



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

July 22, 2020

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**  
**VIA EMAIL TO: [bfischer@campaignlegalcenter.org](mailto:bfischer@campaignlegalcenter.org)**

Mr. Brendan M. Fischer  
Campaign Legal Center  
1411 K Street NW, suite 1400  
Washington, DC 20005

RE: MUR 7568

Dear Mr. Fischer:

This is in reference to the complaint you filed with the Federal Election Commission on February 21, 2019, alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On August 20, 2019, the Commission found reason to believe that Alpha Marine Services Holdings, LLC (“Alpha”), violated 52 U.S.C. § 30119(a)(1) by making a prohibited federal contractor contribution.

On July 2, 2020, the Commission accepted the signed conciliation agreement with Alpha. On that same date, the Commission found no reason to believe that Congressional Leadership Fund and Caleb Crosby in his official capacity as treasurer violated 52 U.S.C. § 30119(a)(2) by knowingly soliciting the federal contractor contribution at issue. Accordingly, the Commission has 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 Factual and Legal Analysis and agreement with Alpha is enclosed for your information.

Mr. Brendan M. Fischer  
MUR 7568  
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If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roy Q. Lockett". The signature is stylized and cursive.

Roy Q. Lockett  
Attorney

Enclosures  
Conciliation Agreement  
Factual and Legal Analysis

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the matter of	)	
	)	
Alpha Marine Services Holdings, LLC	)	MUR 7568
	)	

**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn, and notarized complaint by the Campaign Legal Center through Brendan M. Fischer. The Commission found reason to believe that Alpha Marine Services Holdings, LLC (“Alpha” or “Respondent”), violated 52 U.S.C. § 30119(a)(1) by making a contribution as a federal contractor.

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. Alpha is a Louisiana-based tugboat manufacturing and marine transportation company. Alpha is also a federal government contractor, and has been the recipient of government contracts and grants.

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 GENERAL COUNSEL

2. On June 29, 2018, while Alpha was in federal contractor status, it made a \$100,000 contribution to Congressional Leadership Fund (the “Committee”), an independent-expenditure-only political committee.

3. On March 13, 2019, the Committee refunded Alpha’s \$100,000 contribution.

V. The pertinent law in this matter is as follows:

1. Under the Federal Election Campaign Act of 1971, as amended (the “Act”), a federal contractor may not make contributions to political committees. 52 U.S.C. § 30119(a); 11 C.F.R. § 115.2. Specifically, the Act prohibits “any person . . . [w]ho enters into any contract with the United States . . . for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof” from making a contribution “if payment for the performance of such contract . . . is to be made in whole or in part from funds appropriated by the Congress.” 52 U.S.C. § 30119(a)(1); *see also* 11 C.F.R. part 115.

2. These prohibitions begin to run at the beginning of negotiations or when proposal requests are sent out, whichever occurs first, and end upon the completion of performance of the contract or the termination of negotiations, whichever occurs last. 52 U.S.C. § 30119 (a)(1); 11 C.F.R. § 115.1(b).

3. These prohibitions apply to a federal contractor who makes contributions to any political party, political committee, federal candidate, or “any person for any political purpose or use.” 52 U.S.C. § 30119(a)(1); 11 C.F.R. §§ 115.1, 115.2.

4. Respondent contends that the error described herein was inadvertent, and that upon learning of the complaint, and upon recognition that its actions did violate the Act, it

promptly sought and received a refund of the contribution. Respondent further contends that it has consistently cooperated with the Commission throughout this proceeding.

5. The Commission did not find that the violation was knowing and willful.

VI. Respondent violated 52 U.S.C. § 30119(a)(1) by making a federal contractor contribution.

VII. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Commission in the amount of Seventeen Thousand Dollars (\$17,000) pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will cease and desist from violating 52 U.S.C. § 30119(a)(1).

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 the 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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Conciliation Agreement  
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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 within this written agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson  
Acting General Counsel

BY: Charles Kitcher  
Charles Kitcher  
Acting Associate General Counsel  
for Enforcement

7/21/20  
Date

FOR THE RESPONDENT:

Daryl Owen  
Daryl Owen  
Counsel to Alpha Marine Services Holding, LLC

9/18/19  
Date

**FEDERAL ELECTION COMMISSION****FACTUAL AND LEGAL ANALYSIS****RESPONDENT:** Alpha Marine Services Holdings, LLC**MUR:** 7568**I. INTRODUCTION**

This matter was generated by a Complaint filed with the Federal Election Commission (the “Commission”) by the Campaign Legal Center. The Complaint alleges that Alpha Marine Services Holdings, LLC (“Alpha”), a federal government contractor, made a \$100,000 contribution to Congressional Leadership Fund and Caleb Crosby in his official capacity as treasurer (the “Committee”), an independent-expenditure-only political committee (“IEOPC”), in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”).<sup>1</sup> Alpha acknowledges that it is a government contractor and that it made the contribution.<sup>2</sup>

The available record indicates that Alpha was a federal contractor at the time of its contribution to the Committee. Accordingly, the Commission finds reason to believe that Alpha violated 52 U.S.C. § 30119(a)(1) by making a prohibited contribution to the Committee.

