



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**James Bopp, Jr.**  
**Randy Elf**  
**Bopp, Coleson & Bostrom**  
**1 South Sixth Street**  
**Terre Haute, IN 47807-3510**

**APR 28 2010**

**RE: MUR 6222**  
**Iowa Christian Alliance**  
**Steve Scheffler, President, Iowa Christian Alliance**  
**Morris Hurd, Chairman/Treasurer, Iowa Christian**  
**Alliance**

**Dear Messrs. Bopp and Elf:**

On October 26, 2009, the Federal Election 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 April 09, 2010, the Commission found, on the basis of the information in the complaint, and information provided by you, that there is no reason to believe the Iowa Christian Alliance, Steve Scheffler, or Morris Hurd violated the Act. Accordingly, the Commission closed its file in this matter.

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). The Factual and Legal Analysis, which explains the Commission's findings, is enclosed for your information.

If you have any questions, please contact Tracey L. Ligon, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to be "Julie K. McConnell".

**Julie K. McConnell**  
**Assistant General Counsel**

**Enclosure**  
**Factual and Legal Analysis**

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENTS:** Iowa Christian Alliance  
Steve Scheffler, President,  
Iowa Christian Alliance  
Morris Hurd, Chairman/Treasurer,  
Iowa Christian Alliance

**MUR: 6222**

**I. INTRODUCTION**

This matter was generated by a complaint filed with the Federal Election Commission by Stacey L. Cargill alleging violations of the Federal Election Campaign Act of 1971 ("the Act"), as amended, by the Iowa Christian Alliance ("the ICA"), Steve Scheffler, and Morris Hurd.

**II. FACTUAL AND LEGAL ANALYSIS**

The ICA is registered as a non-profit corporation with the Iowa Secretary of State's Office. It is not registered as a political committee. The ICA website has available for download copies of its voter guides for the 2008 Presidential Caucuses as well as general election voter guides for state and federal races, including the 2008 presidential race. The website includes a statement by the ICA's counsel stating that the organization's 2008 Presidential Voter Guide was not prepared or distributed in concert with any candidate or political committee and no portion of the voter guide expressly advocated the election or defeat of one or more clearly identified candidates. See <http://www.iowachristian.com/voterguides.htm> (last visited Feb. 19, 2010). The ICA website also includes a statement that the ICA does not endorse candidates or political parties and that the goal of the ICA is to provide the public with information with which

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to make an informed decision. See <http://www.iowachristian.com/candidatewatch.htm>  
(last visited Feb. 19, 2010).

**A. Allegation That Respondents Funneled Contributions Through The Church So Donors Could Make Tax-Deductible Contributions To The ICA**

The complaint in this matter alleges that Steve Scheffler, President of the ICA, and Morris Hurd, Pastor of the West Hill United Methodist Church (“the Church”) and Chairman of the Board/Treasurer of the ICA, funneled financial contributions intended for the ICA through the Church so that donors could make tax-deductible contributions to the ICA. Complaint, p. 1. In support of this allegation, the complainant states that on February 18, 2009, she received a phone call from Ted Sporer, an attorney, political activist, and friend of Scheffler, who told the complainant that if a donor Scheffler “knows and trusts” wants to make a tax-deductible contribution to the ICA, Scheffler would ask the donor to write a check for the ICA and send it to Hurd at the church. *Id.* Thereafter, Hurd would send a document from the church thanking the donor for his or her “charitable” contribution, and forward the contribution to the ICA. *Id.* According to the complainant, Marlys Popma, a former ICA consultant, political activist, and friend of Scheffler, confirmed that donations to ICA were funneled through the Church. *Id.*

A supplemental complaint provides articles that assertedly “confirm[ ] that financial contributions intended for the Iowa Christian Alliance were funneled through the West Hill United Methodist Church.” See Supplemental Complaint, p.1. In particular, an Associated Press article quotes Ted Sporer stating that, “The facts are, I was told that if I were to write a check to this church, I would get credit for being a

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sponsor at Christian Alliance events.” See John McGlothlen, *Complaint Questions Donations To Iowa Church*, ASSOCIATED PRESS, Oct. 22, 2008.

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

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

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

The complainant asserts her “belief” that Scheffler, Hurd, and ICA violated the Act and the ICA's tax-exempt status by “working to influence” Christian conservatives to vote for Mitt Romney during the 2008 Iowa Presidential Caucuses. Complaint, p.1. In this vein, the complainant cites her “understanding” that the ICA received \$100,000 in

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contributions from "maxed out" contributors to the Mitt Romney campaign for "their" help during the caucuses, and that these contributions were received in four quarterly payments in 2008. *Id.* The complainant states that it is her "belief" that the \$100,000 in contributions from "maxed out" Romney donors, intended for the ICA, were funneled through the West Hill United Methodist Church. *Id.*, p.2.

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

An amendment to the complaint contains an article that "suggests" that David Kochel is the Mitt Romney operative who negotiated \$100,000 in contributions to the ICA. Complaint Amendment dated November 4, 2009, p. 1. In relevant part, the article states:

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

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

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

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

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

In addition, Respondents assert that they received no donations earmarked for a federal political committee, including the Romney campaign, or for federal expenditures,

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**including for the Romney campaign; none of them did any broadcast, cablecast, or satellite communications; and they have a policy not to endorse candidates. Response of Scheffler, Hurd, and ICA, p. 10. In the absence of any information to the contrary, there is no reason to believe the Respondents violated the Act by failing to register and report as a political committee or by impermissibly receiving contributions or making prohibited expenditures.**

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