



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 21, 2016

VIA ELECTRONIC AND FIRST CLASS MAIL

Michael E. Toner, Esq.
Wiley Rein LLP
1776 K Street, N.W.
Washington, D.C. 20006

RE: MUR 6816
Americans for Job Security

Dear Mr. Toner:

On June 16, 2016, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30104(c)(2)(C) and 11 C.F.R. § 109.10(e)(1)(vi). Accordingly, the file has been closed in this matter as it pertains to Americans for Job Security.

The Commission reminds you that the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 60 days of the effective date of the conciliation agreement. If you have any questions, please contact me at (202) 694-1530.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jin Lee".

Jin Lee
Attorney

Enclosure
Conciliation Agreement

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FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)
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Americans for Job Security)
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MUR 6816
OFFICE OF GENERAL
COUNSEL

CONCILIATION AGREEMENT

This matter was generated by a complaint filed with the Federal Election Commission ("Commission"). The Commission found reason to believe that Americans for Job Security ("AJS") violated 52 U.S.C. § 30104(c)(2)(C) and 11 C.F.R. § 109.10(e)(1)(vi) by failing to disclose that the Center to Protect Patient Rights ("CPPR") provided funds for the purpose of furthering independent expenditures in connection with the 2010 federal elections.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).
- II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondents enter voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:

FACTUAL BACKGROUND

1. AJS is non-profit corporation organized under section 501(c)(6) of the Internal Revenue Code ("IRC"). In 2010, AJS sponsored \$4,406,901.63 in independent expenditures in connection with federal elections for the House of Representatives.

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2. CPPR is a non-profit corporation organized under section 501(c)(4) of the IRC.

As part of a consulting agreement, Sean Noble served as CPPR's Executive Director in 2009 and 2010. CPPR changed its name to American Encore in February 2014. In 2010, CPPR provided a total of \$4,800,000 in grants to AJS. CPPR provided those funds in installments throughout the year as AJS sponsored independent expenditures.

3. Noble is also the owner and sole member of Noble Associates. Noble Associates served as a subcontractor to media firms that AJS retained to help produce and develop advertising that targeted certain candidates for the House of Representatives in 2010.

4. Between November 1, 2008 and October 31, 2010, AJS received a total of \$16,016,137 in dues from hundreds of members, including \$11,216,137 in dues from sources other than CPPR.

5. AJS spent \$4,506,513.63 for advertisements targeting candidates for the 2010 House of Representatives races. Using the average cost method, AJS determined that from an accounting perspective it spent \$2,291,060.23 on independent expenditures in 2010 with funds that CPPR had provided while Noble served as its Executive Director.

6. As described in the Commission's Factual and Legal Analysis, the available information, including Noble's own statements, reflects that Noble helped AJS produce advertisements opposing certain candidates running for the House of Representatives in 2010. That information indicates that Noble helped to determine AJS's advertisement placement strategy in his capacity as the sole owner of Noble Associates. In that role, Noble identified specific candidates for AJS to target, played a role in approving the content of AJS's advertisements, and learned how AJS would use the funds that CPPR provided AJS to further specific advertisements. Thus, as Executive Director of CPPR and as the sole owner of Noble Associates, a subcontractor to AJS's media vendors, Noble simultaneously provided funds

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through CPPR for AJS's independent expenditure campaign in 2010 while helping to produce and target those independent expenditure advertisements through his firm, Noble Associates.

7. The available information reflects that Noble both funded and provided media services in connection with \$2,291,060.23 of AJS's independent expenditures in 2010.

AJS did not report that CPPR provided funds for the purpose of furthering those independent expenditures when AJS filed its independent expenditure reports with the Commission in 2010.

8. AJS contends that during 2009 and 2010, AJS's board of directors and professional staff supervised the work of its various media vendors and ultimately made the final decisions concerning the content, timing, and placement of all AJS advertising, including its independent expenditures. AJS contends that AJS did not directly pay, retain, or contract with Noble or Noble Associates to provide services to AJS during 2010, including in connection with AJS's independent expenditures. AJS contends that although CPPR's dues payments constituted an appreciable portion of AJS's receipts during the 2010 election cycle, CPPR's dues payments were not so large that AJS lacked funds from other supporters to pay for its independent expenditures disseminated during 2009 and 2010.

9. AJS contends that it has a longstanding, strict policy of not soliciting or accepting dues payments or donations that are earmarked, designated, or otherwise encumbered for any particular program or activity, including independent expenditures. AJS further contends that, in accordance with that policy, AJS did not make any solicitations specifically or generally requesting dues or donations to pay for independent expenditures during 2009 and 2010.

LAW

10. The Federal Election Campaign Act of 1971, as amended (the "Act") requires persons, other than political committees, to report independent expenditures that exceed \$250 during a calendar year. 52 U.S.C. § 30104(c)(1). Such a report must include, among other

information, "the identification of each person who made a contribution in excess of \$200 to the person filing such statement which was made for the purpose of furthering an independent expenditure." *Id.* § 30104(c)(2)(C).

11. The Commission's implementing regulation provides that an independent expenditure report must include "[t]he identification of each person who made a contribution in excess of \$200 to the person filing such report which contribution was made for the purpose of furthering the reported independent expenditure." 11 C.F.R. § 109.10(e)(1)(vi).

V. The Commission found reason to believe that AJS violated 52 U.S.C. § 30104(c)(2)(C) and 11 C.F.R. § 109.10(e)(1)(vi) by failing to disclose CPPR as a donor in its independent expenditure reports. Solely in the interest of resolving this matter, and without admitting or conceding any violation of law, Respondent agrees to take the following actions:

1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of forty-three thousand dollars (\$43,000) pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will comply with 52 U.S.C. § 30104(c)(2)(C) and 11 C.F.R. § 109.10(e)(1)(vi) in the future.

3. In consultation with the Reports and Analysis Division, Respondent will amend its disclosure reports to reflect CPPR as a donor with respect to the relevant independent expenditures.

VI. The Commission, on request of anyone filing a complaint under 52 U.S.C § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

VIII. Except as otherwise provided, Respondents shall have no more than 60 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Kathleen Guith
Kathleen Guith
Acting Associate General Counsel
For Enforcement

6-21-16
Date

FOR THE RESPONDENT:

Paul E. Tan
Americans for Job Security

4/22/16
Date

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