



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AUG 31 2018

Adam Burke

Des Moines, IA 50310

RE: MUR 7068
Mowrer for Iowa, *et al.*

Dear Mr. Burke:

This is in reference to the complaint you filed with the Federal Election Commission on May 18, 2016. The Commission found that there was reason to believe James Mowrer and Mowrer for Iowa and Dennis Skinner in his official capacity as treasurer violated 52 U.S.C. § 30114(b)(1), a provision of the Federal Election Campaign Act of 1971, as amended. On August 27, 2018, a conciliation agreement signed by the respondents was accepted by the Commission.

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). A copy of the agreement is enclosed for your information.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Christine C. Gallagher".

Christine C. Gallagher
Attorney

Enclosure
Conciliation Agreement

OFFICE OF
GENERAL COUNSEL
BEFORE THE FEDERAL ELECTION COMMISSION

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2
3 In the Matter of

4)
5 James Mowrer)
6 Mowrer for Iowa and Dennis Skinner in his)
7 official capacity as treasurer)
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MUR 7068

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CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Adam Burke.

The Federal Election Commission ("Commission") found reason to believe that Mowrer for Iowa and Dennis Skinner in his official capacity as treasurer (the "Committee") and James Mowrer (collectively "Respondents") violated 52 U.S.C. § 30114(b)(1).

NOW, THEREFORE, the Commission and the 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 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:

1. James Mowrer was a candidate for United States Congress in the 4th Congressional District of Iowa in 2014.

2. Mowrer for Iowa is the principal campaign committee for James Mowrer within the meaning of 52 U.S.C. § 30101(5). Dennis Skinner is the treasurer of Mowrer for Iowa.

1 3. A contribution accepted by a candidate may be used by the candidate for otherwise
2 authorized expenditures in connection with the candidate's campaign for Federal office.

3 52 U.S.C. § 30114(a)(1). A contribution shall not be converted by any person to personal use.

4 52 U.S.C. § 30114(b)(1). A contribution shall be considered to be converted to personal use if
5 the contribution or amount is used to fulfill any commitment, obligation, or expense of a person
6 that would exist irrespective of the candidate's election campaign or individual's duties as a
7 holder of Federal office. 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g)(1)(i) and (ii).

8 4. A candidate's principal campaign committee may pay a salary to a candidate in
9 accordance with 11 C.F.R. § 113.1(g)(1)(i)(I). A candidate may receive salary payments that do
10 not exceed the lesser of the minimum salary paid to a Federal officeholder holding the Federal
11 office that the candidate seeks or the earned income that the candidate received during the year
12 prior to becoming a candidate, but any earned income that the candidate receives from salaries or
13 wages from any other source shall count against the minimum salary paid to a Federal
14 officeholder holding the seat sought by the candidate. *Id.* The committee shall not pay salary to
15 a candidate before the filing deadline for access to the primary election ballot for the Federal
16 office that the candidate seeks, as determined by state law. *Id.* During the time period which a
17 principal campaign committee may pay a salary to a candidate, such payment must be computed
18 on a pro-rata basis. *Id.* If the candidate wins the primary election, his or her principal campaign
19 committee may pay him or her a salary from campaign funds through the date of the general
20 election. *Id.* Any amount paid for salary paid by an authorized committee to a candidate that
21 does not meet these conditions is considered to be prohibited personal use of campaign funds by

1 the candidate and must be refunded in full to the committee. See 52 U.S.C. § 30114(b)(1);
2 11 C.F.R. § 113.1(g)(1)(i)(I).

3 5. James Mowrer filed a Statement of Candidacy on July 1, 2013, designating Mowrer
4 for Iowa as his principal campaign committee for election in Iowa's 4th Congressional District.
5 The filing deadline for ballot access in the primary election was March 14, 2014. Mowrer won
6 the Democratic primary election on June 3, 2014, but lost the general election on November 4,
7 2014.

8 6. From June 2, 2014, through December 5, 2014, the Committee made a total of
9 \$23,500 in salary payments to James Mowrer, as follows:

Date	Salary Payment
June 2, 2014	\$1,000
June 18, 2014	\$1,000
July 2, 2014	\$1,000
July 18, 2014	\$1,000
August 1, 2014	\$1,500
August 18, 2014	\$1,500
September 3, 2014	\$1,500
September 17, 2014	\$2,500
October 3, 2014	\$2,500
October 17, 2014	\$2,500
November 3, 2014	\$2,500
November 15, 2014	\$2,500
December 5, 2014	\$2,500
TOTAL:	\$23,500

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11 The Committee reported these payments on its 2014 Amended July Quarterly, 2014 Amended
12 October Quarterly, 2014 Second Amended 12-Day Pre-General, 30-Day Post-General, and 2014
13 Amended Year-End Reports, each of which was filed with the Commission.

