



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ronald M. Jacobs. Esq.
Venable LLP
600 Massachusetts Avenue, NW
Washington, DC 20001

SEP 11 2017

RE: MUR 7200
Joni for Iowa and
Cabell Hobbs in his
official capacity as treasurer

Dear Mr. Jacobs:

On August 31, 2017, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your client, Joni for Iowa and Cabell Hobbs in his official capacity as treasurer, in settlement of violations of 52 U.S.C. §§ 30104(b)(8), 30116(f), and 30118, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

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). Information derived in connection with any conciliation attempt 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) 694-1650.

Sincerely,

Roy Q. Lockett
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Joni for Iowa and
Cabell Hobbs in his
official capacity as treasurer

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MUR 7200

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CONCILIATION AGREEMENT

This matter was initiated pursuant to information ascertained by the Federal Election Commission (the "Commission") in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Joni for Iowa and Cabell Hobbs in his official capacity as treasurer ("Respondent" or the "Committee") violated 52 U.S.C. §§ 30104(b)(8), 30116(f), and 30118. Cabell Hobbs is solely named in this Agreement in his official capacity as the current treasurer of the Committee. He was not the treasurer during the relevant time period in this matter.

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:

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1. The Committee is a political committee within the meaning of 52 U.S.C. § 30101(4).

2. The Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations require political committees to disclose the amount and nature of outstanding debts and obligations until those debts are extinguished. 52 U.S.C. § 30104(b)(8); 11 C.F.R. §§ 104.3(d), 104.11(a). A political committee must file separate schedules for debts owed by and to the committee with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished. *See* 11 C.F.R. § 104.11(a). A debt or obligation of \$500 or less must be reported as of the time that payment is made or within sixty days of the date on which the political committee incurs the debt, whichever comes first, and a debt exceeding \$500 must be disclosed in the report that covers the date on which the debt was incurred. *See* 11 C.F.R. § 104.11(b). If the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate. *Id.* Once the exact amount is determined, the political committee shall either: (1) amend the report(s) containing the estimate; or (2) indicate the correct amount on the report for the reporting period in which such amount is determined. *Id.*

3. Under the Act, an individual may not make a contribution to a candidate with respect to any election in excess of the legal limit, which was \$2,600 per election during the 2014 election cycle. *See* 52 U.S.C. § 30116(a)(1)(A) and 11 C.F.R. § 110.1(b)(1). Candidates and political committees are prohibited from knowingly accepting excessive contributions. *See* 52 U.S.C. § 30116(f). When a committee receives an excessive contribution, the committee must, within 60 days of the contribution's receipt, either refund the excessive portion of the contribution or obtain a redesignation or reattribution from the contributor. *See* 11 C.F.R.

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§ 103.3(b)(3).

4. The Act also prohibits political committees from accepting contributions from the general treasury funds of corporations. *See* 52 U.S.C. § 30118. If a committee receives a contribution that appears to be prohibited, it must follow the procedures set forth at 11 C.F.R. § 103.3(b). *Within 30 days of the treasurer's receipt of the questionable contribution, the committee must make at least one written or oral request for evidence that the contribution is legal, and must either confirm the legality of the contribution or refund the contribution to the contributor and note the refund on the report covering the period in which the refund was made. See* 11.C.F.R. § 103.3(b)(1).

5. On July 15, 2014, the Committee timely filed its 2014 July Quarterly Report covering the period from May 15, 2014, through June 30, 2014. The report disclosed no debts. On October 15, 2014, the Committee filed an Amended 2014 July Quarterly Report that disclosed \$571,042.05 in debts, which were not included on the original 2014 July Quarterly Report.

6. On October 15, 2014, the Committee filed the 2014 October Quarterly Report, covering the period from July 1, 2014, to September 30, 2014. The Report included contributions totaling \$11,325 from four individuals, one partnership, and one non-multicandidate political action committee (which contributed to multiple candidates as if it were a multi-candidate PAC), as well as \$1,750 from three corporate entities which exceeded the Act's limits or were prohibited. In addition, the Committee's 2014 30-Day Post-General Report disclosed \$24,115 from twenty-two individuals and one multicandidate political action committee that exceeded the Act's limits.

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7. The Committee subsequently redesignated, reattributed, or refunded these contributions, albeit beyond the regulatory timeframe, and reported the refunds on various FEC disclosure reports.

8. Respondent contends that it did not intend to violate the Act or the Commission's regulations, but the process of aggregating the contributions to determine compliance was time consuming and difficult because of the volume of contributions (over \$5.5 million in the October Quarterly Report alone) and the large number of contributors who made multiple contributions. Respondent further contends that when the Committee learned of lapses by the vendor it hired to assist it with the process of reviewing and accepting the contributions and filing disclosure reports (including errors related to the facts in this agreement) it took steps to remedy its internal compliance procedures by terminating that vendor's services and replacing it with an experienced FEC reporting compliance firm to ensure that these errors will be avoided in the future.

V. 1. Respondent violated 52 U.S.C. § 30104(b)(8) by failing to accurately disclose debts on its original 2014 July Quarterly Report.

2. Respondent violated 52 U.S.C. §§ 30116(f) and 30118 by knowingly accepting excessive and prohibited contributions, and by failing to timely refund excessive and prohibited contributions.

VI. 1. Respondent will pay a civil penalty to the Commission in the amount of Fourteen Thousand Five Hundred Dollars (\$14,500) pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will cease and desist from committing violations of 52 U.S.C. §§ 30104(b)(8), 30116(f), and 30118.

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 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.

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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:

Lisa Stevenson
Acting General Counsel

BY: Kathleen Guith
Kathleen M. Guith
Associate General Counsel
for Enforcement

9-7-17
Date

FOR THE RESPONDENT:

Ronald M. Jacobs
Ronald M. Jacobs
Counsel for Respondent

August 10, 2017
Date

ENCLOSURE