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**FEDERAL ELECTION COMMISSION  
999 E Street, N.W.  
Washington, D.C. 20463**

**FIRST GENERAL COUNSEL'S REPORT**

**MUR: 6222  
DATE COMPLAINT FILED: OCTOBER 20, 2009  
DATE OF NOTIFICATION: NOVEMBER 10, 2009  
DATE ACTIVATED: DECEMBER 18, 2009**

**EXPIRATION OF SOL: 07/03/2012 – 01/03/2013**

**COMPLAINANT: Stacey L. Cargill**

**RESPONDENTS: Iowa Christian Alliance  
Steve Scheffler, President, Iowa Christian Alliance  
Morris Hurd, Chairman/Treasurer, Iowa Christian Alliance  
West Hill United Methodist Church  
Romney for President, Inc. and Darrell Crate, Treasurer  
David Kocheł**

**RELEVANT STATUTES: 2 U.S.C. § 433  
2 U.S.C. § 434  
2 U.S.C. § 441b**

**INTERNAL REPORTS CHECKED: FEC Disclosure Reports**

**FEDERAL AGENCIES CHECKED: None**

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**I. INTRODUCTION**

**The complaint in this matter alleges that Steve Scheffler, President of the Iowa Christian Alliance ("ICA"), and Morris Hurd, pastor of the West Hill United Methodist Church ("the Church") and Chairman of the Board/Treasurer of the ICA, violated the Federal Election Campaign Act of 1971, as amended ("the Act"), and the tax exempt status of the ICA and the Church by funneling donations intended for the ICA through the Church so donors could make tax-deductible contributions to the ICA. In addition, the complainant asserts her "belief" that Scheffler, Hurd, and the ICA also violated the**

1 ICA's tax exempt status by working to influence Christian conservatives to vote for Mitt  
2 Romney during the 2008 Iowa Presidential Caucuses, citing her "understanding" that the  
3 ICA received \$100,000 in contributions from "maxed out" contributors to the Mitt  
4 Romney campaign for "their" help during the caucuses.

5 In a joint response, the Iowa Christian Alliance, Steve Scheffler, and Morris Hurd  
6 argue, *inter alia*, that the complaint on its face does not describe a violation of the Act,  
7 and the allegations are either not credible or are so vague that an investigation would be  
8 effectively impossible. The Church asserts that no funds that passed through any of its  
9 accounts would have had anything to do with the Iowa Christian Alliance. Lastly,  
10 Romney for President Committee, Inc., asserts that the complaint does not contain an  
11 allegation of wrongdoing with respect to the Committee and should therefore be  
12 dismissed.

13 Based on the complaint, the responses, and available information, we conclude  
14 that no violation of the Act or the Commission's regulations resulted from the activity at  
15 issue. Therefore, we recommend that the Commission find no reason to believe the  
16 Respondents violated the Act.

17 **II. FACTUAL AND LEGAL ANALYSIS**

18 The ICA is registered as a non-profit corporation with the Iowa Secretary of  
19 State's Office. It is not registered as a political committee. The ICA website has  
20 available for download copies of its voter guides for the 2008 Presidential Caucuses as  
21 well as general election voter guides for state and federal races, including the 2008  
22 presidential race. The website includes a statement by the ICA's counsel stating that the  
23 organization's 2008 Presidential Voter Guide was not prepared or distributed in concert

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1 with any candidate or political committee and no portion of the voter guide expressly  
2 advocated the election or defeat of one or more clearly identified candidates. See  
3 <http://www.iowachristian.com/voterguides.htm> (last visited Feb. 19, 2010). The ICA  
4 website also includes a statement that the ICA does not endorse candidates or political  
5 parties and that the goal of the ICA is to provide the public with information with which  
6 to make an informed decision. See <http://www.iowachristian.com/candidatewatch.htm>  
7 (last visited Feb. 19, 2010).

8 A. Allegation That Respondents Funneled Contributions  
9 Through The Church So Donors Could Make Tax-Deductible  
10 Contributions To The ICA  
11

12 The complaint in this matter alleges that Steve Scheffler, President of the ICA,  
13 and Morris Hurd, pastor of the Church and Chairman of the Board/Treasurer of the ICA,  
14 funneled financial contributions intended for the ICA through the church so that donors  
15 could make tax-deductible contributions to the ICA. Complaint, p. 1. In support of this  
16 allegation, the complainant states that on February 18, 2009, she received a phone call  
17 from Ted Sporer, an attorney, political activist, and friend of Scheffler, who told the  
18 complainant that if a donor Scheffler "knows and trusts" wants to make a tax-deductible  
19 contribution to the ICA, Scheffler would ask the donor to write a check for the ICA and  
20 send it to Hurd at the church. *Id.* Thereafter, Hurd would send a document from the  
21 church thanking the donor for his or her "charitable" contribution, and forward the  
22 contribution to the ICA. *Id.* According to the complainant, Mariys Popma, a former ICA  
23 consultant, political activist, and friend of Scheffler, confirmed that donations to ICA  
24 were funneled through the Church. *Id.*

