



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Catherine Hinckley Kelley
Campaign Legal Center
1411 K St. NW, Suite 1400
Washington, DC 20005

JUL 16 2019

RE: MUR 7292
Clifford Stearns, *et al.*

Dear Ms. Kelley:

This is in reference to the complaint you filed with the Federal Election Commission (the "Commission") on October 27, 2017, concerning Clifford "Cliff" B. Stearns and Friends of Cliff Stearns and Joan Stearns in her official capacity as treasurer (collectively "Respondents"). On March 19, 2019, the Commission found that there was reason to believe that Respondents violated 52 U.S.C. § 30114(b), a provision of the Federal Election Campaign Act of 1971, as amended. On July 11, 2019, the Commission accepted a conciliation signed by Respondents in settlement of this matter. Accordingly, the Commission closed the file 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). A copy of the agreement with Respondents is enclosed for your information.

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

Sincerely,

A handwritten signature in black ink that reads "Wanda Brown" with a stylized flourish at the end.

Wanda D. Brown
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Clifford "Cliff" B. Stearns) MUR 7292
Friends of Cliff Stearns and Joan Stearns in her)
official capacity as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Brendan M. Fischer, Campaign Legal Center. The Federal Election Commission (the "Commission") found reason to believe that Clifford "Cliff" B. Stearns and Friends of Cliff Stearns and Joan Stearns in her official capacity as treasurer violated 52 U.S.C. § 30114(b).

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. Clifford "Cliff" B. Stearns was a member of the U.S. House of Representative from Florida's 6th Congressional District from 1989 to 2013. Stearns has not been a candidate for any federal office at any time since losing the Republican primary in August 2012.

2. Friends of Cliff Stearns was the principal campaign committee for Stearns within the meaning of 52 U.S.C. § 30101(5). Joan Stearns is the treasurer of Friends of Cliff Stearns.

3. The Act affords federal candidates and their campaign committees wide discretion in the disposition of their campaign funds and provides that contributions accepted by a candidate may be used in several categories of permissible non-campaign uses of campaign funds, including the "ordinary and necessary expenses incurred in connection with duties of the individual¹ as a holder of Federal office." Such expenses include the "costs of winding down the office of a former Federal officeholder for a period of 6 months after he or she leaves office."² Commission regulations specify that any use of funds that would be personal use "will not be considered . . . an ordinary and necessary expense incurred in connection with the duties of a holder of Federal office."³

4. Conversion to personal use occurs when funds in a campaign account are used "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 a holder of Federal office."⁴ The Act and Commission regulations further set forth certain uses of campaign funds that constitute *per se* conversion to personal use, including utility payments, non-campaign-related automobile expenses, and dues and fees for health clubs, recreational facilities, or other nonpolitical organizations unless they are part of the costs of a specific fundraising event taking place on

¹ 52 U.S.C. § 30114(a)(2).

² 11 C.F.R. § 113.2(a)(2).

³ 11 C.F.R. § 113.1(g)(5).

⁴ See 52 U.S.C. § 30114(b)(2); see also 11 C.F.R. § 113.1(g).

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6. The Committee spent campaign funds for a variety of purposes after Stearns ceased being a candidate in 2012 and a federal officeholder in 2013. The disbursements set forth below were for Stearns's personal use, and thus were in violation of 52 U.S.C. § 30114(b).

7. Between 2014 and 2017, the Committee paid \$7,890 to Awakening, Inc., at least some of which was for conference attendance fees and meals at Awakening, Inc., conferences. Stearns was neither a candidate nor a federal officeholder at the time the disbursements were made, and the expenses would have existed irrespective of Stearns's position as a former officeholder. Therefore, these disbursements made to Awakening, Inc., were made for Stearns's personal use.

8. Between 2014 and 2017 the Committee paid \$4,118.95 to the National Republican Club of Capitol Hill ("Capitol Hill Club") for membership fees and club expenses. Stearns was neither a candidate nor a Federal officeholder at the time the disbursements were made, and the expenses would have existed irrespective of Stearns's position as a former officeholder. Therefore, these disbursements made to the Capitol Hill Club were made for Stearns's personal use. Stearns reimbursed the amount paid to the Capitol Hill Club in three payments, one made on October 18, 2017, for \$917.53, another on November 20, 2017, for \$1,102.42, and the final payment for \$2,099 on June 13, 2019.

9. On June 7, 2017, the Committee paid for credit card charges that included a \$230.45 charge for lodging for Stearns when he traveled to Jacksonville, Florida to present a contribution to an elementary school. Stearns was neither a candidate nor a Federal officeholder at that time, and the expense would have existed irrespective of Stearns's position as a former officeholder. While the contribution to the school is permissible, the cost of lodging is for Stearns's personal benefit rather than a charitable donation within the scope of 11 C.F.R. § 113.1(g)(2) and therefore is personal use.

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10. Respondents contend that the violations were inadvertent.

V. Respondents violated 52 U.S.C. § 30114(b) by using Committee funds to make disbursements for personal use. Respondents will cease and desist from violating 52 U.S.C. § 30114(b).

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Six Thousand Nine Hundred Dollars (\$6,900), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Clifford Stearns will refund \$8,120.45 to the Committee for unreimbursed disbursements made for the Stearns's personal use.

3. The Committee will disclose these reimbursements from Stearns, as well as the previous reimbursements made for payments made to the Capitol Hill Club, in its disclosure reports filed with the Commission.

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. Respondents 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.

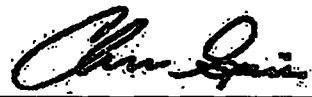
FOR THE COMMISSION:

Lisa J. Stevenson
Acting General Counsel

BY: 
Charles Kitcher
Acting Associate General Counsel

7/15/19
Date

FOR THE RESPONDENTS:


Charles R. Spies
Counsel

JUNE 14, 2019
Date

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