



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 3, 2019

James E. Tyrrell, III
Venable, LLP
600 Massachusetts Ave., NW
Washington, DC 20001

RE: MUR 7467

Dear Mr. Tyrrell,

On August 30, 2019, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 52 U.S.C. §§ 30104(b)(4)(H)(iii), 30104(b)(8), & 30104(g)(2), provisions of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. §§ 104.3(d), 104.4, and 104.11, provisions of 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. 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) 694-1590.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Shonkwiler", with a long horizontal line extending to the right.

Mark Shonkwiler
Assistant General Counsel

Enclosure
Conciliation Agreement

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are extinguished. See 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 the committee on a Schedule D with a statement explaining the circumstances and conditions under which each debt and obligation was incurred and extinguished. 11 C.F.R. §§ 104.3(d), 104.11(a). A similar statement is required where such debts and obligations are settled for less than their reported amount or value. 52 U.S.C. § 30104(b)(8); 11 C.F.R. §§ 104.3(d), 104.11(a). Debts and obligations that remain outstanding shall be continuously reported until extinguished. 11 C.F.R. § 104.11(a).

8. The Commission found reason to believe that the Committee failed to timely file 48-hour Reports for independent expenditures totaling \$743,932.93, in connection with independent expenditures disclosed on Schedule E of its Amended 2015 Mid-Year, Amended 2016 April Quarterly, Amended 2016 July Quarterly, and Amended 2016 October Quarterly Reports. The Committee did not respond to Requests for Additional Information sent by the Commission regarding these reports. Following the commencement of this enforcement action, the Committee submitted information clarifying that various 48-hour Reports listing different vendors corresponded to these independent expenditures. Specifically, on June 6, 2019, the Committee filed a Miscellaneous Text (FEC Form 99) stating that its original 48-hour Reports listed estimated costs made to the Committee's direct mail management firm, ForthRight Strategy, Inc. ("Forthright"), but that the Committee later filed amended reports listing actual costs and corresponding sub-vendor information that it later received from ForthRight.

9. The Commission found reason to believe that the Committee failed to disclose a total of \$30,612.83 in independent expenditures on Schedule E of its 2015 Year-End Report that had been previously disclosed on 48-hour Reports and that the Committee's Amended 2016

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October Quarterly Report contains \$13,950 in discrepancies between the amounts of independent expenditures on a 48-hour Report and the amount on the Schedule E. The Committee did not respond to Requests for Additional Information sent by the Commission regarding these reports. Following the commencement of this enforcement action, the Committee submitted information clarifying that the actual amounts of these expenditures were disclosed on the Year-End Report in payments to different vendors, but that these amounts were different from the estimated costs disclosed on the 48-hour Reports.

10. The Commission found reason to believe that the Committee failed to disclose or to continuously report \$482,263.42 in debts on Schedule D of its Amended 2015 Year-End, Amended 2016 April Quarterly, Amended 2016 July Quarterly and Amended 2016 October Quarterly Reports and that the Committee's Amended 2016 April Quarterly and Amended 2016 October Quarterly Reports contain \$34,558.47 in unexplained discrepancies in its reported debts. On June 6, 2019, the Committee filed a Miscellaneous Text (FEC Form 99) stating that approximately \$8,577.65 in credits the Committee reported were to consolidate debts that vendors owed to the Committee. The Committee did not respond to Requests for Additional Information sent by the Commission regarding these reports. Following the commencement of this enforcement action, the Committee submitted information indicating that it had reported these debts using inconsistent combinations of itemized and unitemized transactions and memo entries, which did not explain which debts remained outstanding and which had been paid.

V. 1. Respondent violated 52 U.S.C. § 30104(b)(4)(H)(iii), 30104(g)(2) and 11 C.F.R. § 104.4 by inaccurately reporting its independent expenditures.

2. Respondent violated 52 U.S.C. § 30104(b)(8) and 11 C.F.R. §§ 104.3(d), 104.11 by inaccurately reporting its debts and obligations.

VI. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Fifty Thousand Dollars (\$50,000), pursuant to 52 U.S.C. § 30109(a)(5)(A), made in two payments:

a. The first payment, in the amount of \$25,000, will be made within sixty (60) days of execution of this agreement.

b. The second payment, in the amount of \$25,000, will be made within ninety (90) days of execution of this agreement.

2. Respondent will cease and desist from violating 52 U.S.C. § 30104(b)(4)(H)(iii), 30104(b)(8), and 30104(g), and 11 C.F.R. §§ 104.3(d), 104.4, and 104.11.

3. Respondent will require staff to attend training for assistance with filing accurate reports with the Commission.

4. Respondent will work with the Commission's Reports Analysis Division to correct its disclosure reports.

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.

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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. With the exception of the schedule for paying the penalty set forth above, 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.

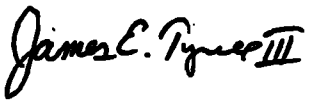
X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson
Acting General Counsel

BY:  9/3/2019
Charles Kitcher Date
Acting Associate General
Counsel for Enforcement

FOR THE RESPONDENT:


James E. Tyrrell III
Counsel for Freedom's Defense Fund
and Paul Kilgore, in his official capacity as treasurer

8/9/19

Date

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