

**FEDERAL ELECTION COMMISSION**

Washington, D.C. 20463

May 8, 2023

**BY EMAIL**

Craig Engle  
ArentFox Schiff LLP  
1717 K Street, NW  
Washington, DC 20006  
Craig.Engle@afslaw.com

RE: MUR 8073  
Stop Socialism in OC

Dear Mr. Engle:

On October 4, 2022, the Federal Election Commission (the "Commission") notified your client, Stop Socialism in OC, of a complaint alleging that your client may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"), and provided your client with a copy of the complaint.

After reviewing the allegations contained in the complaint, your client's response, and publicly available information, the Commission on April 18, 2023, found no reason to believe that Stop Socialism in OC violated 52 U.S.C § 30119(a)(2) and 11 C.F.R. § 115.2(c) by knowingly soliciting a prohibited government contractor contribution. On May 4, 2023, the Commission approved a Factual and Legal Analysis explaining the basis for its finding, and closed the file as to Stop Socialism in OC. That Factual and Legal Analysis is enclosed for your information.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed. If you have any questions, please contact Jake Tully, the staff attorney assigned to this matter, at (202) 694-1404.

Sincerely,

*Mark Shonkwiler*

Mark Shonkwiler  
Assistant General Counsel

Enclosure: Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS**

Respondent: Stop Socialism in OC MUR 8073

**I. INTRODUCTION**

This matter was generated by a Complaint alleging that Vista Pacifica Enterprises, Inc. (“Vista Pacifica”), a health care services company and federal government contractor, made one contribution of \$100,000 to Stop Socialism in OC and David Satterfield in his official capacity as treasurer (“Stop Socialism in OC”), an independent-expenditure only political committee (“IEOPC”), in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”).<sup>1</sup> The Complaint raises the question of whether Stop Socialism in OC knowingly solicited a prohibited contribution from a federal government contractor.

Stop Socialism in OC’s Response states it was unaware that Vista Pacifica held any contracts with the federal government at the time the subject contribution was made, and further states that Stop Socialism in OC’s website displays notices stating that a contributor may “not [be] a government contractor,” and that contributions may not come from contractor treasury funds.<sup>2</sup>

The record in this matter contains no information inconsistent with the statements in Stop Socialism in OC’s Response. Accordingly, the Commission finds no reason to believe that Stop Socialism in OC violated 52 U.S.C. § 30119(a)(2) and 11 C.F.R. § 115.2(c) by knowingly soliciting a prohibited government contractor contribution from Vista Pacifica.

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<sup>1</sup> Compl. at 1 (Sept. 28, 2022).

<sup>2</sup> Stop Socialism in OC Resp. at 1-2 (Nov. 18, 2022).

1 **II. FACTUAL BACKGROUND**

2 Vista Pacifica is a health care services company that was incorporated in California in  
 3 1988.<sup>3</sup> According to its website, Vista Pacifica provides care and treatment services to adults at  
 4 two facilities, Vista Pacifica Center and Vista Pacifica Convalescent.<sup>4</sup>

5 On January 27, 2022, Vista Pacifica made a \$100,000 contribution to Stop Socialism in  
 6 OC, an IEOPC.<sup>5</sup> The Complaint alleges that this contribution is prohibited by the Act because  
 7 Vista Pacifica was a federal contractor performing two open federal contracts with the  
 8 Department of Veterans Affairs (“VA”) at the time it made the subject contribution: a Basic  
 9 Ordering Agreement and a Delivery Order.<sup>6</sup> Publicly available federal spending data supports  
 10 these assertions; USASpending.gov records show that the Basic Ordering Agreement has a  
 11 period of performance of May 1, 2019 to April 30, 2023, and the Delivery Order had a period of  
 12 performance of January 1, 2022 to March 31, 2022.<sup>7</sup> The Complaint further alleges that Vista  
 13 Pacifica’s contribution constituted 80% of Stop Socialism in OC’s total fundraising during the  
 14 2022 election cycle.<sup>8</sup> In actuality, a review of Stop Socialism in OC’s disclosure reports reveals  
 15 that Vista Pacifica’s \$100,000 contribution accounts for just under 60% of Stop Socialism in

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<sup>3</sup> *Business Search*, CAL. SEC’Y OF STATE, <https://bizfileonline.sos.ca.gov/search/business> (last visited Apr. 25, 2023).

<sup>4</sup> *About Us*, VISTA PACIFICA ENTERPRISES, INC., <https://vistapacificaent.com/about-us/> (last visited Apr. 25, 2023).

<sup>5</sup> Compl. at 2; Stop Socialism in OC, 2022 April Quarterly Report at 6 (Apr. 19, 2022), <https://docquery.fec.gov/pdf/466/202204139496087466/202204139496087466.pdf>.

<sup>6</sup> Compl. at 2-3.

