BEFORE THE COMMISSIONER OF POLITICAL PRACTICES OF THE STATE OF MONTANA

Black v. Montana Business PAC	DISMISSAL
No. COPP 2022-CFP-015	

On June 28, 2022, Mike Black of Helena, MT, filed a campaign practices complaint against the Montana Business PAC. The complaint alleged that the Montana Business PAC failed to disclose its receipt of in-kind contribution/s for television advertisements financed on their behalf by American Federal Action, a federal political action committee, on committee finance reports. The complaint also alleged that, through American Federal Action, the Montana Business PAC may have accepted contributions from foreign nationals in violation of Montana law.

SUBSTANTIVE ISSUES ADDRESSED

Proper disclosure of in-kind contributions to a political committee.

FINDINGS OF FACT

The foundational facts necessary for this Decision are as follows:

Finding of Fact No. 1: Included with this complaint in this matter were copies of four (4) completed National Association of Broadcasters (NAB) PB-19 forms ("Political Broadcast Agreement Form for Non-Candidate/Issue Advertisements"). Each completed PB-19 form lists Montana Business PAC as the advertiser/sponsor, American Dream Federal Action as the entity requesting station time, and James (Jim) Brown, candidate for election to the

Montana Supreme Court, as the candidate referred to in the advertising.

The complaint also includes copies of contract agreements reached between Full Reach Media Group and various Montana broadcasters to air television advertisements in Montana. Each contract agreement names only the Montana Business PAC as the advertiser or entity purchasing airtime. (Commissioner's Records.)

Finding of Fact No. 1A: On July 11, Jason Torchinsky, counsel to Full Reach Media Group, provided COPP with a response to this Complaint on the Group's behalf (Attachment 1). The response argues that the television advertisements noted in this Complaint were "paid for and properly reported by Montana Business PAC. American Dream Federal Action had nothing whatsoever to do with the funding, sponsorship, or placement of the Montana Business PAC's advertisement. The only connection between the two is both engage Full Reach Media Group, LLC for media placement services". The response goes on to state that the inclusion of American Dream Federal Action's name on each PB-19 form included in this complaint "was a simple clerical error committed by a media vendor that provides services to many different clients...As the corrected Form PB-19 states, station time was in fact requested by the Montana Business PAC and Montana Business PAC was in fact the sole advertiser/sponsor". (Commissioner's Records.)

Finding of Fact No. 2: Montana Business PAC is a registered Independent political committee in the state of Montana, most recently filing an amended version of the committee C-2 Statement of Organization with the COPP on July 20, 2022. Montana Business PAC lists a Helena, MT, address as its physical address, utilizes a bank located in Helena, and lists Lorna Kuney of Helena as the committee Treasurer (no other committee officers are named. (Commissioner's Records.)

Finding of Fact No. 2A: On May 27, 2022, Montana Business PAC timely filed a periodic C-6 committee finance report, dated April 26, 2022 through May 24, 2022. This report disclosed two (2) monetary contributions received by the Montana Business PAC during this period: one in the amount of \$100,000.00 from the Montana Chamber of Commerce, and one in the amount of \$3,000.00 from Tri-County Implement Inc. The report also disclosed two (2) independent expenditures made by Montana Business PAC during

this period, both to Full Reach Media Group LLC for television commercials, totaling \$105,858.00. (Commissioner's Records.)

Finding of Fact No. 2B: On July 15, 2022, through the Taylor Luther Group PLLC, Montana Business PAC/Montana Chamber of Commerce provided COPP with a formal response to this Complaint (Attachment 2). The response states that neither the Montana Business PAC or the Montana Chamber of Commerce have any "connection, affiliation, or any other relationship with American Dream Federal Action, and American Dream Federal Action has never made a contribution to either the Montana Chamber of Commerce or Montana Business PAC" and that the Montana Business PAC "never involved or engaged anyone associated with American Dream Federal Action with the advertising" mentioned by the complainant in this matter.

The response also included a letter from Full Reach Media Group sent to Todd O'Hair, President and CEO of the Montana Chamber of Commerce (Attachment 3). This letter explains that:

"The complaint, in question, derives from a National Association of Broadcasters (NAB) form in which the buyer, Full Reach Media Group, identifies who requested and paid for media time. Through no fault of either the Montana Business PAC or American Dream Federal Action, Full Reach Media Group inadvertently sent out an NAB form that was incorrect. When sending the Montana form, we failed to delete the time requested by line identifying ADFA from a previous version we made for TV stations receiving AFDA orders.

