



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Kelly Lawler
The KAL Group
9460 Tegner Road
Hilmar, CA 95324

SEP 22 2016

RE: MUR 7085
State Tea Party Express

Dear Ms. Lawler:

On September 21, 2016, the Federal Election Commission accepted the signed conciliation agreement that you submitted on behalf of the State Tea Party Express, in settlement of violations of 52 U.S.C. § 30104(c) and 11 C.F.R. § 109.10(b) and (e). Accordingly, the file has been closed in this matter.

Documents related to this matter will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). Information derived in connection with the conciliation process will not become public without the written consent of the respondent and the Commission. See 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1302.

Sincerely,

Rachel A. Flipse
Attorney

Enclosure
Conciliation Agreement

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COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)
State Tea Party Express)

MUR 7085

OFFICE OF GENERAL

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that State Tea Party Express ("Respondent") violated 52 U.S.C. § 30104(c) and 11 C.F.R. § 109.10(b) and (e), provisions of the Federal Election Campaign Act of 1971, as amended, ("the Act") and the Commission's regulations.

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 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. Respondent is registered with the IRS as a 501(c)(4) social welfare organization.

2. Respondent is not registered with the Commission as a political committee and,

therefore, does not file regular disclosure reports with the Commission.

3. An independent expenditure is an expenditure that expressly advocates the election or defeat of a clearly identified Federal candidate and that is not made in concert or cooperation with, or at the request or suggestion of, the candidate or his or her committee or agent. 52 U.S.C. § 30101(17).

4. Entities that are not political committees within the meaning of the Federal Election Campaign Act of 1971, as amended (the "Act"), must file disclosure reports with the Commission when they make independent expenditures that meet certain aggregate thresholds. The timing and threshold for the required report depends on when the entity makes the independent expenditures during the election cycle. Specifically, if the entity makes independent expenditures aggregating \$10,000 or more within a calendar year with respect to a given election any time prior to the 20th day before the election, the entity must file a 48-Hour Report disclosing those expenditures. 52 U.S.C. § 30104(g)(2); 11 C.F.R. § 109.10(c). If the entity makes independent expenditures aggregating \$1,000 or more with respect to a given election after the 20th day before the date of an election, but more than 24 hours before the date of an election, the entity must file a 24-Hour Report disclosing those expenditures. 52 U.S.C. § 30104(g)(1); 11 C.F.R. § 109.10(d).

5. In addition, entities that are not political committees within the meaning of the Act that spend in excess of \$250 on independent expenditures during a calendar year with respect to a given election must also file a quarterly report for any quarterly period in which the independent expenditures exceed \$250 and any subsequent quarterly period during that calendar year when additional independent expenditures are made. 11 C.F.R. § 109.10(b); *see also* 52 U.S.C. § 30104(c). Such reports must disclose the independent expenditures and contributions

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in excess of \$200 made for the purpose of furthering the reported independent expenditures. 52 U.S.C. § 30104(c)(1), (2); 11 C.F.R. § 109.10(e).

6. In April 2014, Respondent filed two 24-Hour Reports disclosing a total of \$106,137.99 in independent expenditures. Respondent did not file a July Quarterly Report for independent expenditures made during the corresponding quarterly reporting period of April 1, 2014 through June 30, 2014.

7. Respondent filed its overdue 2014 July Quarterly Report disclosing independent expenditures previously disclosed in its 24-Hour Reports on August 28, 2014. The report did not disclose any contributions received by Respondent.

8. Respondent filed an amended 2014 July Quarterly Report on March 4, 2015, which disclosed the receipt of \$111,000 in contributions made to further its reported independent expenditures.

9. Respondent failed to timely file its 2014 July Quarterly Report disclosing independent expenditures totaling \$106,137.99 and receipts totaling \$111,000.

V. Respondent violated 52 U.S.C. § 30104(c) and 11 C.F.R. § 109.10(b) and (e) by failing to timely file its 2014 July Quarterly Report.

VI. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of four thousand eight hundred dollars (\$4,800), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will cease and desist from violating 52 U.S.C. § 30104(c) and 11 C.F.R. § 109.10(b) and (e).

VII. 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

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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 same and the Commission has approved the entire agreement.

IX. 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.

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 in this written agreement shall be enforceable.

FOR THE COMMISSION:

Daniel A. Petalas
Acting General Counsel

BY: Kathleen Guith
Kathleen Guith
Acting Associate General Counsel
For Enforcement

9/21/16
Date

Kelly Lawler
Kelly Lawler
Treasurer, State Tea Party Express

8/1/16
Date

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