



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	
Antone for Congress and Dennis Melton	)	MUR 7774
as treasurer	)	
Antone Melton-Meaux	)	
West Coast Public Affairs	)	
North Superior Consulting LLC	)	
Canal Partners Media, LLC	)	

**STATEMENT OF REASONS OF  
CHAIRMAN ALLEN DICKERSON AND VICE CHAIR DARA LINDENBAUM**

The retirement of former Commissioner Steven Walther created an unusual procedural posture in this matter. As set forth in more detail below, the Commission voted to find reason to believe that Antone for Congress and Dennis Melton in his official capacity as treasurer (the “Committee”)<sup>1</sup> misreported a payee in its disclosure reports, approved a Factual and Legal Analysis (“F&LA”), authorized pre-probable cause conciliation, and directed the Office of General Counsel (“OGC”) to redraft the proposed conciliation agreement to conform to the F&LA. By the time OGC circulated the revised proposed conciliation agreement, Commissioner Walther had retired, leaving only three commissioners who had supported the reason-to-believe finding, yet the conciliation agreement required the approval of four commissioners. For the reasons set forth below, we did not believe that further pursuit of this matter warranted expenditure of the Commission’s limited resources and, therefore, we voted to dismiss the sole remaining allegation as a matter of prosecutorial discretion.<sup>2</sup>

The Complaint alleged that the Committee failed to itemize approximately \$3.5 million in disbursements for campaign services and misreported the payees and purposes of the disbursements. OGC recommended that the Commission find reason to believe that the Committee misidentified the payee for \$3.3 million in disbursements to West Coast Public

<sup>1</sup> The Committee was the authorized campaign committee of Antone Melton-Meaux, an unsuccessful candidate in the 2020 Democratic primary election for Minnesota’s 5th Congressional District.

<sup>2</sup> *Heckler v. Chaney*, 470 U.S. 821 (1985); Certification at 1 (Aug. 11, 2022).

Affairs (“West Coast”) by disclosing the payee as “WCPA” instead of its full name, and that the Committee misidentified the purpose and payee of disbursements to two other vendors.<sup>3</sup>

After considering OGC’s recommendations, four Commissioners voted to find reason to believe that the Committee violated 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4) by misreporting the payee of disbursements to West Coast, approved an F&LA, and authorized pre-probable cause conciliation.<sup>4</sup> The F&LA reasoned that the Committee violated the “plain language” of 11 C.F.R. § 104.3(b)(4), which requires the Committee to “report the full name and address” of each “person to whom an expenditure in an aggregate amount or value in excess of \$200 within the election cycle is made by the reporting authorized committee to meet the authorized committee’s operating expenses.”<sup>5</sup> The Commission, however, did not approve a proposed conciliation agreement at that time, instead directing OGC to “draft a proposed conciliation agreement consistent with the Factual & Legal Analysis and circulate that draft agreement for Commission approval.”<sup>6</sup> By the time OGC circulated the proposed conciliation agreement, Commissioner Walther had retired, reducing the number of Commissioners who had supported the reason-to-believe finding to three. Because the revised proposed conciliation agreement required the approval of four commissioners, the matter could not proceed without the vote of a commissioner who had not supported the reason-to-believe finding.

Neither of us voted to approve the reason-to-believe finding – Chairman Dickerson abstained, noting his support for a dismissal pursuant to the Commission’s prosecutorial discretion, and Vice Chair Lindenbaum had not yet taken the oath of office.<sup>7</sup> Disclosing an acronym instead of a payee’s full name is, technically, a reporting violation; however, neither the F&LA nor the FGCR cite a prior matter in which the Commission has pursued an enforcement matter on such a theory. Instead, they discuss matters where the Commission pursued a payee reporting violation because a committee used an intermediary as a conduit with the intent to conceal the true provider of services.<sup>8</sup> Implicit in such enforcement theories is that the payee in the disclosure report is incorrect.

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<sup>3</sup> First Gen. Counsel’s Rpt. (“FGCR”) at 1-2, 23. OGC also recommended that the Commission dismiss the allegation that the Committee misreported the purpose of disbursements to West Coast and that the Commission find no reason to believe that the vendors had liability because they did not have reporting obligations under the Act. *Id.* at 21, 23.

<sup>4</sup> Commissioners Broussard, Cooksey, Walther, and Weintraub voted for the reason-to-believe finding. Certification at 2 (July 12, 2022). The Commission split on OGC’s remaining reason-to-believe recommendations regarding the other vendors and approved OGC’s recommendations to dismiss the allegation that the Committee misreported the purpose of disbursements to West Coast and find no reason to believe that the vendors violated the Act. *Id.* at 1-3. This Statement of Reasons does not address the Commission’s split vote.

<sup>5</sup> F&LA at 7 (Antone for Congress) (quoting 11 C.F.R. § 104.3(b)(4)).

<sup>6</sup> Certification at 3 (July 12, 2022).

<sup>7</sup> *Id.* at 2; Press Release, *Dara Lindenbaum Sworn in as Commissioner* (Aug. 2, 2022), <https://www.fec.gov/updates/dara-lindenbaum-sworn-in-as-commissioner/#:~:text=August%20%2C%202022%20WASHINGTON%20%E2%80%93%20Dara%20Lindenbaum%20was,by%20the%20U.S.%20Senate%20on%20May%2024%2C%202022.>

<sup>8</sup> *See* FGCR at 8-12 (reciting the precedent).

By contrast, here, the Committee disclosed the correct payee, albeit in a way that provided little information to the public. The Commission did not find that the Committee intentionally concealed the true payee by disclosing a conduit.<sup>9</sup> The Commission thus based the violation on the form of how the Committee disclosed the correct payee – “WCPA” instead of “West Coast Public Affairs.”

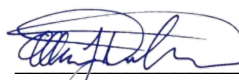
When faced with technical reporting errors, Respondents are often afforded the opportunity to timely resolve them through a Reports Analysis Division’s (“RAD”) Request for Additional Information (“RFAI”) without penalty.<sup>10</sup> Instead, OGC drafted a proposed conciliation agreement with a civil penalty which we viewed as disproportionate to the severity of the violation. Obtaining this penalty from an unsuccessful primary candidate with few remaining campaign funds would have been an exercise in futility. While we are sympathetic that the disclosure of the acronym WCPA, as opposed to the entity’s full name, prevented the public from identifying the company, we believe this type of reporting violation is more appropriately handled outside of the enforcement context.

Our view of this matter may have been different under other circumstances, including if the Commission had made a finding that the Committee disclosed the acronym to intentionally conceal the identity of the payee from the public or if acronyms were used for multiple vendors. However, given the unique procedural posture of this matter, the technical nature of the reporting violation, the outsized and uncollectible proposed penalty, and the lack of a Commission finding on the intent of the Committee, we believed the better course was to conserve the Commission’s resources for other matters.

Accordingly, we voted to dismiss the sole remaining allegation as a matter of prosecutorial discretion.

9/23/2022

Date



Allen Dickerson  
Chairman

9/23/2022

Date



Dara Lindenbaum  
Vice Chair

<sup>9</sup> While the Complaint alleged that the Committee intended to conceal payments to vendors by using conduit LLCs, including WCPA, to avoid a party’s “blacklist” of vendors aiding challengers to incumbents, the F&LA instead found that WCPA was an acronym for the correct vendor, West Coast, not a conduit used to intentionally conceal the identity to an unidentified vendor. *See* Compl. at ¶¶ 12-13; F&LA at 7 (Antone for Congress).

<sup>10</sup> RAD did not issue an RFAI to the Committee for disclosing the acronym WCPA.