There is no connection whatsoever between these two advertisers other than they both use Full Reach as their media vendor, and we erred in not deleting the advertiser's name on the form for Montana Business PAC. This was human error, based on updating a standard form and missing one line from a previous version. Once we realized the mistake, we immediately corrected it and sent all stations revised NAB forms with the correct time requested by entry: Montana Business PAC.

I would like to offer my personal apology any confusion and frustration this error has caused. We've taken additional steps to ensure this mistake does not occur again." (Commissioner's Records.)

<u>Finding of Fact No. 3</u>: American Dream Federal Action is a federally registered Political Action Committee (PAC), having filed an FEC Form 1 Statement of Organization with the Federal

Election Commission (FEC). American Dream Federal Action lists a physical address in Manchester, New Hampshire, utilizes a bank based in McLean, Virginia, and names Elena Ortega of Manchester, NH the committee Treasurer and Charles Gannt of Beverly, MA as the Custodian of Records (no other committee officers are named). American Values Coalition Inc. of Manchester, NH is the only listed "connected organization, affiliated committee, joint fundraising representative, or leadership PAC sponsor".

On finance reports filed with the FEC, American Dream Federal Action has not reported making any contributions to the Montana Business PAC, nor any expenditures for television advertisements in the state of Montana.² (Commissioner's Records.)

DISCUSSION

The allegations made against the Montana Business PAC and by extension American Dream Federal Action in this matter concern reporting and disclosure requirements for contributions received. First, the complainant alleges that Montana Business PAC failed to properly disclose in-kind contributions received from American Dream Federal Action. The complaint in this matter relies upon four (4) PB-19 forms that name both Montana Business PAC (as the advertiser/sponsor) <u>AND</u> American Dream Federal Action (as the entity requesting media time) to conclude that American Dream Federal Action financed television advertisements in Montana on behalf of Montana Business PAC (FOF No. 1). Additionally, the complaint alleges that, through American

https://www.fec.gov/data/committee/C00809020/?tab=filings

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¹ https://docquery.fec.gov/pdf/872/202204069495953872/202204069495953872.pdf

² American Dream Federal Action's FEC reports include an April Quarterly, filed on April 15, 2022; a Pre-Primary, filed on April 21, 2022 (Amended versions field on April 27 and May 18); a May Monthly, filed on May 20, 2022; and a June Monthly, filed on June 20, 2022. The committee's full report list is available at

Federal Action, Montana Business PAC may have accepted contributions from foreign nationals in violation of Montana law.

To begin, Montana Business PAC and American Dream Federal Action are separate entities, with no apparent shared leadership or organizational affiliation. Montana Business PAC is a registered Independent political committee in the state of Montana directly affiliated with the Montana Chamber of Commerce, and files finance reports directly with the COPP (FOF No. 2). By contrast, American Dream Federal Action is a federally registered political action committee (PAC) who files finance reports with the Federal Election Committee (FEC) (FOF No. 3). Montana Business PAC and American Dream Federal Action do not share a physical location or bank, nor do the committees share a Treasurer or other officer/s.

In its formal response provided to COPP, Montana Business PAC stated that neither the PAC nor the greater Montana Chamber of Commerce have any "connection, affiliation, or any other relationship with American Dream Federal Action", and that Montana Business PAC "never involved or engaged anyone associated with American Dream Federal Action with the advertising" mentioned in this complaint (FOF No. 2B). The response also included a letter sent from Full Reach Media Group to the Montana Chamber of Commerce, which explained that inclusion of American Dream Federal Action's name on the PB-19 forms in question "was human error, based on updating a standard form and missing one line from a previous version. Once we realized the mistake, we immediately corrected it and sent all

stations revised NAB forms with the correct time requested by entry: Montana Business PAC" (FOF No. 2B). Full Reach Media Group's letter goes on to note that "there is no connection whatsoever between these two advertisers other than they both use Full Reach as their media vendor" (FOF No. 2B).

Full Reach Media Group also directly denied to the COPP that American Dream Federal Action was involved in any way with Montana Business PAC's purchase of television advertising in Montana. In a formal response provided to COPP, Full Reach Media Group writes that "American Dream Federal Action had nothing whatsoever to do with the funding, sponsorship, or placement of the Montana Business PAC's advertisement. The only connection between the two is both engage Full Reach Media Group, LLC for media placement services" (FOF No. 1A). As in its letter to the Montana Chamber of Commerce, Full Reach Media Group writes that inclusion of American Dream Federal Action's name on the PB-19 forms "was a simple clerical error" made by Full Reach Media Group (FOF No. 1A). The Commissioner notes all contract agreements included with the complaint list Montana Business PAC as the advertiser - American Dream Federal Action is not referenced, in any capacity, on any contract agreement (FOF No. 1).

