



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 23, 2022

VIA EMAIL AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

smcphail@citizensforethics.org

Noah Bookbinder
Citizens for Responsibility and Ethics in Washington
1331 F St NW, Suite 900
Washington, DC 20004

RE: MUR 7058
(Duncan D. Hunter for Congress, *et al.*)

Dear Mr. Bookbinder:

This is in reference to the complaint you filed with the Federal Election Commission on April 29, 2016, concerning Duncan D. Hunter for Congress, *et al.* The Commission found that there was reason to believe that Duncan D. Hunter for Congress and Chris Marston in his official capacity as treasurer (the "Committee") violated 52 U.S.C. § 30114(b) and 30104(b)(6)(A), provisions of the Federal Election Campaign Act of 1971. The Commission also found that there was reason to believe that Duncan Hunter and Margaret Hunter violated 52 U.S.C. § 30114(b). On December 16, 2021, a signed conciliation agreement with the Committee was accepted by the Commission. On February 15, 2022, a signed conciliation agreement with Duncan and Margaret Hunter was accepted by the Commission. Accordingly, the Commission closed the file in this matter on February 15, 2022.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Copies of the agreements with the Committee and Duncan and Margaret Hunter are enclosed for your information.

If you have any questions, please contact me at (202) 694-1021.

Sincerely,

Richard L. Weiss

Richard L. Weiss
Attorney

Enclosures
Conciliation Agreements

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MURs 7058, 7228 & 7233
Duncan D. Hunter for Congress and)	
Chris Marston in his official capacity)	
as treasurer)	
)	

CONCILIATION AGREEMENT

These matters were initiated by signed, sworn, and notarized complaints with the Federal Election Commission (the “Commission”). The Commission found reason to believe that Duncan D. Hunter for Congress and Chris Marston in his official capacity as treasurer (the “Committee” or “Respondent”) violated 52 U.S.C. § 30114(b) by converting Committee funds to personal use. The Commission further found reason to believe that the Committee violated 52 U.S.C. § 30104(b)(6)(A) by failing to accurately report disbursements.

NOW, THEREFORE, the Commission and 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Duncan D. Hunter served as a Member of Congress, representing California's 52nd congressional district from 2009 to 2013 and California's 50th congressional district from 2013 until his resignation on January 13, 2020.
2. Duncan D. Hunter for Congress is Hunter's principal campaign committee, and Chris Marston is the Committee's treasurer.
3. Margaret Hunter, Duncan D. Hunter's wife, served as campaign manager and received a salary from the Committee for "campaign consulting" and "campaign management services."
4. In related criminal proceedings, the Hunters admitted that beginning no later than 2010, and continuing up to and including at least 2016, there was "agreement between [Duncan and Margaret Hunter] to knowingly and willfully convert Campaign funds to personal use by using them to fulfill personal commitments, obligations, and expenses that would have existed irrespective of [Duncan Hunter's] election campaign and duties as a federal officeholder." Plea Agreement at 2:1, *United States v. Duncan D. Hunter*, 3:18-cr-3677 (S.D. Cal. Dec. 3, 2019), ECF No. 113 ("Duncan Hunter Plea Agreement"); Plea Agreement at 2:1, *United States v. Margaret E. Hunter*, 3:18-cr-3677 (S.D. Cal. June 13, 2019), ECF No. 34 ("Margaret Hunter Plea Agreement"). The Hunters admitted that they illegally converted more than \$150,000 in Campaign funds to purchase goods and services for their personal use and enjoyment. Duncan Hunter Plea Agreement at 4:6; Margaret Hunter Plea Agreement at 12:18. The Hunters further admitted to concealing the personal nature of their spending by "either falsely stating the expenses were 'campaign related' or by falsely reporting the item or service

purchased when providing information to the Treasurer.” Duncan Hunter Plea Agreement at 3:4; Margaret Hunter Plea Agreement at 5:12.