**II. FACTUAL BACKGROUND**

According to the Complaint, Alpha is a Louisiana-based tugboat manufacturing and marine transportation company.<sup>3</sup> Alpha is also a federal government contractor, and in 2018 received 26 contracts and grants in amounts totaling \$27.8 million.<sup>4</sup> The Committee is an

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<sup>1</sup> Compl. at 1, 4 (Feb. 21, 2019).

<sup>2</sup> Alpha Resp. at 1 (Mar. 13, 2019).

<sup>3</sup> Compl. at 2.

<sup>4</sup> See Compl. at 2-3, citing USASpending.gov information noting that “[a]t the time of the contribution, Alpha Marine Services was under multiple contracts with the Department of Defense totaling in excess of \$35 million.” See also USASpending.gov, Recipient Search, Alpha, <https://www.usaspending.gov/#/recipient/fa62c88c-848a-3a87-b4d6-97aefbb8599e-P>. In Fiscal Year 2019, Alpha has six federal contracts totaling \$10.6 million. *Id.*

1 IEOPC that raised over \$157 million during the 2018 election cycle, and made over \$138 million  
2 in independent expenditures that supported and opposed federal candidates.

3 The Complaint alleges that Alpha violated the Act’s prohibition on contributions made to  
4 political committees from federal government contractors when it made a \$100,000 contribution  
5 to the Committee on June 29, 2018.<sup>5</sup> Alpha confirms that it was a federal government contractor  
6 at all relevant times, and it states that when it learned the contribution was prohibited under the  
7 Act, it requested and received a refund from the Committee dated March 13, 2019.<sup>6</sup>

### 8 **III. LEGAL ANALYSIS**

9 A “contribution” is defined as “any gift . . . of money or anything of value made by any  
10 person for the purpose of influencing any election for Federal office.”<sup>7</sup> Under the Act, a federal  
11 contractor may not make contributions to political committees.<sup>8</sup> Specifically, the Act prohibits  
12 “any person . . . [w]ho enters into any contract with the United States . . . for the rendition of  
13 personal services or furnishing any material, supplies, or equipment to the United States or any  
14 department or agency thereof” from making a contribution “if payment for the performance of  
15 such contract . . . is to be made in whole or in part from funds appropriated by the Congress.”<sup>9</sup>  
16 These prohibitions begin to run at the beginning of negotiations or when proposal requests are  
17 sent out, whichever occurs first, and end upon the completion of the contractor’s performance

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<sup>5</sup> Compl. at 3. *See also* Congressional Leadership Fund, Amended 2018 July Quarterly *Report of Receipts and Disbursements* (Nov. 14, 2018) at 26, <http://docquery.fec.gov/pdf/635/201811149133679635/201811149133679635.pdf>.

<sup>6</sup> Alpha Resp. at 1; Attach. (copy of contribution refund check).

<sup>7</sup> 52 U.S.C. § 30101(8)(A)(i).

<sup>8</sup> 52 U.S.C. § 30119(a); 11 C.F.R. § 115.2.

<sup>9</sup> 52 U.S.C. § 30119(a)(1); *see also* 11 C.F.R. part 115.

1 under the contract or the termination of negotiations, whichever occurs last.<sup>10</sup> And these  
2 prohibitions apply to a federal contractor who makes contributions to any political party, political  
3 committee, federal candidate, or “any person for any political purpose or use.”<sup>11</sup>

4 Alpha acknowledges that it was a federal contractor when it made its contribution to the  
5 Committee. Accordingly, the Commission finds reason to believe that Alpha Marine Services  
6 Holdings, LLC, violated 52 U.S.C. § 30119(a)(1).

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<sup>10</sup> 52 U.S.C. § 30119 (a)(1); 11 C.F.R. § 115.1(b).

<sup>11</sup> 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2; *see also* MUR 7099 (Suffolk Construction Co.) (Commission found reason to believe that federal government contractor made a prohibited contribution to an IEOPC).