



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**VIA ELECTRONIC MAIL**

May 13, 2022

Robert Lenhard and Zachary Parks  
Covington & Burling LLP  
One City Center,  
850 10th Street NW  
Washington, D.C. 20001  
[rlnhard@cov.com](mailto:rlnhard@cov.com)  
[zparks@cov.com](mailto:zparks@cov.com)

RE: MUR 7886  
Astellas Pharma U.S., Inc.

Dear Mr. Lenhard and Mr. Parks:

On May 9, 2022, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of violations of 52 U.S.C. § 30119(a), a provision of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. § 115.2(a) 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) 694-1650 or [lconley@fec.gov](mailto:lconley@fec.gov).

Sincerely,

A handwritten signature in cursive script that reads "Laura Conley".

Laura Conley  
Attorney

Enclosure  
Conciliation Agreement

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	
Astellas Pharma U.S., Inc.	)	MUR 7886
	)	

**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn, and notarized Complaint filed with the Federal Election Commission. The Commission found reason to believe that Astellas Pharma U.S., Inc. (“Respondent”), violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by making contributions while Respondent was a federal government contractor.

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 under 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. Respondent is a biopharmaceutical manufacturer that held a Federal Supply Schedule (“FSS”) contract with the U.S. Department of Veterans Affairs between October 15, 2013, and September 29, 2021.

2. On or around August 23, 2019, Respondent made a \$5,000 contribution to Black Bear PAC, Inc., and Charles Gantt in his official capacity as treasurer (“Black Bear PAC”), an independent expenditure-only political committee. Respondent made a second \$5,000 contribution to Black Bear PAC on or around June 16, 2020.

3. On or around November 23, 2020, Respondent made a \$50,000 contribution to the Senate Leadership Fund and Caleb Crosby in his official capacity as treasurer (“SLF”), another independent expenditure-only political committee.

4. Before making the contribution to SLF, Respondent informed its outside legal counsel and compliance vendor of its intent to make that contribution. Respondent contends that, based on the responses it received, it believed the contribution to SLF was permissible.

5. On or around April 15, 2021, SLF refunded the \$50,000 contribution to Respondent.

6. Respondent acknowledges that a purpose of the federal contractor contribution ban, as described in Section V of this Agreement, is to prevent corruption and the appearance thereof. Respondent contends that there is no evidence of actual corruption or improper influence in the record of this matter.

7. Respondent contends that it had meaningful controls in the form of training for its Policy & Government Affairs employees regarding federal, state, and local campaign finance rules and a written policy that expressly prohibited Astellas personnel from using Astellas corporate funds to influence a federal election. Astellas acknowledges, however, that its personnel either were unaware of or inadvertently violated this policy in making the prohibited contributions at issue in this matter.

8. Respondent contends that it has implemented new internal controls,

policies, and procedures to prevent similar situations in the future, specifically augmenting its policy to add additional controls and approvals for federal contributions, conducting supplemental training sessions for Policy & Government Affairs employees, and increasing the level of oversight and review with respect to Astellas' political activities and contributions by both Astellas' support functions and vendors.

9. Respondent further contends that it is entering into this conciliation agreement in order to avoid the cost, delay, and uncertainty of litigation.

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

1. The Federal Election Campaign Act of 1971, as amended (the "Act") and the Commission's regulations bar contributions to political committees by any person who enters into a contract with the United States or its departments or agencies for "furnishing any material, supplies, or equipment," if payment on such contract "is to be made in whole or in part from funds appropriated by Congress." 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2(a). Such contributions are barred for the period between (1) the earlier of commencement of negotiations or when requests for proposal are sent out, and (2) the later of the completion of performance on or termination of negotiations for the contract. 11 C.F.R. § 115.1(b).

2. 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." 11 C.F.R. § 115.2(a).

VI. Respondent violated 52 U.S.C. § 30119(a)(1) and 11 C.F.R. § 115.2(a) by making federal contractor contributions.

VII. Respondent will take the following actions:

1. Respondent will pay a civil penalty to the Commission in the amount of

seven thousand five hundred dollars (\$7,500) 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) and 11 C.F.R. § 115.2(a).

3. Respondent waives any rights it may have to a refund of any of the contributions to Black Bear PAC. Respondent shall request that Black Bear PAC disgorge the \$10,000 in contributions to the U.S. Treasury. Should Black Bear PAC refund the \$10,000 in contributions to Respondent, the Respondent agrees to disgorge all such funds to the U.S. Treasury. Respondent shall inform the Commission when it notifies Black Bear PAC of the matter set forth in this paragraph, and of any disgorgement of the \$10,000 in contributions to the U.S. Treasury.

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 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 allegations and contributions described 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  
Associate General Counsel  
for Enforcement

Digitally signed by Charles  
Kitcher  
Date: 2022.05.11 11:48:36  
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5/11/22  
Date

FOR THE RESPONDENT:



BY: Robert D. Lenhard  
Robert D. Lenhard  
Counsel for Astellas Pharma U.S., Inc.

4/6/2022  
Date