



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matters of)
)
 Crossroads Grassroots Policy Strategies) MURs 6612 & 6696
)
)

**STATEMENT OF REASONS OF
COMMISSIONERS ANN M. RAVEL AND ELLEN L. WEINTRAUB**

In these two matters before the Commission, we were asked to ratify recommendations about whether Crossroads Grassroots Policy Strategies (“Crossroads GPS”), which styles itself a 501(c)(4) “social welfare organization,”¹ needed to disclose individual communications (MUR 6612) and an individual contribution (MUR 6696) in 2012. But to view these matters in isolation is impossible given the overall political activity of Crossroads GPS. Underlying the Commission’s analysis should be this simple fact – the group is a political committee and therefore should be making full disclosures on *every* expenditure and of *every* contributor of \$200 or more.²

In 2010, the year it was created, Crossroads GPS spent at least \$20.9 million on federal campaign activity (at least 53% of its total spending that year) with minimal public disclosure.³ We voted in December 2013 to find reason to believe that Crossroads GPS’s 2010 spending demonstrated that its “major purpose” was the nomination or election of federal candidates, that Crossroads GPS was therefore a political committee, and that it should register and report as

¹ See 26 U.S.C. § 501(c)(4). IRS rules relating to charitable organizations do not require 501(c)(4) and other charitable organizations to disclose publicly the identities and addresses of their contributors. See IRS, *Public Disclosure and Availability of Exempt Organizations Returns and Applications: Contributors' Identities Not Subject to Disclosure*, available at <http://www.irs.gov/Charities-&-Non-Profits/Public-Disclosure-and-Availability-of-Exempt-Organizations>Returns-and-Applications:-Contributors'-Identities-Not-Subject-to-Disclosure> (last updated March 20, 2015).

² The Commission deadlocked on finding reason to believe Crossroads GPS violated the law as a political committee in these matters, and voted to close the files. See Certification in MUR 6612 (Crossroads Grassroots Policy Strategies), dated Nov. 17, 2015; Certification in MUR 6696 (Crossroads Grassroots Policy Strategies), dated Nov. 17, 2015; Certification in MUR 6612 (Crossroads Grassroots Policy Strategies), dated Dec. 17, 2015; Certification in MUR 6696 (Crossroads Grassroots Policy Strategies), dated Dec. 17, 2015.

³ First General Counsel’s Report in MUR 6396 (Crossroads Grassroots Policy Strategies), dated Nov. 21, 2012 at 16-17.

such. These findings were opposed by some of our colleagues, who are unwilling to adhere to previously adopted Commission policy on determining political committee status.⁴

What was true in 2010 remained true in 2012. Information in the possession of the Commission demonstrates that the major purpose of Crossroads GPS in 2012 continued to be the nomination or election of federal candidates. Therefore, as a political committee, Crossroads GPS should have reported the communications and contributions at issue in these MURs as a political committee would have been required to do – disclosing their total contributions and expenditures.

Crossroads GPS spent tens of millions of dollars to influence federal elections in 2010 and 2012 without providing the legally required disclosure.⁵ The failure to enforce the law against clear violators is accelerating a troubling trend in the political system. More than *four times* as much dark money has been spent during this election cycle as at the same point in 2012.⁶


The gravamen of these complaints is that Crossroads GPS is evading its responsibilities to do what the law requires and the public expects – to disclose its political activities and who is behind them. We believe these concerns are well-founded and thus could not ignore the violations raised in these complaints.

This Commission should acknowledge the obvious, deem Crossroads GPS a political committee, and require it to adhere to all the legal requirements of a political committee.

1/22/16
Date


Ann M. Ravel
Commissioner

1/22/16
Date


Ellen L. Weintraub
Commissioner

⁴ See Certification in MUR 6396 (Crossroads Grassroots Policy Strategies), dated Dec. 3, 2013 (Commissioners Goodman, Hunter, and Petersen voted against going forward; we and Commissioner Walther voted to do so); Statement of Reasons of Vice Chair Ann M. Ravel, Commissioner Steven T. Walther and Commissioner Ellen L. Weintraub, Jan. 10, 2014, available at <http://eqs.fec.gov/eqsdocsMUR/14044350964.pdf>.

⁵ See note 3; *2012 Outside Spending, by Group*, OPENSECRETS.ORG, <http://www.opensecrets.org/outsidespending/summ.php?cycle=2012&chrt=V&disp=O&type=U> (last visited January 14, 2016).

⁶ See *Outside Spending by Disclosure, Excluding Party Committees*, OPENSECRETS.ORG, <http://www.opensecrets.org/outsidespending/disclosure.php?range=ytd> (last visited January 14, 2016).