



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 9, 2019

Michael Bell  
Hogan Lovells LLP  
555 13<sup>th</sup> Street, NW  
Washington, DC 20004

Re: ADR 895 (MUR 7480)  
Haworth, Inc.  
Outsider PAC and Julie Dozier, Treasurer

Dear Michael Bell:

On August 16, 2018, the Federal Election Commission (FEC/Commission) received a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and take no action against the Respondents, Haworth, Inc., Outsider PAC, and Julie Dozier, Treasurer. In its memorandum to the Commission, dated June 10, 2019, this office stated:

**Summary and Analysis of Case:** Campaign Legal Center ("Complainant") filed a Complaint, dated August 16, 2018, alleging that Haworth, Inc. ("Respondent Haworth"), a federal contractor, made a \$10,000 contribution to Outsider PAC (the "Committee"), an independent expenditure-only political committee, in violation of the Federal Election Campaign Act of 1971, as amended (the "Act" or the "FECA").

Respondent Haworth filed a *sua sponte* submission, dated August 21, 2018, stating that it was brought to the attention of Haworth, Inc. executives on August 16, 2018, that the \$10,000 contribution to Outsider PAC, dated July 18, 2018, violated the FECA's prohibition on federal contractors making contributions to political committees. The *sua sponte* submission states that after an internal investigation was conducted, Respondent Haworth requested a full refund from the Committee. The full refund was received from the Committee on August 17, 2018. The refund check, dated August 16, 2018, is provided along with the *sua sponte* submission.

The Act prohibits federal contractors from "directly or indirectly" making a contribution to any political party, political committee, federal candidate, or "any

person for any political purpose or use.”<sup>1</sup> In their response to the Complaint, Respondent Haworth states that they were unaware of the prohibition as it related to independent expenditure-only political committees. They also state in part that 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.” As a measure to ensure future compliance with the FECA, Respondent Haworth has conducted education to ensure that its employees involved in the contribution approval process obtain the approval of the company’s legal department beforehand.

In addition, the Act prohibits any person from knowingly soliciting such a contribution from any person who is negotiating or performing a contract with the United States government.<sup>2</sup> In the Committee’s response to the Complaint, they state that they were unaware that Respondent Haworth was a federal contractor, and thus the Committee did not knowingly solicit a contribution from a federal contractor in violation of the law. Moreover, the response states that the Committee’s donor forms, which are required for all contributions, instruct federal contractors to seek the advice of counsel as to whether they are permitted to make contributions under federal law.

If a committee treasurer deposits a contribution that appears to come from a federal contractor, the treasurer has thirty days to refund the contribution after using best efforts to determine the legality of the contribution. If a committee treasurer deposits a contribution that does not appear to come from a federal contractor, but the treasurer “later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit,” the treasurer shall refund the contribution within thirty days of the date the illegality was discovered.<sup>3</sup> The contribution from Respondent Haworth was made on July 18, 2018 and refunded by the Committee via a check, dated August 16, 2018, within 30 days of receipt and the same day as notification of Respondent Haworth’s federal contractor status. The Committee had enough funds in their account at the time of receipt to cover both the refund and any expenses that were made during the reporting period.<sup>4</sup>

Because of the timing of the refund, the Committee’s lack of awareness of Respondent Haworth’s federal contractor status, and the remedial action undertaken by Respondent Haworth, the ADR Office recommends that the Commission exercise its prosecutorial discretion and dismiss the matter. *Heckler v. Chaney. Id*

Accordingly, the Commission closed its file in this matter on July 2, 2019.

The FEC is obligated by federal regulations to make a finding to terminate its proceedings public, as well as the basis therefore. 11 C.F.R. § 111.20. In addition, the Commission will also place on the record copies of the complaint, correspondence

<sup>1</sup> 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2(a).

<sup>2</sup> 52 U.S.C. § 30119(a)(2); 11 C.F.R. § 115.2(c).

<sup>3</sup> 11 CFR §103.3(b).

<sup>4</sup> See 11 CFR §103.3(b)(4).

exchanged between Respondents and the Commission, and reports prepared for the Commission by this office to assist in its consideration of this matter. Accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 52 U.S.C. § 30109(a)(8).

Sincerely,

A handwritten signature in black ink, appearing to read "K. Roche", with a stylized flourish at the end.

Krista J. Roche, Director  
Alternative Dispute Resolution Office



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 9, 2019

Derek Ross  
Clark Hill PLC  
1001 Pennsylvania Ave. NW Suite 1300 South  
Washington, DC 20004

Re: ADR 895 (MUR 7480)  
Haworth, Inc.  
Outsider PAC and Julie Dozier, Treasurer

Dear Derek Ross:

On August 16, 2018, the Federal Election Commission (FEC/Commission) received a complaint alleging violations of the Federal Election Campaign Act of 1971, as amended.

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