V. The pertinent law in this matter is as follows:

1. The Act provides that campaign funds “shall not be converted by any person to personal use,” and defines personal use as using funds “to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate’s election campaign or individual’s duties as holder of Federal office.” 52 U.S.C. § 30114(b).

2. The Commission’s implementing regulation enumerates types of disbursements that are *per se* personal use. 11 C.F.R. § 113.1(g)(1)(i). For all other disbursements, the regulation provides that the Commission shall determine on a case-by-case basis whether a given disbursement is personal use by applying the “irrespective test” formulated in the statute. *Id.* § 113.1(g)(1)(ii).

3. Political committees are required to disclose the name and address of each person who has received a disbursement in an aggregate amount or value in excess of \$200 within the calendar year or election cycle, in the case of an authorized committee, together with the date, amount, and purpose of any such disbursement. 52 U.S.C. § 30104(b)(6)(A); 11 C.F.R. § 104.3(b)(4). Commission regulations state that reportable disbursements must include a “purpose,” defined as “a brief statement or description of why the disbursement was made.” 11 C.F.R. § 104.3(b)(4)(i)(A).

VI. Respondent admits to the following violations of the Act:

1. Duncan D. Hunter and Margaret Hunter, as agents of the Committee, caused the Committee to knowingly and willfully violate 52 U.S.C. § 30114(b) by converting Committee funds to personal use.

2. As a result of the false information the Hunters supplied to the treasurer about the nature of their expenses, the Committee knowingly and willfully violated 52 U.S.C. § 30104(b)(6)(A) by failing to accurately report disbursements.

VII. Respondent will take the following actions:

1. The Committee will pay a civil penalty to the Commission in the amount of Four Thousand Dollars (\$4,000), pursuant to 52 U.S.C. § 30109(a)(5)(B).

2. The Committee will amend the relevant disclosure reports in accordance with instructions from the Commission's Reports Analysis Division to address the violations of 52 U.S.C. § 30104(b)(6)(A) as described in this Agreement.

3. Respondent will cease and desist from violating 52 U.S.C. §§ 30104(b)(6)(A) and 30114(b). In ordinary circumstances, the Commission would seek a substantially higher civil penalty of \$133,000 based on the violations outlined in this agreement that remain within the statute of limitations. However, the Commission is taking into account the fact that the Committee has demonstrated a lack of financial resources and the inability to raise additional funds, which together prevent it from paying a more substantial civil penalty in this matter. On the Committee's October 2021 Quarterly Report, the Committee reported \$14,000.19 cash on hand and \$39,941.96 in outstanding debts owed by the Committee. The Commission has also taken into consideration the Committee's expressed intention to terminate upon the final resolution of this matter. If the Committee receives additional funds in excess of its current outstanding debts, those amounts shall be payable to the Commission for the balance of its civil penalty. In the event that the Committee terminates, and subsequently receives restitution checks, the Committee agrees to put in place the necessary mechanisms so that any such payments are signed over to the United States Treasury and mailed to the Commission.

VIII. 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.

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

X. Respondent shall have no more than 30 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.

XI. 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

MURs 7058, 7228 & 7233 (Duncan D. Hunter for Congress, *et al.*)
Conciliation Agreement
Page 6 of 6

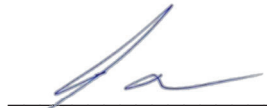
oral, made by either party or by agents of either party, that is not contained within this written Agreement shall be enforceable.

FOR THE COMMISSION:

BY: Charles Kitcher
Charles Kitcher
Acting Associate General Counsel
for Enforcement

12-21-21
Date

FOR THE RESPONDENT:


Jason Torchinsky
Counsel for Duncan D. Hunter for Congress
and Chris Marston in his official
capacity as treasurer

Nov. 10, 2021
Date

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MURs 7058, 7228 & 7233
)	
Duncan D. Hunter)	
Margaret Hunter)	
)	

CONCILIATION AGREEMENT

These matters were initiated by signed, sworn, and notarized complaints with the Federal Election Commission (the “Commission”). The Commission found reason to believe, but not yet probable cause to believe, that Duncan D. Hunter and Margaret Hunter (collectively, “Respondents”) violated 52 U.S.C. § 30114(b) by converting campaign funds to personal use.

