



FEDERAL ELECTION COMMISSION  
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2018 SEP 27 PM 12:29

**SENSITIVE**

**MEMORANDUM**

September 27, 2018

TO: The Commission

THROUGH: Alec Palmer *AP*  
Staff Director

FROM: Patricia C. Orrock *PCO*  
Chief Compliance Officer

Krista J. Roche *KJR*  
Director, ADR Office

SUBJECT: ADR 873 Urban Victory Fund (UVF) and Drue Kinchen,  
Treasurer, Recommendation to Approve Negotiated  
Settlement

**RESOLUTION TERMS:**

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 873 (RR 17-14R). The ADR Office received this referral on May 15, 2018. The Commission approved the Audit Division to transfer this referral from the Reports Analysis Division to the Office of General Counsel. The Office of General Counsel subsequently transferred the matter to the ADR Office.

**SUMMARY:** The Reports Analysis Division referred Urban Victory Fund (UVF) and Drue Kinchen, Treasurer, (Respondents or the Committee) for the receipt of apparent excessive contributions totaling \$124,516 and the failure to disclose \$30,000 in independent expenditures on Schedule E of the 2016 30 Day Post-General Report, which were previously disclosed on a 48-Hour Report.

The Committee contends that there were reporting challenges during the 2016 election cycle, largely because it erroneously filed as a Hybrid PAC. In the response to the referral, Respondents indicate that the Committee was actually “an Independent Expenditure Super PAC able to receive unlimited contributions” that makes no contributions to any candidate or candidate committee. A review of disclosure reports by the Reports Analysis Division reveals no contributions to candidates or candidate committees. Respondents acknowledged that an updated Form 1 needs to be filed to reflect the status as an IE-only committee. In addition, Respondents acknowledged they must file an Amended 30 Day Post-General Report to disclose \$30,000 in independent expenditures on Schedule E.

**RECOMMENDATIONS:**

1. Approve the attached negotiated settlement of Urban Victory Fund (UVF) and Drue Kinchen, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.