, Suite 1400
Washington, DC 20002
Counsel to the Campaign Legal Center,
Margaret Christ

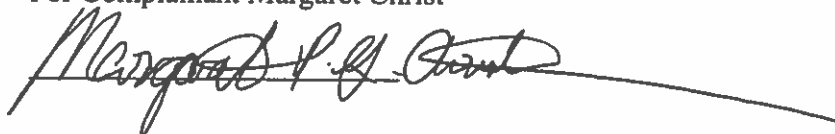
August 9, 2018

VERIFICATION

The complainants listed below hereby verify that the statements made in the attached Complaint are, upon their information and belief, true.

Sworn pursuant to 18 U.S.C. § 1001.

For Complainant Margaret Christ



Margaret Christ


Sworn to and subscribed before me this 9 day of August 2018.



Notary Public



For Complainant Campaign Legal Center



Brendan M. Fischer

Sworn to and subscribed before me this 9 day of August 2018.



Notary Public