FINDINGS

In this matter, The Commissioner finds that American Dream Federal
Action's name was placed on the PB-19 forms in error and that Montana
Business PAC was solely responsible for financing the television advertisements
in question. The Commissioner further finds that American Dream Federal

Action made no reportable contribution/s to Montana Business PAC. The remainder of the allegations concern a contributor to a federal political committee, and the Commissioner dismisses this allegation as the COPP lacks jurisdiction over the allegations.

DECISION

The complainant is hereby dismissed.

DATED this 20 day of July 2022.

Jeffrey A. Mahgan

Commissioner of Political Practices

Of the State of Montana

P.O. Box 202401

1209 8th Avenue

Helena, MT 59620

Phone: (406)-444-3919

Attachment 1

Holtzman Vogel

HOLTZMAN VOGEL BARAN TORCHINSKY & JOSEFIAK PLLC

2002 JUL 11 A 9 00

July 8, 2022

Jeffrey A. Mangan Commissioner of Political Practices 1209 Eighth Avenue P.O. Box 202401 Helena, MT 59620-2401

Complaint received June 28, 2022; Black v. American Dream Federal Action, COPP-Re: 2022-CFP-015B

Dear Commissioner Mangan,

This response is submitted by the undersigned counsel on behalf of Full Reach Media Group, LLC in connection with the above-referenced matter. We appreciate the opportunity to provide this explanation and response.

The Complainant alleges that Montana Business PAC committed various violations of Montana campaign finance law because American Dream Federal Action supplied the funding for a particular advertisement that was paid for and reported by Montana Business PAC. The Complainant cites a National Association of Broadcasters (NAB) Form PB-19 in support of its allegations. The allegations are incorrect and the Complainant effectively makes a mountain out of a molehill on the basis of a clerical error.

The advertisement at issue was paid for and properly reported by Montana Business PAC. American Dream Federal Action had nothing whatsoever to do with the funding, sponsorship, or placement of the Montana Business PAC's advertisement. The only connection between the two is both engage Full Reach Media Group, LLC for media placement services.

The NAB Form PB-19 referenced in the Complaint that was initially provided by Full Reach Media Group, LLC to television broadcast stations inadvertently listed American Dream Federal Action as the entity requesting station time. This line on Form PB-19 should have listed Montana Business PAC. The media vendor explained that the individual who completed the Form PB-19 worked off a previously filed form prepared for a different client's order and simply failed to change the first line on the form (identifying the entity requesting station time). The rest of the Form PB-19 correctly identifies Montana Business PAC as the "advertiser/sponsor," and there is no other information in the form that in any way suggests that American Dream Federal Action provided any funding for the Montana Business PAC advertising at issue. The nearly 40 pages of station contracts and purchase orders attached to the Complaint at Exhibits D - F attest to this as they contain no reference to American Dream Federal Action and clearly and consistently identify the "advertiser" as Montana Business PAC.

HOLTZMAN VOGEL BARAN TORCHINSKY & JOSEFIAK PLIC

When this clerical error was discovered, Full Reach Media Group, LLC submitted a corrected Form PB-19 to stations that identifies the entity requesting station time as Montana Business PAC. The corrected Form PB-19 now appears in the Federal Communications Commission's Public Inspection File and may be viewed at: https://publicfiles.fcc.gov/tv-profile/kpax-tv/political-files/2022/non-candidate-issue-ads/montana-business-pac/nab/bc6eb3c1-c912-76d0-7a31-c0e474655455. (The corrected Form PB-19 is attached as Exhibit A.)

This was a simple clerical error committee by a media vendor that provides services to many different clients. At no time was there any intention by anyone involved to place incorrect information on the public record. As the corrected Form PB-19 states, station time was <u>in fact</u> requested Montana Business PAC and Montana Business PAC was <u>in fact</u> the sole advertiser/sponsor of the advertisement in question. Montana Business PAC reported its expenditure to the State of Montana on Form C-6, as detailed in the Complaint, and that report is fully accurate.

The Complaint identified as Black v. American Dream Federal Action, COPP-2022-CFP 015B, should be dismissed. The Complaint is premised entirely on a clerical error appearing on an FCC filing that was quickly corrected. This acknowledged error does not provide a basis to proceed or further investigate the Complainant's outlandish claims of having uncovered an effort "to disguise contributions." Notwithstanding the vendor's experience and professionalism, it is still possible to make mistakes. Here, the logical conclusion is the correct one – someone listed the wrong entity on the form.

