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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM

February 21, 2019

TO: The Commission

THROUGH: Alec Palmer *AP by MAH*
Staff Director

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

Krista J. Roche *KJR*
Director, ADR Office

SUBJECT: ADR 895 Haworth, Inc., Informational Memo on Assignment

The Office of General Counsel referred MUR 7480 and PMUR 615 for processing on December 12, 2018, and the ADR Office designated the referral ADR 895. We include a summary and discussion of the referral for your information. We expect initiating communication with Respondents in ADR 895 within five (5) business days. Please contact Krista Roche if you have any questions or concerns before then.

Summary of Case: On August 17, 2018, Campaign Legal Center filed a Complaint alleging that Haworth, Inc., violated FECA's prohibition on federal contractors making contributions to political committees while negotiating or performing federal contracts. The Complaint further alleged that Haworth, Inc. has been the recipient of federal contracts and grants dating back to at least 2001, and contributed \$10,000 to Outsider PAC, an independent expenditure only committee, on July 18, 2018.

On August 21, 2018, counsel to Haworth, Inc., filed a *sua sponte* submission stating that it requested a full refund of its contribution to Outsider PAC. Haworth, Inc., indicated that it was unaware that the FECA prohibited a federal contractor from making this contribution, and relied on the solicitation from Outsider PAC that corporations were permitted to make contributions, due to its status as an independent expenditure only committee. Haworth, Inc., indicates it has taken steps to ensure that an error of this nature will not occur in the future, including providing additional education to staff and ensuring that all donation requests of any kind are processed through the legal department.

In a response from Outsider PAC's counsel dated October 18, 2018, the Committee contends that "the PAC could not have committed any violation simply by receiving the contribution from Haworth. Instead, the only way the PAC could have violated the Act is if it knowingly solicited the contribution from Haworth. There are no facts alleged in the Compliant that the PAC knew Haworth was a federal contractor." Outsider PAC states that the contribution was returned within forty-eight hours of notification that the contribution was prohibited.