



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

October 31, 2024

Neil P. Reiff, Esq.
1620 Eye Street NW, Suite 900
Washington, DC 20006

Re: ADR 1170 (24L-16)
Lafazan for Congress and Alex Leibson, Treasurer (C00797241)

Dear Mr. Reiff.:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on October 25, 2024 – 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 \$1,000 is due on November 25, 2024. 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,

Rosa Marshall

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 1170 Compliance Chart

Type	Date Due
Certify the closure of the Committee's federal account and work with Commission staff to terminate their political committee status and reporting obligations with the Commission.	11/25/2024



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

Case Number: ADR 1170
Source: RAD 24L-16
Case Name: Lafazan for Congress

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 Neil P. Reiff, Esq., representing Lafazan for Congress and Alex Leibson, 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 enters into this settlement 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 settlement with the Commission.
3. The Reports Analysis Division (RAD) referred Respondents for failing to remedy excessive and prohibited 2022 primary and general election contributions, totaling \$23,598, within the permissible timeframes. In addition, the Committee received \$2,600 in contributions designated for the 2022 general election that were not refunded within the permissible timeframe of the candidate's primary election loss. The Committee refunded all of these contributions outside of the permissible timeframes.
4. During the 2021-2022 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 \$2,900. 52 U.S.C. § 30116(a); 11 C.F.R. § 110.1(b). Within 60 days of receiving the excessive contribution, the committee must receive the proper reattribution or redesignation, or refund the excessive portion to the donor. 11 CFR § 103.3.
5. 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 elects to be treated as a

corporation under IRS rules or if its shares are traded publicly. 11 C.F.R. § 110.1(g)(3). Within 30 days of the treasurer's receipt of the questionable contribution, the committee must confirm the legality of the contribution or refund the contribution to the contributor and note the refund on the report covering the period in which the refund was made. 11 CFR § 103.3(b)(1).

6. An unregistered organization cannot make a contribution to a political committee unless such organization demonstrates that the underlying funds are subject to the limitations and prohibitions of the Act. The treasurer of a political committee is responsible for ensuring that all contributions received comply with those limitations and prohibitions. If the treasurer cannot determine whether a contribution complies with the source prohibitions of the Act, the treasurer must refund the contribution to the contributor within 30 days of receiving the contribution. 52 U.S.C. §§ 30116(f), 30118(a); 11 C.F.R. § 102.5(b)(1), 103.3(b).
7. If the candidate is not a candidate in a general election, any contributions made for the general election shall be refunded to the contributors, redesignated, or reattributed within sixty (60) days. 52 U.S.C. 30116(a); 11 C.F.R. §§ 102.9(e), 110.1(b)(3).
8. The Committee states that their compliance vendor experienced staffing turnover, which may have contributed to its failure to timely refund the contributions at issue. The Committee made efforts to rectify the excessive, prohibited, and general election contributions by refunding and disclosing the refunds on disclosure reports filed in 2022 and 2023. In addition, the Committee states it intends to terminate its political committee status upon resolution of this matter.
9. Respondents, in order to resolve this matter, agree to:
 - a. Pay a civil penalty of \$1,000 within thirty (30) days of the effective date of this settlement. The Committee acknowledges that a larger civil penalty would be appropriate under the circumstances of this matter. However, the Committee indicates that a financial hardship prevents it from paying such penalty, and has submitted financial documentation in support of this claim. These submissions and representations are material representations attested to in this settlement. Due to the mitigating circumstances, which include the Committee's financial condition, it is requested that the Commission depart from the civil penalty that the Commission would otherwise seek for the violations at issue. Respondents understand that if evidence is discovered indicating that the Committee's financial condition is not as stated, a civil penalty of up to \$1,975 (less any previously paid amount) shall be due immediately.
 - b. As the Committee wishes to terminate its political committee status, Respondents will certify the closure of the Committee's federal account and work with Commission staff to terminate their political committee status and reporting obligations with the Commission. The Committee will continue reporting until the termination has been approved by the Commission.
10. 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.
11. 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.

- 12. 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 settlement as set forth 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.
- 13. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 1170 (RAD 24L-16), and resolves those issues identified 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

Rosa Marshall

10/25/2024
Date Signed

FOR THE RESPONDENTS:


Neil P. Reiff, Esq.
Representing Lafazan for Congress and
Alex Leibson, Treasurer

9/20/24
Date Signed