



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

October 2, 2023

CERTIFIED MAIL AND EMAIL
RETURN RECEIPT REQUESTED

Mally Rutherford, Esq.
McChain Hamm & Associates
5030 Anchor Way, Suite 13
Christiansted, Virgin Islands 00820
mrutherford@usvi.law

RE: MURs 7546 & 7898
Virgin Islands Republican Party and
John Canegata in his official
capacity as treasurer

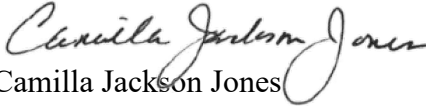
Dear Ms. Rutherford:

On October 2, 2023, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your client, Virgin Islands Republican Party and John Canegata in his official capacity as treasurer, in settlement of a violation of 52 U.S.C. § 30104(b)(4)(H)(iii), (b)(8), and (g)(1)-(2), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). 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) 694-1507 or cjacksonjones@fec.gov.

Sincerely,


Camilla Jackson Jones
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

| | | |
|---|---|------------------|
| In the Matter of |) | |
| |) | MURs 7546 & 7898 |
| Virgin Islands Republican Party and |) | |
| John Canegata in his official capacity as |) | |
| treasurer |) | |

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Virgin Islands Republican Party and John Canegata in his official capacity as treasurer (“Respondent” or the “Committee”) violated 52 U.S.C. § 30104(b)(4)(H)(iii), (b)(8), (g)(1)-(2) of the Federal Election Campaign Act of 1971, as amended (the “Act”), and 11 C.F.R. §§ 104.3(d), 104.4 of the Commission regulations.

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. The Committee is a qualified, non-connected political action committee that has been registered with the Commission since December 18, 2013.
2. John Canegata is the Treasurer of the Committee.
3. Every political committee that makes independent expenditures must report them in its regularly scheduled disclosure reports by disclosing on Schedule E the name of a person who receives any disbursement during the reporting period in an aggregate amount or value in excess of \$200 within the calendar year in connection with an independent expenditure by the reporting committee. 52 U.S.C. § 30104(6)(B)(iii); 11 C.F.R. § 104.3(b)(3)(vii).
4. A political committee that makes or contracts to make independent expenditures aggregating \$10,000 or more with respect to a given election in any calendar year, up to and including the 20th day before an election, must report these expenditures by 11:59 p.m. Eastern Standard/Daylight Time on the second day following the date on which a communication is publicly distributed or otherwise publicly disseminated. 52 U.S.C. § 30104(g)(2); 11 C.F.R. § 104.4(b)(2).
5. A political committee that makes or contracts to make independent expenditures aggregating \$1,000 or more with respect to a given election after the 20th day, but more than 24 hours before, the date of that election must report these expenditures by 11:59 p.m. Eastern Standard/Daylight Time on the day following the date on which a communication is publicly distributed or otherwise publicly disseminated. 52 U.S.C. § 30104(g)(1); 11 C.F.R. § 104.4(c).

6. Additionally, political committees “must include in the aggregate total all disbursements during the calendar year for independent expenditures, and all enforceable contracts, either oral or written, obligating funds for disbursements during the calendar year for independent expenditures, where those independent expenditures are made with respect to the same election for Federal office.” 11 C.F.R. § 104.4(f).

7. The Act and Commission regulations also require political committees to disclose the amount and nature of their outstanding debts and obligations until those obligations are extinguished. 52 U.S.C. § 30104(b)(8); 11 C.F.R. §§ 104.3(d), 104.11(a). A political committee must file separate schedules for debts owed by the committee on a Schedule D with a statement explaining the circumstances and conditions under which each debt and obligation was incurred and extinguished. 11 C.F.R. § 104.11(a). A similar statement is required where such debts and obligations are settled for less than their reported amount or value. 52 U.S.C. § 30104(b)(8); 11 C.F.R. §§ 104.3(d), 104.11(a). A debt of \$500 or less must be reported at the time that payment was made or within 60 days of the date the political committee incurs the debt, whichever comes first, and a debt exceeding \$500 must be disclosed in the report that covers the date on which the debt was incurred. 11 C.F.R. § 104.11(b). Where the exact amount of a debt is unknown, the report shall state that the amount reported is an estimate and the exact amount is to be disclosed in an amended report or on the report for a reporting period in which such amount is determined. *Id.*

8. The Committee failed to timely file 48-Hour Reports for independent expenditures totaling \$509,457.53 in connection with independent expenditures disclosed on its Amended 2016 April Monthly, Amended 2016 May Monthly, 2016 July Monthly, 2016

August Monthly, 2016 September Monthly, 2016 October Monthly, 2017 Amended June Monthly, and 2017 Amended July Monthly Reports.

9. The Committee failed to disclose a total of \$126,168.56 in independent expenditures on Schedule E of its 2016 June, October, and September Monthly Reports that had been previously disclosed on 48-Hour Reports.

10. The Committee failed to properly disclose \$539,417.96 in debts on Schedule D of its 2016 September Monthly, 2016 October Monthly, 2016 30 Day Post-General, and 2017 Amended May Monthly Reports.

11. The Committee failed to timely file 24-Hour Reports for independent expenditures totaling \$95,000 in connection with independent expenditures disclosed on its 2018 Post-General Report.

V. 1. Respondent violated 52 U.S.C. § 30104(b)(4)(H)(iii), 30104(g)(2) and 11 C.F.R. § 104.4 by failing to properly report its independent expenditures and failing to file 48-Hour Reports.

2. Respondent violated 52 U.S.C. § 30104(b)(8) and 11 C.F.R. § 104.3(d) by failing to properly report its debts and obligations.

3. Respondent violated 52 U.S.C. § 30104(g)(1) and 11 C.F.R. § 104.4(c) by failing to file 24-Hour Reports.

VI. Respondent will take the following actions:

1. In ordinary circumstances, the Commission would seek a substantially higher civil penalty based on the violations outlined in this Agreement. However, based upon representations made by Respondent, including the submission of financial documentation, a

review of Respondent's disclosure reports and the disclosed cash on hand for the current election cycle, Respondent's representation that it has no ability to raise sufficient additional funds to pay a larger civil penalty in accordance with separate proceedings in which Respondent has been enjoined, and Respondent's intent to terminate as soon as this matter is resolved, the Commission agrees to a reduced civil penalty. In light of these factors, upon which the Commission is relying, Respondent will pay a civil penalty to the Commission in the amount of Twelve Thousand, Two Hundred Ninety-Nine Dollars and Four Cents (\$12,299.04), pursuant to 52 U.S.C. § 30109(a)(5)(A). If evidence is uncovered indicating that Respondent's financial condition is not as stated, the full civil penalty of One Hundred Sixty-Two Thousand Dollars (\$162,000) shall be immediately due, pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. The Committee will amend the relevant disclosure reports, in accordance with instructions from the Commission's Reports Analysis Division, to address the violations of 52 U.S.C. §§ 30104(b), (g) and 11 C.F.R. §§ 104.3(d), 104.4 as described in this Agreement.

3. Cease and desist from committing violations of 52 U.S.C. § 30104(b)(4)(H)(iii), (b)(8), (g)(1)-(2) and 11 C.F.R. §§ 104.3(d), 104.4.

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

MURs 7546 & 7898 (VIGOP)
Conciliation Agreement
Page 6 of 6

executed the same and the Commission has approved the entire Agreement.

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 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
Associate General Counsel for Enforcement

Digitally signed by
Charles Kitcher
Date: 2023.10.02
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10/2/23
Date

FOR THE RESPONDENT:


(Name) John Canegate
(Position) former VI GOP Chairman

9/25/23
Date