



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**BY E-MAIL AND USPS**

Neil P. Reiff, Esq.

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**AUG - 5 2019**

RE: MUR 7597  
Texas Democratic Party

Dear Mr. Reiff:

On July 30, 2019, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violations of 52 U.S.C. § 30104(a) and (b) and 11 C.F.R. § 104.3(a) and (b), provisions of the Federal Election Campaign Act of 1971, as amended and Commission 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) 694-1650.

Sincerely,

A handwritten signature in black ink that reads "Wanda D. Brown".

Wanda D. Brown  
Attorney

Enclosure  
Conciliation Agreement

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the matter of

Texas Democratic Party and  
Gilberto Hinojosa in his official  
capacity as treasurer

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MUR 7597

**CONCILIATION AGREEMENT**

This matter is based on information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities, *see* 52 U.S.C. § 30109(a)(2). The Commission found reason to believe that the Texas Democratic Party and Gilberto Hinojosa in his official capacity as treasurer (the "Committee") violated 52 U.S.C. § 30104(a) and (b) and 11 C.F.R. § 104.3(a) and (b) by failing to report joint fundraising receipts from the Hillary Victory Fund and transfers to the Democratic National Committee.

NOW, THEREFORE, the Commission and the Committee, 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 Committee 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. The Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. The Committee enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
  - 1. The Committee is a state committee of the Democratic Party.

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2. The Federal Election Campaign Act of 1971, as amended (the "Act"), requires committee treasurers to file reports of receipts and disbursements in accordance with the provisions of 52 U.S.C. § 30104. 52 U.S.C. § 30104(a)(1); 11 C.F.R. § 104.1(a). These reports must include, *inter alia*, the amount and nature of these receipts and disbursements. 52 U.S.C. § 30104(b)(2), (4); 11 C.F.R. § 104.3(a), (b).

3. On September 20, 2016, the Committee filed its 2016 September Monthly Report, which disclosed \$202,535.63 on Line 12, "Transfers from Affiliated/Other Party Committees." The Report disclosed no disbursements on Line 22, "Transfers to Affiliated/Other Party Committees."

4. On March 16, 2017, the Committee amended its 2016 September Monthly Report and disclosed \$1,002,535.63 in receipts from the Hillary Victory Fund on Line 12, an \$800,000 increase from its original filing, and an \$800,000 disbursement/transfer to the Democratic National Committee on Line 22.

5. The Committee contends that the violation was inadvertent and the result of data entry errors made while preparing its 2016 September Monthly report. The Committee further contends that in March 2017, it discovered the errors and amended its 2016 September Monthly report.

V. The Committee violated 52 U.S.C. § 30104(a) and (b) and 11 C.F.R. § 104.3(a) and (b) when it failed to disclose \$1,600,000 in financial activity—\$800,000 in receipts from the Hillary Victory Fund, and an \$800,000 disbursement in the form of a transfer made to the Democratic National Committee—in its 2016 September Monthly Report.

VI. 1. The Committee 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. The Committee will cease and desist from committing violations of 52 U.S.C. § 30104(a) and (b) and 11 C.F.R. § 104.3(a) and (b).

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. The Committee shall have no more than thirty (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 within this written agreement shall be enforceable.

1003444001

FOR THE COMMISSION:

Lisa J. Stevenson  
Acting General Counsel

BY:   
Charles Kitcher  
Acting Associate General Counsel for Enforcement

8/5/19  
Date

FOR THE RESPONDENTS:

  
(Name) Neil Reiff  
(Position) Counsel

7/2/19  
Date

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