



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 30, 2021

Megan Newton
51 Louisiana Avenue, NW
Washington, DC 20001

Re: ADR 990 (623)
Friends of Dave Joyce and Mrs. Natalie K. Baur, Treasurer (C00527457)

Dear Megan Newton:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on June 23, 2021 – 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.

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,

A handwritten signature in black ink that reads "Rosa Marshall".

Rosa Marshall
Assistant Director
Alternative Dispute Resolution Office

Enc: Payment Instructions
Compliance Chart
Negotiated Settlement

ADRO Civil Penalty Payment Instructions

You may remit payment by credit card, debit card, or ACH withdrawal from your bank account through Pay.gov, the federal government's secure portal for online collections. Visit www.fec.gov/adrpayment to be directed to Pay.gov's FEC ADR Payment form.

Unpaid Civil Penalties

Unpaid civil money penalties will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 et seq. If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact you to request payment. Treasury currently charges a fee of 30% of the civil money penalty amount for its collection services. If the age of the debt is greater than or equal to two years old, Treasury will charge a fee of 32% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

ADR 990 Compliance Chart

Type	Date Due
<p>Certify that the internal control procedures consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at www.fec.gov/pages/brochures/bestpractices.shtml) have been followed consistently for two (2) years from the effective date of this agreement.</p>	6/23/2022
<p>Certify that the internal control procedures consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at www.fec.gov/pages/brochures/bestpractices.shtml) have been followed consistently for two (2) years from the effective date of this agreement.</p>	6/23/2023



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Case Number: ADR 990
Source: P-MUR 623
Case Name: Friends of Dave Joyce

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 Federal Election Commission (Commission) entered into negotiations with Megan Sowards Newton, Esq. representing Friends of Dave Joyce and Natalie Baur, in the official capacity of 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. Respondents filed a *sua sponte* submission dated February 15, 2019, and a supplement to the *sua sponte* dated October 10, 2019 (collectively, the Submission), to disclose that the former treasurer¹, embezzled \$174,952.40 from the Committee between January 1, 2015 and November 30, 2018, resulting in the Committee filing inaccurate reports with the FEC.
4. Treasurers of political committees are required to report all financial activity, including all receipts and disbursements, pursuant to the FECA. 52 U.S.C. §§ 30104(b)(2) and (4), 11 C.F.R. §§ 104.3(a) and (b).
5. In the Submission, Respondents state that in response to the embezzlement, a comprehensive financial audit was performed by a professional auditor and a new treasurer has been appointed. In addition, Respondents state that the Committee implemented additional internal controls to help prevent future instances of malfeasance and misappropriation. The Geauga County (Ohio) Prosecutor's Office,

¹ The former treasurer is disclosed as the treasurer on the Committee's Statement of Organization from August 20, 2012 to December 12, 2018.

conducted a criminal investigation and on August 29, 2019, the former treasurer plead guilty to a grand theft charge and was sentenced to 30 days in jail.

6. The Committee filed a Form 99 (Miscellaneous Electronic Submission) on August 29, 2019 summarizing the fraudulent activities attributable to the former treasurer and provided itemized transaction information that was either previously not reported or underreported. On October 15, 2019, the Committee filed its 2019 October Quarterly Report and disclosed a cash-on-hand adjustment totaling \$4,695.31. In the report, Respondents state that the cash-on-hand adjustment is due to the findings of its comprehensive financial audit.
7. Respondents, in an effort to avoid similar errors in the future, agree to: certify that the internal control procedures consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at www.fec.gov/pages/brochures/bestpractices.shtml) have been followed consistently for two (2) years from the effective date of this agreement.
8. 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.
9. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance. Unpaid civil money penalties are subject to the Debt Collection Act of 1982 as amended by the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. § 3701 et seq. The Commission will transfer debt to the United States Department of the Treasury (Treasury) for collection.
10. 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 7 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.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 990 (P-MUR 623), 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:

Rosa Marshall, Assistant Director
Alternative Dispute Resolution Office

Rosa Marshall

6/23/2021

Date Signed

FOR THE RESPONDENTS:

Megan Sowards Newton

Megan Sowards Newton, Esq.
Representing Friends of Dave Joyce and
Natalie Baur, Treasurer

6/3/21

Date Signed