



FEDERAL ELECTION COMMISSION
Washington, DC 20463

August 29, 2022

Via Electronic Mail

cspies@dickinsonwright.com

kreynolds@dickinsonwright.com

Charlie Spies, Esq.
Katie Reynolds, Esq.
International Square
1825 Eye Street, NW, Suite 900
Washington, DC 20006

RE: MUR 7743
Beth for Congress

Dear Mr. Spies and Ms. Reynolds:

On August 24, 2022, the Federal Election Commission accepted the signed conciliation agreement and \$2,000 civil penalty submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30104(b)(3)(E), a provision of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. § 104.3(d)(4), a provision 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) 694-1273.

Sincerely,

Crystal Liu
Crystal Liu
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 7743
Beth for Congress and Bradley T. Crate)	
in his official capacity as treasurer)	
)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint with the Federal Election Commission (the “Commission”). The Commission found reason to believe that Beth for Congress and Bradley T. Crate in his official capacity as treasurer (the “Committee” or “Respondent”) violated 52 U.S.C. § 30104(b)(3)(E) and 11 C.F.R. § 104.3(d)(4) by misreporting a home equity line of credit (“HELOC”) acquired by Beth Parlato, the candidate, as a personal loan.

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. The 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. Beth Parlato was a candidate for Congress in New York’s 27th Congressional District in 2020. Beth for Congress is her principal campaign committee, and Bradley T. Crate is the Committee’s treasurer.

2. On March 27, 2020, Parlato and her husband, Anthony Parlato, acquired a \$150,000 HELOC secured by a mortgage on their residence.

3. On April 15, 2020, the Committee filed its original 2020 April Quarterly Report. That report disclosed that Parlato had made a personal loan to the Committee for \$158,500 on March 31, 2020 and did not disclose any bank loans.

4. On June 22, 2020, the Committee amended its 2020 April Quarterly Report to disclose the March 27, 2020 HELOC and disclosed the identity of the lender, the interest rate at which the money was loaned, the identity of the loan's guarantor, and the value of the collateral used to secure the loan.

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

1. The Act requires committee treasurers to file reports of receipts and disbursements in accordance with the provisions of 52 U.S.C. § 30104. These reports must include, *inter alia*, the total amount of receipts and disbursements as well as disclosure of candidate loans, whether made from personal funds or through a lending institution. 52 U.S.C. § 30104(b); 11 C.F.R. § 104.3(a), (d)(4).

2. The candidate's principal campaign committee must report all loans derived from an advance on the candidate's brokerage account, credit card, home equity line of credit, or other line of credit available to the candidate. 11 C.F.R. § 100.83(e).

3. The disclosure report must identify the person who makes a loan to the committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount or value of such loans. *See* 52 U.S.C. § 30104(b)(3)(E); 11 C.F.R. § 104.3(a)(4)(iv).

4. Commission regulations provide that a committee must disclose information about loans from the candidate to the campaign on Schedules C and C-1. 11 C.F.R. § 104.3(d). If the candidate finances a loan to the campaign with an underlying loan or line of credit, section 104.3(d)(4) of the Commission's regulations requires the committee to disclose on Schedule C-1, among other things, the: (1) date, amount, and interest rate of the loan or line of credit; (2) name and address of the lending institution; and (3) types and value of collateral or other sources of repayment that secured the loan. 11 C.F.R. § 104.3(d)(4).

VI. Respondent admits to the following violations of the Act:

1. Respondent violated 52 U.S.C. § 30104(b)(3)(E) and 11 C.F.R. § 104.3(d)(4) by misreporting the HELOC acquired by Beth Parlato as a personal loan from the candidate.

VII. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Commission in the amount of Two Thousand Dollars (\$2,000), pursuant to 52 U.S.C. § 30109(a)(5)(A). In ordinary circumstances, the Commission would seek a substantially higher civil penalty based on the violations outlined in the Agreement. However, the Commission is taking into account that the Committee is defunct, has no cash on hand, and according to Respondent, has a limited ability to raise additional funds. If evidence is uncovered indicating that Respondent's financial condition is not as stated, a civil penalty of Seventeen Thousand Dollars (\$17,000) shall be immediately due, pursuant to 52 U.S.C. § 30109(a)(5)(A) and 11 C.F.R. § 111.24(a)(1).

2. Respondent will cease and desist from violating 52 U.S.C. § 30104(b)(3)(E) and 11 C.F.R. § 104.3(d)(4).

VIII. 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.

IX. 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.

X. 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.

XI. 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**  Digitally signed by Charles Kitcher
Date: 2022.08.29 16:13:37 -04'00'

Charles Kitcher
Associate General Counsel
for Enforcement

8/29/22
Date

FOR THE RESPONDENT:



Charles R. Spies
Katie Reynolds
Counsel to Respondent

August 4, 2022
Date