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1           A supplemental complaint provides articles that assertedly "confirm[ ] that  
2 financial contributions intended for the Iowa Christian Alliance were funneled through  
3 the West Hill United Methodist Church." See Supplemental Complaint, p.1. In  
4 particular, an Associated Press article quotes Ted Sporer stating that, "The facts are,  
5 I was told that if I were to write a check to this church, I would get credit for being a  
6 sponsor at Christian Alliance events." See John McGlothlen, *Complaint Questions*  
7 *Donations To Iowa Church*, ASSOCIATED PRESS, Oct. 22, 2008.

8           In response, Scheffler, Hurd, and ICA assert that neither the Church nor Hurd  
9 transferred in any way, much less funneled, donations from the Church to the ICA.  
10 Response of Scheffler, Hurd, and ICA, p. 4. Likewise, the Church states that all of its  
11 accounts of any nature have been thoroughly audited for 2008 and no funds passed  
12 through any account at the church that would have had anything to do with the Iowa  
13 Christian Alliance. Response of West Hill United Methodist Church, p. 1-2. In addition,  
14 the Church states that a thorough review and audit did not produce any documents by  
15 which the church thanked any donor for any charitable contribution or provided a receipt  
16 or 1099 concerning any of the alleged ICA donations. *Id.*, p. 2. Attached to the Church's  
17 response are sworn affidavits of officers and employees of the church attesting to the  
18 response.

19           While the complaint and responses reflect a factual dispute, even if the allegation  
20 is true, and donations to the ICA were funneled through the Church, this activity does not  
21 appear to raise any issues within the Commission's jurisdiction in this matter. Therefore,  
22 we recommend that the Commission find no reason to believe Scheffler, Hurd, ICA, or  
23 the Church violated the Act in connection with this activity.

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1           **B. Allegation That Scheffler, Hurd, and ICA Violated The Act By**  
2           **Working To Influence People To Vote For Mitt Romney**  
3

4           The complainant asserts her "belief" that Scheffler, Hurd, and ICA violated the  
5 Act and the ICA's tax-exempt status by "working to influence" Christian conservatives to  
6 vote for Mitt Romney during the 2008 Iowa Presidential Caucuses. Complaint, p.1. In  
7 this vein, the complainant cites her "understanding" that the ICA received \$100,000 in  
8 contributions from "maxed out" contributors to the Mitt Romney campaign for "their"  
9 help during the caucuses, and that these contributions were received in four quarterly  
10 payments in 2008. *Id.* The complainant states that it is her "belief" that the \$100,000 in  
11 contributions from "maxed out" Romney donors, intended for the ICA, were funneled  
12 through the West Hill United Methodist Church. *Id.*, p.2.

13           As support, the complaint alleges that Gentry Collins, a former state director for  
14 Romney for President, stated in a June 1, 2008, phone conversation with the complainant  
15 that he had read an e-mail from Scheffler to "a Mitt Romney operative" that discussed a  
16 \$100,000 financial contribution to the ICA from "maxed out" Romney donors.  
17 Complaint, p.2. In an affidavit attached to the Romney for President response, however,  
18 Collins avers that while he recalls speaking on the phone with the complainant while he  
19 was working for John McCain's general election campaign, he does not recall having the  
20 conversation the complainant claims, and is "unfamiliar with and unaware of the  
21 information she attributes to me in that Complaint." Attachment to Response of Romney  
22 for President.

23           An amendment to the complaint contains an article that "suggests" that David  
24 Kochel is the Mitt Romney operative who negotiated \$100,000 in contributions to the

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1 ICA. Complaint Amendment dated November 4, 2009, p. 1. In relevant part, the article  
2 states:

3 Jonny also got some inside information from David  
4 Kochel, who was a top aide to former (and future)  
5 presidential candidate, Mitt Romney. Hey Dave, didn't I  
6 just read a story about how Mitt Romney tried to buy off  
7 the Iowa Christian Alliance? I heard you helped facilitate  
8 that little scheme.  
9

10 See Emily Geiger, *And the Most Irresponsible Journalist Award Goes to ... The*  
11 *Politico's Jonathan Martin*, available at <http://preview.tinyurl.com/ydt2kd7> (Oct. 30,  
12 2009). The amendment to the complaint, however, does not identify, beyond mere  
13 speculation, the "Mitt Romney operative" to whom Scheffler allegedly sent the e-mail  
14 discussing the \$100,000 contribution. Based on the foregoing discussion, we conclude  
15 that the complainant has not provided specific credible information regarding the  
16 involvement of David Kochel in the alleged activity, or regarding what the respondents  
17 allegedly did "to influence Christian conservatives to vote for Mitt Romney."<sup>1</sup> Thus,  
18 there appears to be no reason to believe Scheffler, Hurd, the ICA, or Kochel violated the  
19 Act in connection with this allegation.