14 7. The Committee's November 15, 2014, salary payment of \$2,500 to Mowrer covered
15 November 1 through November 15, 2014. A portion of that salary payment, covering

1 November 1 through November 4, 2014, the day of the general election, when Mowrer was a
2 candidate, equals \$666.68 ($\$2,500.00 \div 15 \text{ days} = \166.67 per day) ($\$166.67 \times 4 \text{ days} =$
3 $\$666.68$). The remainder of that salary payment, covering November 5 through November 15,
4 2014, when Mowrer was no longer a candidate, equals \$1,833.32 [$\$2,500.00 - \666.68].

5 8. The Committee's December 5, 2014, salary payment of \$2,500.00 to Mowrer covered
6 November 16 through November 30, 2014, when he was no longer a candidate.

7 9. The Committee paid salary to Mowrer totaling \$4,332.32 when he was no longer a
8 candidate [$\$1,833.32 + \$2,500.00$].

9 10. On May 16, 2016, Mowrer refunded \$2,028.78 in salary payments to the Committee.

10 11. From October 18, 2013, through September 7, 2014, the Committee made a total of
11 \$7,462.65 in disbursements to James Mowrer reimbursing him for his health insurance
12 premiums, as follows:

Date	Health Insurance Premium Reimbursement
October 18, 2013	\$1,381.45
December 13, 2013	\$1,381.45
January 3, 2014	\$1,381.45
February 14, 2014	\$1,898.15
September 7, 2014	\$1,420.15
TOTAL:	\$7,462.65

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14 The Committee reported these disbursements on its 2013 Amended Year-End, 2014 Amended
15 April Quarterly, and 2014 Amended October Quarterly Reports, each of which was filed with the
16 Commission. All of the reimbursements to Mowrer for health insurance premiums are an
17 expense that would exist irrespective of his campaign.

1 12. Respondents contend that they did not intend to violate the Act or Commission
2 regulations, and that they believed, in good faith, that all salary and insurance premium
3 reimbursements were permissible.

4 V. Respondents violated 52 U.S.C. § 30114(b)(1) by using Committee funds to make
5 \$4,333.32 in salary payments to James Mowrer after he ceased to be a candidate and to
6 reimburse him for \$7,462.65 in expenses that would have existed irrespective of his campaign.
7 Respondents will cease and desist from violating 52 U.S.C. § 30114(b)(1).

8 VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the
9 amount of Three Thousand Dollars (\$3,000), pursuant to 52 U.S.C. § 30109(a)(5)(A). The
10 Committee will pay Two Thousand Dollars (\$2,000) of the civil penalty and James Mower will
11 pay the remaining One Thousand Dollars (\$1,000).

12 2. In ordinary circumstances, the Commission would seek a higher civil penalty
13 based on the violations outlined in this agreement. However, based on representations by the
14 Respondents, including submission of financial documentation, the Commission is taking into
15 account that the Committee has very little cash on hand and limited ability to raise additional
16 funds, and that James Mowrer's present financial circumstances are that he has limited ability to
17 pay a significant civil penalty. In reliance on Respondents' representations and documentation,
18 the Commission has agreed to a significantly lowered civil penalty than it would for the
19 violations at issue. If evidence is uncovered indicating Respondents' financial condition is not as
20 stated, a total civil penalty of up to Eight Thousand Dollars (\$8,000) shall be immediately due,
21 pursuant to 52 U.S.C. § 30109(a)(5)(A). The Committee will pay Four Thousand Dollars
22 (\$4,000) and James Mowrer will pay Four Thousand Dollars (\$4,000).

1 VII. The Commission, on request of anyone filing a complaint under 52 U.S.C.
2 § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review
3 compliance with this agreement. If the Commission believes that this agreement or any
4 requirement thereof has been violated, it may institute a civil action for relief in the United States
5 District Court for the District of Columbia.

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

8 IX. Respondents shall have no more than 30 days from the date this agreement becomes
9 effective to comply with and implement the requirements contained in this agreement and to so
10 notify the Commission.

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

15 FOR THE COMMISSION:

16 Lisa J. Stevenson
17 Acting General Counsel

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19
20 BY: Kathleen M. Guith
21 Kathleen M. Guith
22 Associate General Counsel for Enforcement

8/30/18
Date

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24 FOR THE RESPONDENTS:

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26
27 Neil P. Reiff
28 Name:
29 Position: Neil P. Reiff, Esq.
Counsel for Respondents

7/23/18
Date