



FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 6, 2023

Via Email and First-Class Mail

Lonnie Treadaway, Treasurer
Flinn for Congress f/k/a Friends of George Flinn
1661 Aaron Brenner Drive, Suite 300
Memphis, TN 38120
shea@flinn.com; kenna@wucpas.com

RE: MUR 7429

Dear Mr. Treadaway:

On January 4, 2023, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of Flinn for Congress f/k/a Friends of George Flinn and you in your official capacity as treasurer (the "Committee") in settlement of violations of 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4)(i), provisions of the Federal Election Campaign Act of 1971, as amended, and the Commission's regulations. 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. The Committee has amended the affected disclosure reports as required by the agreement. 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) 694-1505 or cgallagher@fec.gov.

Sincerely,

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

Christine C. Gallagher
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 7429
Flinn for Congress f/k/a)	
Friends of George Flinn and Lonnie Treadaway)	
in his official capacity as treasurer)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint. The Federal Election Commission found reason to believe that Flinn for Congress f/k/a Friends of George Flinn and Lonnie Treadaway in his official capacity as treasurer (the “Committee” or “Respondent”) violated 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4)(i) by failing to properly report the purpose of certain disbursements.

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. Flinn for Congress f/k/a Friends of George Flinn is a political committee within the meaning of 52 U.S.C. § 30101(4)(A). The Committee was George Flinn’s principal campaign committee for his 2018 campaign for Tennessee’s 8th Congressional District.

2. Lonnie Treadaway is the Committee's treasurer.

3. The Act and Commission's regulations require that authorized candidate committees, including principal campaign committees, disclose the total amount of all disbursements, and disbursements in certain categories, including "expenditures made to meet the candidate or committee operating expenses." 52 U.S.C. § 30104(b)(4)(A); 11 C.F.R. § 104.3(b)(2)(i). Authorized committees are further required to identify the name and address of each person to whom an expenditure is made aggregating in excess of \$200 during the election cycle to meet an operating expense, together with the date, amount, and purpose of such operating expenditure. 52 U.S.C. § 30104(b)(5)(A), (6)(A); 11 C.F.R. §§ 104.3(b)(4)(i), 104.9(a).

4. The Commission's regulations define "purpose" as a "brief statement or description of why the disbursement was made." 11 C.F.R. §§ 104.3(b)(3)(i)(A), (b)(4)(i)(A), 104.9(a). The Commission has provided guidance that "the 'purpose of disbursement' entry, when considered along with the identity of the disbursement recipient, must be sufficiently specific to make the purpose of the disbursement clear." *See* Statement of Policy: "Purpose of Disbursement" Entries for Filings with the Commission, 72 Fed. Reg. 887 (Jan. 9, 2007) (citing 11 C.F.R. §§ 104.3(b)(3)(i)(B), (4)(i)(A)). The Commission has determined that the description of purpose should be sufficient to allow "a person not associated with the committee [to] easily discern why the disbursement was made when reading the name of the recipient and the purpose." Purpose Statement of Policy, 72 Fed. Reg. at 888.

5. The Committee's disclosure reports from the 2018 election cycle in their entirety show that it disclosed \$3,074,148 in disbursements to Caissa Public Strategies for "campaign management" or "campaign management expenses." The chart below itemizes the

Committee's disbursements to Cassia Public Strategies as set forth in its reports filed with the Commission.

Report and Date of Disbursement	Payee	Disbursement Description	Amount
Amend. 2018 Apr Qtr Feb. 1, 2018	Caissa Public Strategies	Campaign Management	\$197,350
Amend. 2018 Apr Qtr Feb. 21, 2018	Caissa Public Strategies	Campaign Management	\$654,000
Amend. 2018 Apr Qtr Feb. 22, 2018	Caissa Public Strategies	Campaign Management Expenses	\$12,000
Amend. 2018 July Qtr May 2, 2018	Caissa Public Strategies	Campaign Management	\$147,762
Amend. 2018 July Qtr June 5, 2018	Caissa Public Strategies	Campaign Management	\$442,488
Amend. 2018 July Qtr June 12, 2018	Caissa Public Strategies	Campaign Management	\$199,702
Amend. 2018 July Qtr June 22, 2018	Caissa Public Strategies	Campaign Management	\$30,846
Amend. 2018 12 Day Pre-Primary July 3, 2018	Caissa Public Strategies	Campaign Management	\$1,000,000
Termination July 19, 2018	Caissa Public Strategies	Campaign Management	\$390,000
		TOTAL	\$3,074,148

6. The Committee made a \$12,000 payment to Renasant Bank for poll workers, which the Committee disclosed in its reports filed with the Commission as a disbursement to Caissa for "campaign management expenses." Given that the purpose of the disbursement was poll work rather than campaign management, the purpose of the disbursement was incorrectly described.

7. During 2018, the Committee spent millions of dollars airing fifteen television advertisements and produced campaign signs in connection with Flinn's campaign for Congress. Given that the Committee's 2018 disclosure reports do not disclose any disbursements for advertising, disbursements for advertising have been inadequately or incorrectly described as "campaign management."

8. In response to the Commission's reason-to-believe finding, Respondent amended its 2018 disclosure reports to properly disclose the purpose of disbursements made to Caissa Public Strategies.

V. Respondent failed to properly disclose the purpose of certain disbursements on its 2018 disclosure reports filed with the Commission in violation of 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4)(i).

VI. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Thirty-Six Thousand dollars (\$36,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. In ordinary circumstances, the Commission would seek a higher civil penalty based on the violations outlined in the Agreement. The Commission is taking into account, however, the Committee's limited cash-on-hand; that it has outstanding debts and obligations; and that according to the Committee, it has a limited ability to raise additional funds.

3. Respondent will cease and desist from violating 52 U.S.C. § 30104(b)(5)(A) and 11 C.F.R. § 104.3(b)(4)(i).

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.

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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:

Lisa J. Stevenson
Acting General Counsel

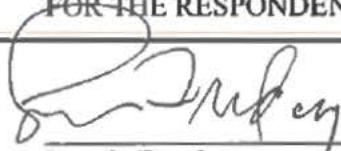
BY: Charles Kitcher
Charles Kitcher
Associate General Counsel for Enforcement

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Charles Kitcher
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Date

FOR THE RESPONDENT:


Lonnie Treadaway
Treasurer, Flinn for Congress formerly known as
Friends of George Flinn

11-30-22

Date