



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 22, 2015

Scott B. MacKenzie, Treasurer
Conservative Majority Fund
2776 S. Arlington Mill Dr. #806
Arlington, VA 22206

Re: ADR 787 (RAD 15L-44)
Conservative Majority Fund and Scott B. MacKenzie, Treasurer

Dear Mr. MacKenzie:

The Federal Election Commission (FEC or Commission) referred a compliance issue to the FEC's Alternative Dispute Resolution Office (ADR Office) for processing. The referral by the Reports Analysis Division (RAD) was based on a review of reports filed by Conservative Majority Fund, which reflect a possible failure to comply with the Federal Election Campaign Act of 1971, as amended.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with Conservative Majority Fund and Scott B. MacKenzie, Treasurer (Respondents or the Committee). The ADR Program provides Respondents with an opportunity to negotiate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADR Office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the ADR Program, you must: 1) indicate in writing a willingness to have your case submitted for ADR processing; 2) agree to participate in the bilateral interest based negotiations; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADRO, and the focus of our subsequent negotiations are summarized as follows:

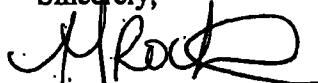
RAD referred the Conservative Majority Fund and Scott B. MacKenzie, Treasurer, (Respondents or the Committee) for a series of reporting errors and other FECA violations during the 2013-2014 election cycle. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA. The Committee's errors included, among other items: mathematical

discrepancies, failure to provide supporting schedules, and failure to properly itemize contributions from individuals.

If after reviewing this letter and the enclosed ADR Frequently Asked Questions, which describe the ADR program, Respondent(s) would like to participate in ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR form. **Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR.** In that event, your case will be sent to the FEC's Office of General Counsel for further processing, and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as ADR 787. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,



Krista J. Roche
Assistant Director
Alternative Dispute Resolution Office

Enclosures: ADR Frequently Asked Questions
Commitment to Submit to ADR & Designation of Representative/Counsel

Conservative Majority Fund (C00524454)
ADRO Referral Response Guide

Mathematical Discrepancies

Report	RFAI Due Date	Response Date(s)	Code	Reason for code
2013 YE	5/12/14	3/26/15	LIR	<p>Schedule B supporting Line 21(b) disclosed memo entries totaling \$45,000.00 that did not appear to correspond with any itemized transaction(s).</p> <p>The Committee filed an Amended 2013 YE on 3/26/15, which failed to resolve the issue.</p> <p>The Committee filed a Form 99 on 3/27/15, which failed to clarify the discrepancy.</p>
2014 Q1	6/16/14	1/31/15	LIR	<p>Schedule B supporting Line 21(b) disclosed memo entries totaling \$18,750.00 that did not appear to correspond with any itemized transaction(s).</p> <p>The Committee filed a Form 99 on 1/31/15, which failed to clarify the discrepancy.</p>

Failure to Provide Supporting Schedules

Report	RFAI Due Date	Response Date(s)	Code	Reason for code
2014 Q2	9/25/14	N/A	NR	<p>The Committee failed to timely file a required 48-Hour Report for \$12,687.61 in independent expenditures disclosed on Schedule E.</p> <p>To date, the Committee has not taken corrective action or provided further clarification.</p>
2014 Q3	5/26/15	N/A	NR	<p>Schedule E disclosed memo entries for two (2) independent expenditures totaling \$15,000.00, which were publicly disseminated prior to payment, but failed to disclose a debt on Schedule D.</p> <p>The Committee also failed to file a required 48-Hour Report for \$15,000.00 in independent expenditures disclosed on Schedule E.</p> <p>To date, the Committee has not taken corrective action or provided further clarification.</p>