Please feel free to contact us if you have any questions or require additional information.

Sincerely,

Jason Torchinsky

Counsel to Full Reach Media Group, LLC

Exhibit

EXHIBIT A Corrected NAB Form PB-19

ISSUE (Non-candidate) ADVERTISEMENT AGREEMENT FORM

, Full Reach Media Group LLC	, hereby request station time as follows: See Order for proposed		
schedule and charges. See Invoice for actual schedule and charges.			
Check one:			
(1) a legally qualified candidate issue of public importance (e.g. subject of controversy or disc		eral office; (3) a national legislative t; or (4) a political issue that is the	
Ad does NOT communicate a only to a state or local issue).	message relating to any political matter	of national importance (e.g., relates	
ALL OU	ESTIONS/BLOCKS MUST BE CO	MPI FTFD	
Station time requested by: Montana Business PAC			
Agency name: Full Reach Media Group LL			
Address: PO Box 101552. Arlington, VA 22			
Contact:	Phone number:	Email:	
Name of advertiser/sponsor (list entity's full legal name as disclosed to the Federal Election Commission (for federal committees) with no acronyms; name must match the sponsorship ID in ad):			
Name: Montana Business PAC			
Address: PO Box 1730 Helena, MT 59624			
Contact: Lorna Kuney	Phone number:	Email:	
Station is authorized to announce the t	ime as paid for by such person or entit	y	
List ALL of the chief executive officers or members of the executive committee or board of directors or other governing group(s) of the advertiser/sponsor (Use separate page if necessary.): Loma Kuney, Treasurer			
By signing below, advertiser/sponsor represents that those listed above are the only executive officers, members of the executive committee and board of directors or other governing group(s).			
If ad refers to a federal candidate(s) or f	uderal election, list ALL of the following	₽ N/A	
Name(s) of every candidate referred to:			
Office(s) sought by such candidate(s) (no	o acronyms or abbreviations):		
Date of election:			
Clearly identify EVERY political matter of national importance referred to in the ad (no acronyms); use separate page if necessary:			

THIS STATION DOES NOT DISCRIMINATE OR PERMIT DISCRIMINATION ON THE BASIS OF RACE OR ETHNICITY IN THE PLACEMENT OF ADVERTISING. The advertiser/sponsor agrees to indemnify and hold harmless the station for any damages or liability, including reasonable attorney's fees, which may arise from the broadcast of the above-requested advertisement(s). For the above-requested ad(s), the advertiser/sponsor also agrees to prepare a script, transcript or tape, which will be delivered to the station by the log deadlines outlined in the station's disclosure statement. Station Representative Advertiser/Sponsor Signature: 🎢 Signature: Name: Name: Natalle Szemetylo Date of Request to Purchase Ad Time: 5/10/22 Date of Station Agreement to Sell Time: TO BE COMPLETED BY STATION ONLY Date ad received: . Ad submitted to station? Yes No Note: Must have separate PB-19 forms for each version of the ad (i.e., for every ad with differing copy). If only one officer, executive committee member or director is listed above, station should ask the advertiser/sponsor in writing if there are any other officers, executive committee members or directors, maintain records of inquiry and update this form if additional officers, members or directors are provided. Disposition: Accepted Accepted IN PART (e.g., ad not received to determine content)* Rejected - provide reason: *Upload partially accepted form, then promptly upload updated final form when complete. Date and nature of follow-ups, if any: Station Call Letters: Date Received/Requested: Contract #: Est. #: Station Location: Run Start and End Dates: For national issue ads only (not required for state/local issue ads): Upload order, this disclosure form and invoice (or traffic system print-out) or other material reflecting this transaction to the OPIF or use this space to document schedule of time purchased, when spots actually aired, the rates charged and the classes of time purchased (including date, time, class of time and reasons for any make-goods or rebates) or attach separately. If station will not upload the actual times spots aired until an invoice is generated, the name of a contact person who can provide that information immediately should be placed in the "Terms and Disclosures" folder in the OPIF.

Attachment 2



July 15, 2022

Jeffrey A. Mangan Commissioner of Political Practices 1209 Eighth Avenue P.O. Box 202401 Helena, MT 59620-2401

RE: Black v. American Dream Federal Action, COPP-2022-CFP-015B

Dear Commissioner Mangan,

This response is submitted by the Montana Chamber of Commerce and Montana Business PAC in *Black v. American Dream Federal Action* (COPP-2022-CFP-015B). Both the Montana Chamber of Commerce and Montana Business PAC deny the allegations made in the referenced complaint.

