



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 11, 2022

Mr. Chris K. Gober
P.O. Box 341016
Austin, TX 78734

Re: ADR 1048 (625)
Heller for Senate and Chrissie Hastie, Treasurer (C00494229)

Dear Mr. Chris K. Gober:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on May 9, 2022 – the effective date of the agreement.

Note the specific time frames for compliance detailed in the agreement. Please forward to this office, a statement confirming Respondent's compliance with each term. The letter should note the dates on which Respondents satisfied each of the terms and contain the ADR case number. For your convenience, a compliance chart is attached.

Under the terms of the agreement, a civil penalty in the amount of \$2,300 is due on June 10, 2022. Kindly review the attached payment instructions for details on payment methods and the collection of unpaid debts.

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our negotiations, and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Records Office.

This agreement resolves this matter. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Rosa Marshall". The signature is written in dark ink and is positioned above the printed name.

Rosa Marshall
Assistant Director
Alternative Dispute Resolution Office

Enc: Payment Instructions
Compliance Chart
Negotiated Settlement

ADRO Civil Penalty Payment Instructions

You may remit payment by credit card, debit card, or ACH withdrawal from your bank account through Pay.gov, the federal government's secure portal for online collections. Visit www.fec.gov/adrpayers to be directed to Pay.gov's FEC ADR Payment form.

Unpaid Civil Penalties

Unpaid civil money penalties will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 et seq. If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact you to request payment. Treasury currently charges a fee of 30% of the civil money penalty amount for its collection services. If the age of the debt is greater than or equal to two years old, Treasury will charge a fee of 32% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

ADR 1048 Compliance Chart

TYPE	Due Date
Certify internal control procedures consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at www.fec.gov/pages/brochures/bestpractices.shtml) and as recommended to the Committee by the FEC's Audit Division in a memorandum dated March 2, 2022, have been followed consistently	5/9/2023
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Case Number: ADR 1048
Source: P-MUR 625
Case Name: HELLER FOR SENATE and
HellerHighWater PAC

NEGOTIATED SETTLEMENT

This matter was initiated by a *sua sponte* submission filed with the Federal Election Commission (Commission) by HELLER FOR SENATE and HellerHighWater PAC. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Federal Election Commission (FEC or the Commission) entered into negotiations with Chris Gober, Esq., representing HELLER FOR SENATE, HellerHighWater PAC, and Chrissie Hastie in the official capacity of Treasurer (the Committees or Respondents). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in the *sua sponte* submission. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 52 U.S.C. § 30109.
2. Respondents voluntarily enter into this agreement with the Commission.
3. Respondents filed a joint *sua sponte* submission (Submission) dated June 11, 2019, to disclose that a former partner of their compliance services vendor misappropriated funds totaling \$42,226.66 from HELLER FOR SENATE and \$139,051.38 from HellerHighWater PAC between September 2018 and February 2019. The misappropriation resulted in the Committees filing inaccurate reports with the Commission.
4. Treasurers of political committees are required to report all financial activity, including all receipts and disbursements, pursuant to the FECA. 52 U.S.C. §§ 30104(b)(2) and (4), 11 C.F.R. §§ 104.3(a) and (b).
5. Respondents state that the discovery of the misappropriation of funds took place when the compliance services vendor conducted its standard, annual audit. The Committees have since implemented remedial measures in response to the discovery that include the following:
 - a. Revising their credit and debit card procedures to require cards to be signed in and out for each use. Additionally, if a debit card is used, an alert from the bank is now

sent to a non-signer on the bank account that a transaction has occurred, thus giving more monitored control of debit transactions.


- b. Bank accounts are reconciled on a weekly basis and weekly financial reports are provided for review and comparison to designated campaign personnel for funds received and expended within each week.
 - c. Bank statements are reviewed for unauthorized transactions and reconciled to the accounting records each month and to reports prior to filing. Monthly reconciliations are performed by compliance staffers who are not authorized signers or responsible for the day-to-day management of the accounts. All monthly bank reconciliations are then provided to a third individual manager for the manager's review and approval.
6. The Committees were repaid the misappropriated funds on October 7, 2019, and reflected the repayment on their respective 2019 Year-End Report. In addition, the Committees filed amended reports¹ on December 31, 2021, and January 3, 2022, to reflect the misreported transactions that were either previously not reported or underreported. Adjustments were also made to the Committee's cash on hand amounts, accordingly. The Committees additionally note that they both intend to terminate their political committee status upon resolution of this matter.
 7. Respondents, in order to resolve this matter, agree to: (a) certify internal control procedures consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at www.fec.gov/pages/brochures/bestpractices.shtml) and as recommended to the Committee by the FEC's Audit Division in a memorandum dated March 2, 2022, have been followed consistently for the lesser of two (2) years from the effective date of this agreement or until such time as the Committee is approved for termination; and (b) pay a civil penalty of \$2,300.
 8. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
 9. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance. Unpaid civil money penalties are subject to the Debt Collection Act of 1982 as amended by the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. § 3701 et seq. The Commission will transfer debt to the United States Department of the Treasury (Treasury) for collection.

¹ HELLER FOR SENATE amendments were made to the 2018 October Quarterly through the October 2021 Quarterly Reports. HellerHighWater amendments were made to the 2018 Pre-General through the 2019 Year-End Reports.

10. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this agreement as set out in paragraph 7 above, and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 1048 (P-MUR 625), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:


Rosa Marshall, Assistant Director
Alternative Dispute Resolution Office



5/9/2022

Date Signed

FOR THE RESPONDENTS:



Chris Gober, Esq. Representing
HELLER FOR SENATE, HellerHighWater PAC,
and Chrissie Hastie in the official capacity
of Treasurer

03/07/2022

Date Signed