Failure to Properly Itemize Contributions from Individuals

Report	RFAI Due Date	Response Date(s)	Code	Reason for code
2013 MY	12/03/13	1/31/15	LAR	<p>Schedule A supporting Line 11(a)(i) failed to disclose adequate identification for 357 of 594, or 60.1%, of the contributions from individuals that require itemization.</p> <p>The Committee filed a FEC Form 99 on 1/31/15, which stated in part, "BEST EFFORTS</p> <p>Given that a large number of the contributions received are as a result of solicitations for our "small donor programs" and despite the fact that each appeal includes a clear and conspicuous request for the contributor information as well as occupation and employer; many of the donors do not provide that information on the initial request. The committee has established procedures whereby the following steps are taken to satisfy the "best efforts" requirements: (i) within thirty (30) days of the receipt of the contribution, a letter is sent, clearly asking for the missing information, without soliciting a contribution; (ii) we inform the contributor of the requirements of federal law for the reporting of such information; and (iii) we provide a pre-addressed return envelope, a fax number and an email address. Upon receipt of the information the committee will amend its reports to provide the new information.</p> <p>The Committee has amended its report to disclose Employer and Occupation information received through our "best efforts" mailings."</p> <p>The Committee filed an Amended 2013 MY on 3/29/15, which failed to provide further clarifying information.</p>
2014 Q2	9/25/14	1/31/15	LAR	<p>Schedule A supporting Line 11(a)(i) failed to disclose adequate identification for 162 of 288, or 56.3%, of the contributions from individuals that require itemization.</p> <p>The Committee filed a FEC Form 99 on 1/31/15, which stated in part, "BEST EFFORTS</p> <p>Given that a large number of the contributions received are as a result of solicitations for our "small donor programs" and despite the fact that each appeal includes a clear and conspicuous request for the contributor information as well as occupation and employer; many of the donors do not provide that information on the initial request. The committee has established procedures whereby the following steps are taken to satisfy the "best efforts" requirements: (i) within thirty (30) days of the receipt of the contribution, a letter is sent, clearly asking for the missing information, without soliciting a contribution; (ii) we inform the contributor of the requirements of federal law for the reporting of such information; and (iii) we provide a pre-addressed return envelope, a fax number and an email address. Upon receipt of the information the committee will amend its reports to provide the new information.</p> <p>The Committee has amended its report to disclose Employer and Occupation information received through our "best efforts" mailings."</p>

O-Index

11/16/2015 3:11 PM

O-Index (2015)

Cmte. ID: C00524454 Cmte. Name: CONSERVATIVE MAJORITY FUND

Treasurer Name: SCOTT B MACKENZIE Address: 2776 S ARLINGTON MILL DR #806 ATTN: SCOTT B MACKENZIE, ARLINGTON, VA 22206
Cmte. Type: N (NON-QUALIFIED NON-PARTY) Cmte. Designation: U (UNAUTHORIZED) Filing Frequency: QUARTERLY FILER

Form Tp	Rpt Tp	A/l	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltrr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts	Loans	Debts & Loans
MS-T			1/31/2015	2	15950577438										
MS-T			3/27/2015	1	15951098484										
F3XN	MY	N	7/27/2015	62	20150727900421639	1/1/2015	6/30/2015		\$40,199	\$105,059	\$154,748	\$50,510		\$800	\$800
Totals										\$165,059		\$154,748			

O-Index (2013-2014)

Cmte. ID: C00524454 Cmte. Name: CONSERVATIVE MAJORITY FUND

Treasurer Name: SCOTT B MACKENZIE Address: 2776 S ARLINGTON MILL DR #806 ATTN: SCOTT B MACKENZIE, ARLINGTON, VA 22206
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MS-T			4/9/2014	1	14980820418											
RQ2	MY	N	5/1/2013	13	14330038737	1/1/2013	6/30/2013	1/1/2014								
RQ2	YE	N	4/6/2014	2	14330048171	7/1/2013	12/31/2013	4/6/2014								
RQ2	Q1	N	5/12/2014	3	14330052068	1/1/2014	3/31/2014	5/12/2014								
RQ2	Q2	N	8/21/2014	4	14330059774	4/1/2014	8/30/2014	8/21/2014								
RQ2	Q3	N	10/20/2014	3	16330080963	7/1/2014	9/30/2014	10/20/2014								
F3XN	MY	N	7/31/2013	246	13964483098	1/1/2013	6/30/2013		\$68,916	\$1,739,486	\$1,766,457	\$41,925	\$126,876		\$128,876	
F3XN	MY	A/l	8/29/2015	246	15951100355	1/1/2013	6/30/2013	8/29/2015								
F3XN	YE	N	2/1/2014	724	14940324447	7/1/2013	12/31/2013		\$41,925	\$1,322,724	\$1,238,798	\$127,851	\$86,221		\$86,221	
F3XN	YE	A/l	3/26/2015	724	15970318173	7/1/2013	12/31/2013									
F3XN	Q1	N	4/9/2014	86	14980620278	1/1/2014	3/31/2014			\$127,851	\$452,702	\$511,452	\$86,101	\$87,349		
F3XN	Q2	N	5/7/2014	139	14941843178	4/1/2014	6/30/2014					\$65,012	\$432,884	\$462,498	\$87,349	
F3XN	Q3	N	10/16/2014	191	14976398342	7/1/2014	9/30/2014					\$38,498	\$381,133	\$389,061	\$21,569	
F3XN	Q4	N	10/23/2014	62	14952426159	10/1/2014	10/23/2014									
F3XN	30G	N	12/2/2014	121	14952674856	10/18/2014	11/24/2014									
F3XN	YE	N	5/31/2015	67	16950580480	4/17/2014	12/31/2014									
Totals													\$4,622,618	\$4,651,334		