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<sup>1</sup> The complainant has filed two previous complaints against the ICA and Scheffler. In MUR 5972, the complaint alleged that Scheffler allowed a Romney supporter use of ICA's office and database, and that ICA received a financial contribution from a Romney source in exchange for access to the database. The Commission found no reason to believe the respondents violated any provision of the Act because the complainant did not provide any information to support the allegations. In MUR 6136, the complainant alleged that the ICA and Scheffler violated campaign finance laws and possibly jeopardized the ICA's tax-exempt status by endorsing presidential candidate John McCain and U.S. Senate candidate Christopher Reed in the 2008 general election. In view of the insufficiency of the information and the *de minimis* amount involved, the Commission dismissed the allegation that the respondents violated the Act with respect to an e-newsletter. The Commission found no reason to believe the respondents violated the Act by failing to include a disclaimer on the e-newsletter, and, due to a lack of supporting documentation, also found no reason to believe Scheffler or ICA violated the Act in connection with a September 14, 2008, fundraising event.

1           We note that while the complaint does not specifically allege that the ICA was  
2 required to register and report as a political committee, it contains statements that may be  
3 construed as such. Specifically, a supplement to the complaint states:

4           I believe the ICA is involved in Republican Party Politics.  
5           The attached documents demonstrate that the majority of  
6           their efforts and financial resources focus on electing ICA  
7           officers and members to leadership within the Republican  
8           Party of Iowa, promoting and helping Republican  
9           candidates for political office, and advancing the principles  
10          of the Republican Party.

11  
12 Supplement dated November 4, 2009, p. 1.<sup>2</sup> As the Respondents point out, however, the  
13 complaint did not produce any information or documents that suggest that the  
14 respondents received "contributions" under the Act aggregating more than \$1,000 during  
15 a calendar year, or anything suggesting that the respondents made more than \$1,000 in  
16 expenditures in a calendar year. Response of Scheffler, Hurd, and ICA, p. 10.

17           In addition, Respondents assert that they received no donations earmarked for a  
18 federal political committee, including the Romney campaign, or for federal expenditures,  
19 including for the Romney campaign; none of them did any broadcast, cablecast, or  
20 satellite communications; and they have a policy not to endorse candidates. Response of  
21 Scheffler, Hurd, and ICA, p. 10. In the absence of any information to the contrary, there  
22 appears to be no reason to believe the Respondents violated the Act by failing to register  
23 and report as a political committee or by impermissibly receiving contributions or making  
24 prohibited expenditures.

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<sup>2</sup> The complainant filed a second amendment asserting that the West Hill United Methodist Church violated its tax exempt status by contributing to ICA, based on her belief that "any church that contributes to the ICA has made a contribution to the Republican Party of Iowa." In a letter dated December 3, 2009, the Office of Complaints Examination and Legal Administration advised the complainant that the amendment contains allegations that are not within the Commission's jurisdiction.

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**C. Romney for President, Inc.**

The complaint does not allege any violations of law with respect to Romney for President, Inc., and Darrell Crate, in his official capacity as Treasurer. Accordingly, we recommend that the Commission find no reason to believe Romney for President, Inc., and Darrell Crate, in his official capacity as Treasurer, violated the Act.

**III. RECOMMENDATIONS**

1. Find no reason to believe the Iowa Christian Alliance violated the Act.
2. Find no reason to believe the West Hill United Methodist Church violated the Act.
3. Find no reason to believe Steve Scheffler violated the Act.
4. Find no reason to believe Morris Hurd violated the Act.
5. Find no reason to believe Romney for President, Inc., and Darrell Crate, in his official capacity as Treasurer, violated the Act.
6. Find no reason to believe David Kochel violated the Act.
7. Approve the attached Factual and Legal Analyses.
8. Approve the appropriate letters.
9. Close the file.

Thomasenia P. Duncan  
General Counsel

Ann Marie Terzaken  
Associate General Counsel  
for Enforcement

3/11/10  
Date

By: Stephen A. Gura  
Stephen A. Gura  
Deputy Associate General Counsel  
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