



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 17, 2019

Chris Ashby, Esq.
919 Prince Street
Alexandria, VA 22314

Re: ADR 839
McMullin for President Committee Inc and Joel Searby, Treasurer

Dear Chris Ashby:

Enclosed is the signed copy of the Negotiated Settlement resolving the matter involving McMullin for President Committee Inc and Joel Searby, Treasurer (Respondent). The Negotiated Settlement was approved by the Commission on July 15, 2019 – 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 the Respondent satisfied each of the terms and reference ADR 839.

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, any 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, appearing to read "K. Roche", written over a horizontal line.

Krista J. Roche
Director
Alternative Dispute Resolution Office

Enc: Negotiated Settlement

FEDERAL ELECTION COMMISSION – ALTERNATIVE DISPUTE RESOLUTION OFFICE
1050 FIRST STREET, N.E., WASHINGTON, D.C. 20463
TELEPHONE: 202.694.1661
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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Case Number: ADR 839

Source: RR 17L-14

Case Name: McMullin for President Committee Inc

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (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 Chris Ashby, Esq., representing McMullin for President Committee Inc and Joel Searby, in his official capacity as Treasurer (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 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) Respondents for failing to disclose all financial activity. The Committee disclosed a total of \$578,101.47 in debts on amended reports all filed on November 7, 2016. The Committee filed an Amended 2016 September Monthly Report disclosing additional debts of \$169,759.20. The Committee filed an Amended 2016 October Monthly Report to disclose additional debts of \$339,389.57. The Committee also filed an Amended 12 Day Pre-General Report to disclose additional debts of \$68,952.70.
4. Treasurers of political committees are required to disclose all financial activity, including the amount and nature of outstanding debts and obligations owed by or to the political committee. 52 U.S.C. § 30104(b)(8), 11 C.F.R. § 104.3(d).
5. In a response filed by counsel, Respondents contend that invoices were inadvertently omitted from original reports due to a high volume of transactions occurring rapidly after the candidate's announcement, three months prior to the general election. Respondents contend that out of hundreds of invoices received and processed, only several that should have been subject to debt reporting were omitted from relevant reports.

6. Respondents, in an effort to resolve this matter, agree to:
- a. Utilize the funds remaining in the Committee's bank account (\$4,254.89) to pay debts reported on Schedule D of the 2019 April Quarterly Report (\$669,330.95). Respondents acknowledge that a civil penalty would be appropriate under the circumstances of this matter. The Respondents, however, indicate that financial hardship prevents them from paying such a penalty, and have submitted financial documentation in support of this claim. These submissions and representations are material representations attested to in the agreement. Due to the mitigating circumstances, which include Respondents' financial condition, it is requested 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 Respondents' financial condition is not as stated, a civil penalty of up to \$10,600 (less any previously paid amount) shall be immediately due.
 - b. As the Committee wishes to terminate its political committee status, Respondents will certify the closure of the Committee's federal account and, in compliance with 11 C.F.R. § 116.7, file a debt settlement plan with the Commission prior to filing its termination report, and work with Commission staff to terminate their political committee status and reporting obligations with the Commission. The Committee will continue reporting until such time as the termination has been approved.
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. 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.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 839 (RR 17L-14), 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.

