



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 14, 2021

By: Electronic Mail

Eric F. Long
Friedman & Nemecek, L.L.C.
The IMG Center
1360 E. 9th Street, Suite 650
Cleveland, Ohio 44114
efl@fanlegal.com

RE: MUR 7692
Scott Coleman

Dear Mr. Long:

On June 9, 2021, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of knowing and willful violations of 52 U.S.C. §§ 30102(c), 30104(b), 30114(b)(1), and 11 C.F.R. §§ 102.9, 104.3, 104.14(d), provisions of the Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations. The Commission also voted to close the file.

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. If you have any questions, please contact me at (202) 694-1618.

Sincerely,

Kimberly D. Hart
Kimberly D. Hart
Attorney

Enclosure: Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the “Commission”), pursuant to a signed, sworn and notarized complaint by Friends of Dave Joyce and Natalie Bair in her official capacity as treasurer. The Commission found reason to believe that Scott E. Coleman (“Respondent”) knowingly and willfully violated 52 U.S.C. §§ 30102(c), 30104(b), 30114(b)(1), and 11 C.F.R. § 102.9, 104.3, 104.14(d).

NOW, THEREFORE, the Commission and 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 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. Friends of Dave Joyce and Natalie Baur in her official capacity as treasurer (the "Committee") is a political committee within the meaning of 52 U.S.C. § 30101(4).
2. Respondent was the treasurer of the Committee from 2012 to 2018.

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3. The Federal Election Campaign Act of 1971, as amended (the “Act”) prohibits any person from converting contributions to a federal candidate to personal use. 52 U.S.C. § 30114(b)(1). “Personal use” means any use of funds in a campaign account of a present or former candidate to fulfill a commitment, obligation or expense of any person that would exist irrespective of the candidate’s campaign or duties as a Federal officeholder. 52 U.S.C. § 30114(b)(2); 11 C.F.R. § 113.1(g).

4. The Act and Commission regulations require treasurers to accurately keep a record of and report receipts and disbursements. 52 U.S.C. §§ 30102(c), 30104(b); 11 C.F.R. §§ 102.9(b), 104.3(a)-(b), 104.14(d). Committee treasurers and any other person required to file any report or statement under the Act and the Commission’s regulations are also personally responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it. 11 C.F.R. § 104.14(d).

5. A knowing and willful violation of the Act requires full knowledge of all of the relevant facts and a recognition that the action is prohibited by law.

6. From 2015 to 2018, Coleman, in his capacity as treasurer of the Committee, made \$88,679 in unauthorized ATM withdrawals from the Committee’s bank account, incurred \$86,273.40 in personal expenses on a Committee credit card obtained in his own name, and authorized payment of the credit card charges with the Committee’s funds.

7. Coleman, in an effort to conceal the misappropriation of funds, failed to disclose \$84,160 in contributions as well as the source of those contributions on the Committee’s disclosure reports, failed to timely refund \$5,200 in corporate contributions, and failed to report \$22,109.61 in refunds to vendors as offsets to operating expenditures. These actions also caused the Committee to report its cash-on-hand inaccurately on the same disclosure reports.

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8. In connection with his embezzlement of Committee funds, Coleman pleaded guilty to one count of grand theft in the 4th degree under the Ohio Revised Code 2913.02(A)(1). On October 2, 2019, Coleman was sentenced to 30 days in jail, 2 years' probation, and a \$5,000 fine. He also made restitution in the amount of \$341,983.06 to cover the embezzled amounts, the legal fees associated with the criminal investigation, and the internal review costs.

9. Respondent's actions, including his concealment of the unlawful withdrawals and disbursements by intentionally failing to maintain accurate records and his filing of false disclosure reports, demonstrate he acted in knowing and willful disregard of his legal obligations as the treasurer of the Committee.

V. Respondent committed the following violations:

1. Respondent knowingly and willfully violated 52 U.S.C. § 30114(b)(1) by converting campaign funds to personal use.
2. Respondent knowingly and willfully violated 52 U.S.C. § 30102(c) and 11 C.F.R. § 102.9 by failing to keep an account of receipts and disbursements made from the Committee's funds.
3. Respondent knowingly and willfully violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by failing to file accurate reports with the Commission.

VI. Respondent will take the following actions:

1. Respondent will cease and desist from violating 52 U.S.C. §§ 30102(c), 30104(b), 30114(b)(1) and 11 C.F.R. §§ 102.9, 104.3 and 104.14(d).
2. Respondent will pay a civil penalty of Twenty Thousand Five Hundred Twenty-Eight dollars (\$20,528) pursuant to 52 U.S.C. § 30109(a)(5)(B).

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3. Respondent agrees not to volunteer or engage in work for any federal political committee or any federal campaign in a capacity involving finances or disclosure reports for a period of ten (10) years from the date of this agreement.

4. Respondent, Scott Coleman, through the submission of financial documentation to the Commission and additional representations, has indicated that although financial hardship prevents him from paying the full civil penalty to the Commission, he is able to pay a substantially reduced civil penalty of Twenty Thousand Five Hundred and Twenty-Eight dollars (\$20,528). The Commission regards these submissions and representations as material representations. Due to Coleman's financial condition, the Commission agrees to depart from the civil penalty that it would normally seek for the violations at issue, and the Commission agrees that the reduced civil penalty of \$20,528 shall be due. If evidence is uncovered indicating Respondent's financial condition is not as stated, a remaining civil penalty of One Hundred Ninety-Six Thousand Four Hundred and Seventy-Two Dollars (\$196,472) shall be immediately due, pursuant to 52 U.S.C. § 30109(a)(5)(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 same and the Commission has approved the entire agreement.

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IX. Respondent 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 in 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

6/11/21
Date

Scott E. Coleman
Scott E. Coleman
Respondent

5/3/2021
Date