



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 15, 2022

Jerad Wayne Najvar, Esq.
One Greenway Plaza Suite 100
Houston, TX 77046

Re: ADR 1069 (7709)
Nehls for Congress and Robert Phillips, III, Treasurer (C00730150)

Dear Jerad Wayne Najvar, Esq.:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on August 12, 2022 – the effective date of the agreement.

Under the terms of the agreement, a civil penalty in the amount of \$1,150 is due on September 12, 2022, as well as the disgorgement of funds totaling \$7,497.64. In addition, the Compliance chart (see attachment) discloses the additional remedial measures that Respondents are required to complete as a part of the settlement agreement. Kindly review the attached payment instructions for details on payment methods and the collection of unpaid debts. 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.

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 black ink that reads "Rosa Marshall". The signature is written in a cursive, flowing style.

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/adrpayment 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 1069 Compliance Chart

Type	Date Due
Refund or disgorge impermissible nonfederal contributions totaling \$7,497.64	9/12/2022
Perform required corrective action	11/11/2022
Certify that a representative participated in an FEC training	8/12/2023



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WASHINGTON, D.C. 20463

Case Number: ADR 1069
Source: MUR 7709
Case Name: Nehls for Congress

NEGOTIATED SETTLEMENT

This matter was initiated by signed, sworn, and notarized Complaints¹ filed by Laura Pullins (Complainant), dated February 19, 2020. 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 Jerad Wayne Najvar, Esq., representing Troy Nehls, Nehls for Congress, and Robert Phillips, III, in the official capacity of Treasurer² (the Committee 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 this matter. 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. The Complainant alleged that Respondents accepted impermissible nonfederal funds from the state campaign committees of Troy Nehls and Trever Nehls. The impermissible contributions accepted by Nehls for Congress include a \$5,400 contribution from Friends of Troy Nehls³ which was not disclosed by the Committee⁴; a \$2,700 contribution from Supporters of Trever Nehls⁵ which the Respondents disclosed in the name of Trever Nehls

¹ The Complainant filed two complaints against the Respondents on the same day, both have been assigned the same matter number and are treated as one.

² Chad Norvell was the treasurer of Nehls for Congress from December 9, 2019, until September 7, 2021. George Husted was listed as treasurer from September 8, 2021 to December 9, 2021. Robert Phillips, III, became treasurer on December 10, 2021.

³ Friends of Troy Nehls is not registered with the Commission; it is the state campaign committee for Troy Nehls and his campaign for Sheriff of Fort Bend County, Texas in 2012 and 2016.

⁴ Contribution dated December 9, 2019. See Complaint.

⁵ Supporters of Trever Nehls is not registered with the Commission; it is the state campaign committee for Trever Nehls and his campaign for Sheriff of Fort Bend County, Texas in 2020.

individually⁶; and a \$2,097.64⁷ in-kind contribution in the form of advertising paid for by the Supporters of Trever Nehls.

4. The Act prohibits federal candidates, federal officeholders, their agents, and entities established, financed, maintained, or controlled by federal candidates from soliciting, receiving, directing, transferring, spending, or disbursing funds in connection with a federal election unless the funds are subject to the limitations, prohibitions and reporting requirements of the Act. 52 U.S.C. § 30125(e)(1)(A). Federal candidates are prohibited from transferring funds from their state campaign committees to their federal committees. 11 C.F.R. § 110.3(d). Treasurers of political committees are required to report all financial activity, including all receipts and identify any political committee that makes a contribution, pursuant to the FECA. 52 U.S.C. §§ 30104(a)(1), 30104(b), 11 C.F.R. §§ 104.1, and 104.3(a).
5. On June 24, 2020, the Committee amended its 2019 Year-End Report to correctly disclose the \$2,700 contribution from Supporters of Trever Nehls.⁸ Respondents state that the original disclosure of the \$2,700 contribution was based on the nomenclature requirements of the Texas Election Code, which requires individuals running for state and local office to file campaign finance reports under their own names and not their committee names. Respondents acknowledge that the contribution should have been reported on Line 11(c) (Contributions from Other Political Committees) since it was from a nonfederal committee account. In addition, on July 2, 2020, the Committee disclosed the corresponding refund of \$2,700 to Supporters of Trever Nehls on their 2020 12 Day-Pre-Runoff Report.⁹ The Committee has not refunded the remaining impermissible nonfederal contributions totaling \$7,497.64.
6. Respondents, in an effort to avoid similar errors in the future, agree to:
 - (a) refund or disgorge the remaining impermissible nonfederal contributions totaling \$7,497.64 within thirty (30) days of the effective date of this settlement;
 - (b) perform required corrective action in accordance with the Corrective Action Plan (Exhibit A) within ninety (90) days of the effective date of this settlement;
 - (c) certify that a representative of the Committee participated in an FEC conference, webinar, or other program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this settlement; and
 - (d) pay a civil penalty of \$1,150 within thirty (30) days of the effective date of this settlement.

⁶ Contribution dated August 1, 2019. See Nehls for Congress 2019 Year-End Report (Image 202001319184847800).

⁷ Contribution dated February 8, 2020. See Nehls for Congress 2020 Pre-Primary Report (Image 202002209186956525).

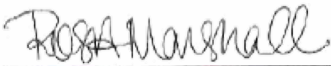
⁸ Contribution dated August 1, 2019. See Nehls for Congress Amended 2019 Year-End Report (Image 202006249244188585).

⁹ Refund dated May 6, 2020. See Nehls for Congress 2020 Pre-Runoff Report (Image 202007029244301630).

7. 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.
8. 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.
9. 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 6 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.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 1069 (MUR 7709), 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:

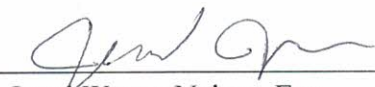
Rosa Marshall, Assistant Director
Alternative Dispute Resolution Office



8/12/2022

Date Signed

FOR THE RESPONDENTS:



Jerad Wayne Najvar, Esq.
Representing Troy Nehls, Nehls for Congress and
Robert Phillips, III, Treasurer

6-24-2022

Date Signed