<sup>7</sup> *Award Profile*, USASPENDING.GOV, [https://www.usaspending.gov/award/CONT\\_AWD\\_36C26222K0275\\_3600\\_36C26219G0014\\_3600](https://www.usaspending.gov/award/CONT_AWD_36C26222K0275_3600_36C26219G0014_3600) (last visited Apr. 25, 2023); *Award Profile*, USASPENDING.GOV, [https://www.usaspending.gov/award/CONT\\_IDV\\_36C26219G0014\\_3600](https://www.usaspending.gov/award/CONT_IDV_36C26219G0014_3600) (last visited Apr. 25, 2023).

<sup>8</sup> Compl. at 3.

1 OC’s receipts for the 2022 election cycle.<sup>9</sup> On November 28, 2022, Stop Socialism in OC issued  
2 a refund of the entire \$100,000 contribution to Vista Pacifica.<sup>10</sup>

3 In its Response, Stop Socialism in OC states that it was unaware of Vista Pacifica’s  
4 government contracts, and further states that Stop Socialism in OC “implements controls” to  
5 prevent it from inadvertently soliciting prohibited contributions from federal government  
6 contractors.<sup>11</sup> Stop Socialism in OC’s Response states that its website includes language stating  
7 that a contributor may “not [be] a government contractor,” and that contributions may not be  
8 “made from the treasury funds of an entity that is a federal contractor,” and that the website  
9 further warns “[c]ontributions from . . . federal government contractors are prohibited.”<sup>12</sup> Its  
10 Response states that such disclaimers have been recognized by the Commission as sufficient  
11 safeguards against the solicitation of impermissible contributions.<sup>13</sup> The Response includes an  
12 affidavit sworn by David Ellis, the executive director of Stop Socialism in OC, confirming the  
13 facts stated in the Response.<sup>14</sup> Ellis’s affidavit indicates that he personally solicited the subject  
14 contribution from Vista Pacifica but reiterates that he received no notice of Vista Pacifica’s  
15 status as a federal contractor.<sup>15</sup> The Stop Socialism in OC Response provides no additional  
16 information regarding the circumstances surrounding the solicitation. Because Stop Socialism in

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<sup>9</sup> *Stop Socialism in OC: Financial Summary 2021-2022*, FEC.GOV, <https://www.fec.gov/data/committee/C00802009/> (last visited Apr. 25, 2023) (showing that Stop Socialism in OC received \$169,783.27 in total contributions, excluding the contribution from Mira Poly Holdings LLC provided to replace the refunded contribution from Vista Pacifica).

<sup>10</sup> Stop Socialism in OC, 2022 Post-General Report at 8 (Dec. 8, 2022), <https://docquery.fec.gov/pdf/569/202212089547397569/202212089547397569.pdf>.

<sup>11</sup> Stop Socialism in OC Resp. at 1.

<sup>12</sup> *Id.* at 1- 2.

<sup>13</sup> *Id.* at 2.

<sup>14</sup> *Id.* at 3-4.

<sup>15</sup> *Id.*

1 OC asserts that it had no actual knowledge of Vista Pacifica’s contractor status and because its  
2 website included these disclaimers, the Response requests that the Commission find no reason to  
3 believe that it violated the Act.<sup>16</sup>

### 4 **III. LEGAL ANALYSIS**

5 The Act and the Commission’s regulations prohibit contributions to political committees  
6 by any person who enters into a contract with the United States or its departments or agencies for  
7 “furnishing any material, supplies, or equipment,” if payment on such contract “is to be made in  
8 whole or in part from funds appropriated by Congress.”<sup>17</sup> Such contributions are barred for the  
9 period between (1) the earlier of commencement of negotiations or when requests for proposal  
10 are sent out, and (2) the later of the completion of performance on or termination of negotiations  
11 for the contract.<sup>18</sup> The Act also bars any person from knowingly soliciting a contribution from a  
12 federal contractor during the prohibited period.<sup>19</sup>

13 Stop Socialism in OC’s Response states that it was unaware of Vista Pacifica’s status as a  
14 federal contractor and that its solicitation materials were designed to warn prospective donors  
15 about the federal contractor prohibition.<sup>20</sup> These facts are confirmed in an affidavit sworn by  
16 Stop Socialism in OC’s Executive Director, David Ellis, who appears to have personally  
17 solicited the subject contribution and states that he was unaware of Vista Pacifica’s government

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<sup>16</sup> *Id.* at 2.

<sup>17</sup> 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2(a).

<sup>18</sup> 11 C.F.R. § 115.1(b).

<sup>19</sup> 52 U.S.C. § 30119(a)(2).

<sup>20</sup> Stop Socialism in OC Resp. at 1-2.

1 contractor status at the time the contribution was made.<sup>21</sup> Consequently, the Response reasons  
2 that Stop Socialism in OC did not knowingly solicit a prohibited federal contractor contribution.

3 The record in this matter contains no information inconsistent with the statements in Stop  
4 Socialism in OC's Response or Ellis's sworn statements. Accordingly, the Commission finds no  
5 reason to believe that Stop Socialism in OC violated 52 U.S.C. § 30119(a)(2) and 11 C.F.R.  
6 § 115.2(c) by knowingly soliciting a prohibited government contractor contribution.

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<sup>21</sup> *Id.* at 3-4.