

FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

Kory Langhofer Statecraft PLLC 649 North Fourth Avenue, First Floor Phoenix, Arizona 85003

FEB 2 6 2019

RE: MUR 7458

Arizona Republican Party and Bob Lettieri, as treasurer, Debbie Lesko for Congress and Ashley Ragan, Treasurer

Dear Mr. Langhofer:

On August 10, 2018, the Federal Election Commission ("Commission") notified your clients of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). On February 21, 2019, based upon the information contained in the complaint and information provided by respondents, the Commission decided to dismiss allegations that Arizona Republican Party and Bob Lettieri in his official capacity as treasurer and Debbie Lesko for Congress and Ashley Ragan in her official capacity as treasurer violated provisions of the Act. The Commission then closed its file in this matter. A copy of the General Counsel's Report, which more fully explains the basis for the Commission's decision, is enclosed.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). If you have any questions, please contact Kristina Portner, the attorney assigned to this matter, at (202) 694-1518.

Sincerely,

Lisa J. Stevenson Acting General Counsel

Jeff S. Jordan Assistant General Counsel

BY:

Enclosure:

General Counsel's Report

19044456804

BEFORE THE FEDERAL ELECTION COMMISSION

ENFORCEMENT PRIORITY SYSTEM DISMISSAL REPORT

MUR: 7458

Complaint Receipt Date: August 6, 2018 Response Date: September 25, 2018 EPS Rating: Respondents: Arizona Republican Party and Bob Lettieri, Treasurer; Debbie Lesko for Congress and Ashley Ragan, Treasurer ("the Committee")¹

Alleged Statutory Regulatory Violations:

52 U.S.C. § 30104(b)(2)-(5), (8) 11 C.F.R. §§ 104.3(a)(3), (b)(2), 104.9(a), 104.11(b)

The Complaint alleges that the Committee used space at the Arizona Republican Party's office, but failed to report in-kind contributions or expenditures for such use. Respondents assert that the Committee leased the space for a fair market value of \$250 a month starting in July 2018, and that the rental payments were disclosed in the Committee's Reports. Respondents also deny that the Committee maintained any space in the Arizona Republican Party's office prior to the start of the lease, but acknowledge that Committee personnel would hold occasional impromptu meetings there before the start of the lease.

Based on its experience and expertise, the Commission has established an Enforcement Priority System using formal, pre-determined scoring criteria to allocate agency resources and assess whether particular matters warrant further administrative enforcement proceedings. These criteria include (1) the gravity of the alleged violation, taking into account both the type of activity and the amount in violation; (2) the apparent impact the alleged violation may have had on the electoral process; (3) the complexity of the legal issues raised in the matter; and (4) recent trends in potential violations and other developments in the law. This matter is rated as low priority for

¹ Debbie Lesko was a candidate for the U.S. House of Representatives for Arizona's Eighth Congressional District. Debbie Lesko for Congress is her principal campaign committee.

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Commission action after application of these pre-established criteria. Given that low rating and the likely modest amounts at issue with respect to the Committee meetings held on Arizona Republican Party's premises before the start of the lease term, we recommend that the Commission dismiss the Complaint consistent with the Commission's prosecutorial discretion to determine the proper ordering of its priorities and use of agency resources. *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985). We also recommend that the Commission close the file as to all Respondents and send the appropriate letters.

BY:

Lisa J. Stevenson Acting General Counsel

Kathleen M. Guith Associate General Counsel

Stephen Gura Deputy Associate General Counsel

eff S. Jordan Assistant General Counsel

Kristina M. Portner Attorney