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August 21, 2018

PRE-MUR # 1015

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GENERAL COUNSEL
OFFICE OF

2018 AUG 23 PM 2:38

By Hand Delivery

Lisa J. Stevenson
Acting General Counsel
Federal Election Commission
1050 First Street, NE
Washington, DC 20002

Re: Haworth, Inc.

Dear Ms. Stevenson:

On behalf of our client, Haworth, Inc. ("Haworth"), we write to bring the below matter to the attention of the Federal Election Commission (the "Commission") pursuant to its *Policy Regarding Self-Reporting of Campaign Finance Violations (Sua Sponte Submissions)*, 12 Fed. Reg. 16,695 (Apr. 5, 2007). If the Commission determines that formal proceedings are necessary to resolve this matter, we request that this matter be referred for alternative dispute resolution or fast-track resolution. Otherwise, we respectfully request that the Commission take no action against Haworth and dismiss this matter.

Background on Haworth

Haworth is a privately held furnishings manufacturer located at One Haworth Center, Holland, Michigan, 49423. Since its founding in 1948, Haworth has designed, manufactured and sold a wide range of office furnishing products. For several decades, Haworth has sold its products to the US Federal Government, and is currently an office furnishings supplier to federal agencies on a General Services Administration ("GSA") contract.

Issue Summary

On August 16, 2018, it was brought to the attention of Haworth executives that Haworth may have violated the Federal Election Campaign Act's (the "Act") prohibition against federal contractors making contributions to political committees (52 USC § 30119(a)(1)) by contributing \$10,000 to the Outsider PAC, an independent expenditure-only political action committee. An internal investigation was immediately launched, Haworth determined that the contribution at issue was made on July 18, 2018, and requested a full refund of the contribution from the Outsider PAC. That refund was received on August 17, 2018, a copy of which is attached to this letter.

Background

On June 19, 2018, Dick Haworth (Chairman Emeritus of Haworth, Inc.) received a written contribution request from the Outsider PAC, which was established to support John James, a candidate for the US Senate from Michigan. The written request stated in part the following: "Please note super PACs are permitted to accept corporate funds, so donations could come from individual family members or directly from Haworth Inc., or any combination thereof." (See attached.) After receiving direction from Mr. Haworth on a contribution amount of \$10,000, Mr. Haworth's administrative assistant advised a representative of the Outsider PAC of the proposed contribution.

Mr. Haworth's administrative assistant coordinates all corporate donations because, as a company, Haworth donates only with the approval of Mr. Haworth. Under normal protocol, the administrative assistant would confirm with Mr. Haworth whether to make the donation and, if so, the amount, and whether the donation would be made by the company or by Mr. Haworth personally. In this instance, the decision was for the company to make the donation. Neither Mr. Haworth nor his administrative assistant was aware that the Act prohibited Haworth, as a federal contractor, from making the donation. Instead, they relied on the statement included in the Outsider PAC's written contribution request that such a corporate contribution was permitted, without confirming the statement with the Haworth legal department.

After confirming the facts surrounding the contribution, Haworth immediately requested a full refund of the contribution from the Outsider PAC. As noted above, that refund was received on August 17, 2018. As of today, there are no outstanding political contributions from Haworth, Inc. Moreover, Haworth is taking steps to ensure that such a mistake does not occur again, including conducting additional education to ensure that every employee involved in the contribution/donation approval process is aware of the need to obtain the approval of the legal department.

In the several decades of working with the US Federal Government, Haworth has never had a previous issue with the Federal Election Commission. And, if the proper procedures had been followed this time, that track record would have remained unblemished. Certainly, Haworth did not intend to violate federal election laws or FEC regulations. This was a contribution made in error, based upon an administrative assistant's trust in what was represented by a PAC fundraiser. Although Haworth accepts responsibility for this mistake, and has demonstrated that responsibility by taking the steps to obtain a full refund and revising its internal procedures, we respectfully request that the Commission take no action against Haworth and dismiss this matter.

Respectfully submitted,



Michael J. Bell

Partner
michael.bell@hoganlovells.com
D 202.637.5441

Attachments

Outsider PAC
25 West 8th Street, Ste 300
Holland, MI 49423

Chain Bridge Bank, NA
McLean, VA 22101

No. 1110

Date 18/16/2018

Pay To The Order Of Haworth, Inc.

Ten Thousand and 00/100

Haworth, Inc.
One Haworth Center
Holland, MI 49423

Memo: Donor Refund

Dóllars

\$ 10,000.00

Digitized by srujanika@gmail.com

Gilbert Dwyer

Outsider PAC
Haworth, Inc.

110

10 000 00

Chain Bridge **Donor Refund** **10,000.00**

Outsider PAC 110
Haworth, Inc. 8/16/2018 10,000.00

Chain Bridge **Donor Refund** **10,000.00**

On Jun 19, 2018, at 4:30 PM, [REDACTED] <[REDACTED]@outlookresourcegroup.com> wrote:

[REDACTED] — Outsider PAC needs to raise a minimum of \$[REDACTED] in order to bring pro-James efforts to parity with Sandy Penler, who has pledged to spend \$5MM of his own money and is on track to spend at least that much in the primary.

Outsider PAC hopes to ultimately raise closer to \$[REDACTED]. However, we are starting with an initial \$[REDACTED] push and are asking Dick to consider coming in at \$[REDACTED] for that phase.

Please note super PACs are permitted to accept corporate funds, so donations could come from individual family members or directly from Haworth Inc. or any combination thereof.

Thanks!