



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 24, 2018

Drue Kinchen
13001 Justice Ave
Baton Rouge, LA 70816

Re: ADR 873
Urban Victory Fund (UVF) and Drue Kinchen, Treasurer

Dear Drue Kinchen:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on 10/18/2018 – 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 \$750.00 is due on 11/17/2018. 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,

Krista J. Roche

Krista J. Roche
Director
Alternative Dispute Resolution Office

Enc: Payment Instructions
Compliance Chart
Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office



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Case Number: ADR 873
Source: RR 17-14R
Case Name: Urban Victory Fund (UVF)

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 Drue Kinchen representing Urban Victory Fund (UVF) and himself, 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 referred Respondents 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.
4. Every political committee that makes independent expenditures must report all such independent expenditures on Schedule E in accordance with 11 CFR § 104.3(b)(3)(vii). 52 U.S.C. §30104(b), 11 C.F.R. § 104.4(a). Committees that raise funds in unlimited amounts to make independent expenditures but not contributions to candidates or candidate committees, consistent with *SpeechNow v. FEC*, shall file an acknowledgement with their Form 1 indicating such. Advisory Opinion 2010-11.
5. 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

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the Reports Analysis Division reveals no contributions to candidates or candidate committees. Respondents acknowledge that an updated Form 1 needs to be filed to reflect the status as an IE-only committee. In addition, Respondents acknowledge they must file an Amended 30 Day Post-General Report to disclose \$30,000 in independent expenditures on Schedule E.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) file amended reports, including a Form 1 to designate the appropriate committee status and the 2016 30 Day Post-General Report to disclose \$30,000 in independent expenditures on Schedule E as well as subsequent reports impacted by this disclosure, within thirty (30) days of the effective date of this agreement; (b) certify that a representative of the Committee participated in an FEC conference, webinar, or other program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this agreement; and (c) pay a civil penalty of \$750 within thirty (30) days of the effective date of this agreement.
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. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. 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.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 873 (RR 17-14R), 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:

Krista J. Roche, Director
Alternative Dispute Resolution Office

Krista J. Roche

10/19/18
Date Signed

FOR THE RESPONDENTS:

Drue Kinchen
Drue Kinchen
Representing Urban Victory Fund (UVF)
and Drue Kinchen, Treasurer

9/19/18
Date Signed