

# FEDERAL ELECTION COMMISSION WASHINGTON, D.C. 20463

July 6, 2022

Stewart Crosland, Esq. 51 Louisiana Avenue NW Washington, DC 20001

Re: ADR 1079 (22L-11)

Jason Lewis for Senate and Bradley Crate, Treasurer (C00716860)

Dear Stewart Crosland, Esq.:

Enclosed is the signed copy of the Negotiated Settlement resolving the aboveshown matter. The Negotiated Settlement was approved by the Commission on June 30, 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 \$7,000 is due on July 30, 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.

#### ADR107900027

Sincerely,

Joshua A. Rebollozo Assistant Director

Alternative Dispute Resolution Office

Ishua Nebelly

Enc: Payment Instructions

Compliance Chart Negotiated Settlement

EMAIL: JREBOLLOZO@FEC.GOV

#### **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 <a href="www.fec.gov/adrpayment">www.fec.gov/adrpayment</a> 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 1079 Compliance Chart**

Type Date Due

Certify that a representative participated in an FEC training June 30, 2023



Case Number: ADR 1079 Source: RAD 22L-11

Case Name: JASON LEWIS FOR SENATE

#### NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (FEC or the Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. 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 Commission entered into negotiations with Stewart Crosland, Esq., representing JASON LEWIS FOR SENATE and Bradley Crate, in the official capacity of Treasurer (the Committee or Respondents). It is understood that this settlement 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 referral. 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 Reports Analysis Division (RAD) referred Respondents for failing to remedy excessive and prohibited 2020 primary and general election contributions totaling \$93,700 within the permissible timeframe. The Committee refunded all excessive and prohibited contributions outside the permissible timeframe.
- 4. During the 2019-2020 election cycle, no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$2,800. 52 U.S.C. § 30116(a), 11 C.F.R. § 110.1(b). It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, and it is unlawful for any candidate or political committee to accept such contributions. 52 U.S.C. §§ 30116 (f), 30118(a), 11 C.F.R. §§ 114.2(a), 114.2(d). A contribution from an LLC is considered an unlawful corporate contribution if the LLC chooses to be treated as a corporation under IRS rules or if its shares are traded publicly. 11 C.F.R. § 110.1(g)(3).

- 5. The Committee states that the errors were caused primarily by issues relating to the merging of the Committee's donor records, which prevented the Committee's external compliance vendor from promptly identifying certain excessive contributions, and oversight in timely remedying contributions amid the height of 2020 general election. The Committee notes that its external compliance vendor has policies and safeguards in place to identify and remedy excessive contributions made in the future and to ensure that contributions are made by eligible contributors with federally permissible funds.
- 6. Respondents, in an effort to avoid similar errors in the future, agree to:
  - (a) certify that a representative of the Committee participated in an FEC conference, webinar, or other training program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this settlement; and
  - (b) pay a civil penalty of \$7,000 within thirty (30) days of the effective date of this settlement.
- 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 settlement 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 settlement 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 <u>each</u> term becomes due.
- 10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 1079 (RAD 22L-11), 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:

Joshua A. Rebollozo, Assistant Director Alternative Dispute Resolution Office

John Nebelly

June 30, 2022

Date Signed

FOR THE RESPONDENTS:

**Bradley Crate** 

Representing JASON LEWIS FOR SENATE and Bradley Crate, Treasurer

May 25, 2022

Date Signed