



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 7, 2022

By: Electronic Mail

Kelly A. Johnson
Holland & Hart
901 K Street N.W.
Suite 850
Washington, D.C. 20001
KAJohnson@hollandhart.com

RE: MUR 7949
Crown Products *et al*

Dear Ms. Johnson:

On February 25, 2022, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of Crown Products & Services, Inc. and Steven Douglas Simmons in settlement of violations of 52 U.S.C. §§ 30118(a), 30122 and 11 C.F.R. §§ 114.2(b) and 110.4(b)(1)(i), 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

1 III. Respondents enter voluntarily into this agreement with the Commission.

2 IV. The pertinent facts and law in this matter are as follows:

3 1. Crown Products & Services, Inc. (“Crown Products”) is a corporation that sells
 4 specially blended chemicals that are applied to control dust, freezing of coal, water treatment,
 5 road stabilization, and used as a fuel catalyst. Steven Douglas Simmons (“Simmons”) is the
 6 President and Chief Executive Officer of Crown Products. Douglas Schane (“Schane”) is the
 7 Eastern Regional Manager and reports directly to Simmons.

8 2. Murray Energy Corporation has been and remains an important client of Crown
 9 Products. During the 2018 election cycle, Murray Energy representatives invited Crown
 10 Products’ executives to fundraising events for various federal candidates.

11 3. Simmons attended some of those fundraisers and subsequently made six
 12 contributions to federal political candidates totaling \$11,500.

Contribution Date	Committee	Amount
03/22/2018	McCarthy Victory Fund	\$5,000
04/25/2018	Greg Pence for Congress	\$2,000
04/25/2018	Renacci for Ohio Victory Fund	\$3,000
09/20/2018	Marsha for Senate	\$500
09/20/2018	Hawley Victory Committee	\$500
09/20/2018	McSally Arizona Victory Committee	\$500
	TOTAL	\$11,500

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 14 4. Because he attended the fundraising events as a result of an invitation from a
 15 client, Simmons submitted his contributions to Crown Products for reimbursement as business
 16 expenses. The expense reports Simmons submitted for April and September 2018 identify the
 17 political contributions as “PAC,” but not the March 2018 expense report which provided no such
 18 description.

1 5. Prior to January 2020, Simmons’s expense reports were not subject to supervisory
 2 approval because he was the CEO of Crown Products. Instead, the expense reports were sent
 3 directly to the company’s accounting department for review and processing. The contribution
 4 reimbursements occurred via ACH electronic transfer and were included in Simmons’s total
 5 corporate expenses for the month.

6 6. During the same timeframe, in response to an invitation from Murray Energy,
 7 Simmons asked Schane to attend a fundraiser on behalf of Crown Products at which Schane
 8 made the following three federal contributions:

Date	Committee	Amount
08/20/2018	Lou Barletta for Senate	\$500
08/20/2018	Ted Cruz Victory Committee	\$1,000
08/20/2018	Matt Rosendale for Montana	\$500
	TOTAL	\$2,000

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 10 7. Schane asked Simmons how the contributions should be handled, and Simmons
 11 advised that he should make the contribution himself and “seek reimbursement from the
 12 Company on the next expense report.” Schane’s August 2018 expense report described the
 13 expenditures as “Political Donations.” The contribution reimbursements occurred via ACH
 14 electronic transfer and were included in Shane’s total corporate expenses for the month.

15 8. In 2019, a new Chief Financial Officer at Crown Products became aware of the
 16 prior reimbursement of political contributions, recognized that this practice was impermissible,
 17 and took steps to initiate an internal investigation. During that investigation, Simmons and
 18 Schane submitted statements contending that, at the time of the events in question, they did not
 19 realize it was illegal for Crown Products to reimburse their federal political contributions.

20 9. On February 12, 2020, Schane issued a check to Crown Products totaling \$2,000
 21 as repayment for the previously reimbursed contributions. On February 13, 2020, Simmons

1 issued a check to Crown Products totaling \$11,500 as repayment for the previously reimbursed
2 contributions. Following the conclusion of its internal investigation, Crown Products also
3 adopted new policies and procedures to prevent any future reimbursement of federal political
4 contributions.

5 10. The Act and Commission regulations prohibit a corporation from making a
6 contribution to a federal committee (other than an independent-expenditure-only committee) and
7 any person, including a corporation, from making a contribution in the name of another person.
8 *See* 52 U.S.C. §§ 30118(a) and 30122; and 11 C.F.R. §§ 114.2(b) and 110.4(b)(1)(i).

9 11. The term “person” for purposes of the Act and Commission regulations includes
10 corporations. 52 U.S.C. § 30101(11); 11 C.F.R. § 100.10. Further, the Act prohibits an officer
11 or director of a corporation from consenting to the making of a corporate contribution. 52 U.S.C.
12 § 30118(a), 11 C.F.R. § 114.2(e). A person also may not knowingly permit one’s name to be
13 used to effect the making of a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(ii).

14 V. Respondent Crown Products & Services, Inc. violated 52 U.S.C. §§ 30118(a) and
15 30122, and 11 C.F.R. §§ 114.2(b) and 110.4(b)(1)(i) by making prohibited corporate
16 contributions in the names of others.

17 VI. Respondent Steven Douglas Simmons violated 52 U.S.C. §§ 30118(a) and 30122,
18 and 11 C.F.R. §§ 114.2(b) and 110.4(b)(1)(ii) by consenting to the making of prohibited
19 corporate contributions, and by allowing his name to be used for the purpose of making a
20 contribution in the name of another.

1 VII. Respondents will take the following actions:

2 1. Respondent Crown Products & Services, Inc. will cease and desist from violations
3 of 52 U.S.C. §§ 30118(a) and 30122, and 11 C.F.R. §§ 114.2(b) and 110.4(b)(1)(i).

4 2. Respondent Steven Douglas Simmons will cease and desist from violations of
5 52 U.S.C. §§ 30118(a) and 30122, and 11 C.F.R. §§ 114.2(b) and 110.4(b)(1)(ii).

6 3. Respondents will pay a joint civil penalty of Five Thousand Dollars (\$5,000),
7 pursuant to 52 U.S.C. § 30109(a)(5)(A).

8 4. Respondents will request a refund of the \$13,500 in un-refunded contributions
9 made to the recipient Committees.

10 VIII. The Commission, on request of anyone filing a complaint under 52 U.S.C.
11 § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review
12 compliance with this agreement. If the Commission believes that this agreement or any
13 requirement thereof has been violated, it may institute a civil action for relief in the United States
14 District Court for the District of Columbia.

15 IX. This agreement shall become effective as of the date that all parties hereto have
16 executed same and the Commission has approved the entire agreement.

17 X. Except as otherwise provided, Respondents shall have no more than 30 days from
18 the date this agreement becomes effective to comply with and implement the requirements
19 contained in this agreement and to so notify the Commission.

20 XI. This conciliation agreement constitutes the entire agreement between the parties
21 on the matters raised herein, and no other statement, promise, or agreement, either written or
22 oral, made by either party or by agents of either party, that is not contained within this written
23 agreement shall be enforceable.

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Conciliation Agreement
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1 FOR THE COMMISSION:
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3
4 Lisa J. Stevenson
5 Acting General Counsel
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7 BY: Charles Kitcher
8 Charles Kitcher
9 Associate General Counsel
10 for Enforcement

2-7-22
Date

11 FOR THE RESPONDENT:
12

13 Kelly A Johnson
14 Kelly A. Johnson
15 Counsel for Respondent

January 13, 2022
Date