In May 2022, Montana Business PAC aired the advertisements referenced in the complaint and filed its periodic Form C-6 disclosing contributions and expenditures. The Form C-6 for the period April 26, 2022 – May 24, 2022 that is referenced in the complaint and your letter is complete and accurate as originally filed.

Montana Business PAC retains Full Reach Media Group LLC to provide media consulting services, including media placement services. As reflected on the filed Form C-6, Montana Business PAC made expenditures to Full Reach Media Group LLC in connection with the advertisements at issue. Montana Business PAC paid Full Reach Media Group LLC to produce and place its advertisement. As part of those placement services, Full Reach Media Group LLC filed the National Association of Broadcasters Form PB-19 with relevant television stations.

Full Reach Media Group LLC explained to us that it also provides services to American Dream Federal Action and that the first version of the Form PB-19 contained a clerical error that was later corrected. Specifically, the initial Form PB-19 filed by Full Reach Media Group LLC erroneously listed "American Dream Federal Action" as the person requesting airtime for Montana Business PAC's advertising. This was incorrect and Full Reach Media Group LLC submitted a corrected version of the Form PB-19 to the stations that previously received the incorrect version of the form. The revised version of Form PB-19 correctly lists Montana

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¹ American Dream Federal Action is registered with the Federal Election Commission as a political committee. The complainant refers to "American Dream Federal Action PAC," which we assume is the same entity.

Letter to Mangan RE: COPP-2022-CFP-015B Page 2

Business PAC as the person requesting airtime. Please see the letter to Mr. O'Hair from Full Reach Media Group LLC explaining the clerical error, attached as Exhibit A, and the revised Form PB-19, attached as Exhibit B.

The Montana Chamber of Commerce and Montana Business PAC have no connection, affiliation, or any other relationship with American Dream Federal Action, and American Dream Federal Action has never made a contribution to either the Montana Chamber of Commerce or Montana Business PAC. American Dream Federal Action is not and has never been a member of the Montana Chamber of Commerce. Montana Business PAC never involved or engaged anyone associated with American Dream Federal Action with the advertising reported on the above-referenced Form C-6. American Dream Federal Action did not request airtime on behalf of Montana Business PAC, and American Dream Federal Action did not contribute any funds to Montana Business PAC or otherwise pay for any Montana Business PAC advertising.

The Form C-6 and the corrected version of NAB Form PB-19 accurately reflect the Montana Business PAC advertising at issue. American Dream Federal Action has no association with and had no involvement whatsoever with Montana Business PAC's advertisement, did not place or fund that advertisement, and the speculation in the complaint is incorrect. Because the primary premise of the complaint was based on an incorrect fact, none of the allegations in the complaint have merit. Accordingly, the complaint should be dismissed.

Please also see the attached Exhibit C containing documentation of the contributions received during the time period requested by your July 6, 2022 letter.

Please feel free to contact us if you have any questions or require any additional information.

Sincerely,

TAYLOR LUTHER GROUP, PLLC

Attachment 3



July 12, 2022

To: Todd O'Hair, President & CEO, Montana Chamber of Commerce

From: Stephen Szostak, Full Reach Media Group

Mr. O'Hair,

I am writing to address a recent complaint filed against The Montana Business PAC and American Dream Federal Action (ADFA). Full Reach Media Groups serves as a media vendor for both groups.

The complaint, in question, derives from a National Association of Broadcasters (NAB) form in which the buyer, Full Reach Media Group, identifies who requested and paid for media time. Through no fault of either the Montana Business PAC or American Dream Federal Action, Full Reach Media Group inadvertently sent out an NAB form that was incorrect. When sending the Montana form, we failed to delete the time requested by line identifying ADFA from a previous version we made for TV stations receiving AFDA orders.

There is no connection whatsoever between these two advertisers other than they both use Full Reach as their media vendor, and we erred in not deleting the advertiser's name on the form for Montana Business PAC. This was human error, based on updating a standard form and missing one line from a previous version. Once we realized the mistake, we immediately corrected it and sent all stations revised NAB forms with the correct time requested by entry: Montana Business PAC.

I would like to offer my personal apology any confusion and frustration this error has caused. We've taken additional steps to ensure this mistake does not occur again.

Please feel free to contact me with any questions.

Thank you for your time.

Sincerely,

Stephen Szostak Full Reach Media Group 480-233-2007