NOW, THEREFORE, the Commission and Respondents, 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 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 of this matter are as follows:

1. Duncan D. Hunter served as a Member of Congress, representing California’s 52nd Congressional District from 2009 to 2013 and California’s 50th Congressional District from 2013 until his resignation on January 13, 2020.

2. Duncan D. Hunter for Congress (the “Committee”) is Duncan D. Hunter’s principal campaign committee, and Chris Marston is the treasurer of the Committee.

3. Margaret Hunter was Duncan D. Hunter’s wife, served as campaign manager, and received a salary from the Committee for campaign consulting and campaign management services.

4. On March 17, 2020 and August 24, 2020, the U.S. District Court, Southern District of California, dismissed counts charging criminal violations of 52 U.S.C. § 30114(b), which were made against Respondents in federal case number 18-CR-1677--W, for the same expenditures as in the present Matters Under Review. The parties agree that this Conciliation Agreement and any civil penalty thereunder are not intended by either party to, in any way, waive, set aside, or alter the dismissal of the 52 U.S.C. § 30114(b) counts in case number 18-CR-1677--W, nor do they constitute an admission of those charges, nor revive said dismissed charges, nor serve as a basis for any other charges related to said case.

5. Respondents contend that many of the alleged violations are attributable to the nature of a tight-knit, family-run campaign. Respondents further contend that many of the alleged personal disbursements were repaid to the campaign and many of the expenses at issue were in fact in compliance with 52 U.S.C. § 30114(b) and its implementing regulations, as interpreted by the Commission in past Matters Under Review. Respondents have provided detailed explanations that many of the disbursements in question were for dinners and other events that involved documented contributors to Duncan D. Hunter’s campaign indicating they were valid campaign expenses, but admit that in some instances records that would clearly establish the campaign purpose for the expenditures are either absent or inadequate. Therefore, Respondents enter into this Conciliation Agreement and accept non-knowing and willful liability

for non-compliance with the civil provisions of 52 U.S.C. § 30114(b), which prohibits the conversion of campaign funds to personal use.

V. The pertinent law in this matter is as follows:

1. The Act provides that campaign funds “shall not be converted by any person to personal use,” and defines personal use as using funds “to fulfill any commitment, obligation or expense of a person that would exist irrespective of the candidate’s election campaign or individual’s duties as holder of Federal office.” 52 U.S.C. § 30114(b).

2. The Commission’s implementing regulation enumerates types of disbursements that are *per se* personal use. 11 C.F.R. § 113.1(g)(1)(i). For all other disbursements, the regulation provides that the Commission shall determine on a case-by-case basis whether a given disbursement is personal use by applying the “irrespective test” formulated in the statute. *Id.* § 113.1(g)(1)(ii).

VI. Solely for the purpose of settling this matter only and without admitting liability in this matter or with respect to any other proceeding, Respondents agree not to contest the Commission’s findings. Respondents will pay a civil penalty to the Commission in the amount of twelve thousand dollars (\$12,000).

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters 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.

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

IX. Respondents shall have no more than 90 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.

X. 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 within this written Agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson
 Acting General Counsel

BY:

Charles Kitcher

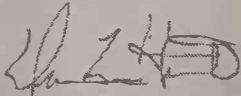
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 Kitcher
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Charles Kitcher
 Associate General Counsel
 for Enforcement

2-22-22

Date

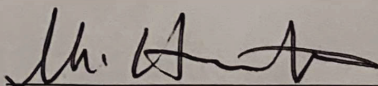
FOR THE RESPONDENTS:



Duncan Lee Hunter
 Counsel for Duncan D. Hunter

12-16-2021

Date



Margaret Hunter

12-23-2021

Date