



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

February 14, 2023

**Via Electronic Mail**

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RE: MUR 8010  
Medical Place, Inc.

Dear Ms. Johnson, Mr. Bayes & Ms. Kemp:

On June 8, 2022, the Federal Election Commission (the “Commission”) notified your client, Medical Place, Inc., of a complaint alleging that your client violated the Federal Election Campaign Act of 1971, as amended (the “Act”), and provided your client with a copy of the complaint.

After reviewing the allegations contained in the complaint, the response submitted on behalf of your client, and publicly available information, the Commission on February 6, 2023, found reason to believe that your client violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a), a provision of the Act, and Commission regulations by making prohibited federal contractor contributions. The Factual and Legal Analysis, which formed a basis for the Commission’s finding, is enclosed for your information.

We have also enclosed a brief description of the Commission’s procedures for handling possible violations of the Act. In addition, please note that the Committee has a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519. This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. Please be advised that, although the Commission cannot disclose information regarding an investigation

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to the public, it may share information on a confidential basis with other law enforcement agencies.<sup>1</sup>

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to your client as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that your client violated the law.

If the Committee is interested in engaging in pre-probable cause conciliation, please contact Kimberly D. Hart, the attorney assigned to this matter, at (202) 694-1618 or (800) 424-9530, or by electronic mail at [khart@fec.gov](mailto:khart@fec.gov) within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within sixty days. *See* 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A). Conversely, if the Committee is not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at <http://www.fec.gov/respondent.guide.pdf>.

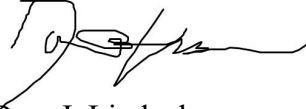
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<sup>1</sup> The Commission has the statutory authority to refer knowing and willful violations of the Act to the Department of Justice for potential criminal prosecution, 52 U.S.C. § 30109(a)(5)(C), and to report information regarding violations of law not within its jurisdiction to appropriate law enforcement authorities. *Id.* § 30107(a)(9).

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We look forward to your response.

On behalf of the Commission,

A handwritten signature in black ink, appearing to read 'Dara J. Lindenbaum', with a long horizontal flourish extending to the right.

Dara J. Lindenbaum  
Chair

Enclosures  
Factual and Legal Analysis

**FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS**

Respondent: Medical Place, Inc.

MUR 8010

**I. INTRODUCTION**

This matter was generated by a Complaint filed with the Federal Election Commission alleging that Medical Place, Inc. (“Medical Place”), a medical supplies company, made two \$50,000 prohibited contributions, totaling \$100,000, to Alabama Conservatives Fund and Kaylen Melton in her official capacity as treasurer (“ACF”), while Medical Place was a federal contractor in 2022. The Federal Election Campaign Act of 1971, as amended (the “Act”) prohibits federal contractors from making such contributions.

Medical Place acknowledges holding several federal contracts at the time it made the contributions but argues that the Commission should exercise its prosecutorial discretion and dismiss the matter for several reasons, including the prompt refund of the contributions from ACF. Medical Place also argues that the contractor contribution ban is unconstitutional as applied to contributions made to an independent expenditure-only political committee (“IEOPC”).

As explained below, the Commission finds reason to believe that Medical Place violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by making prohibited contributions.

**II. FACTUAL BACKGROUND**

Medical Place is a business located in Montgomery, Alabama specializing in medical, respiratory, pharmaceutical, laboratory, and telemedicine equipment and supplies.<sup>1</sup> Federal spending data confirms that Medical Place held several Indefinite Delivery Contract (“IDC”) and

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<sup>1</sup> See Medical Place, Inc., <https://www.medicalplace.us/> (last visited November 2, 2022).

Federal Supply Schedule (“FSS”) contracts at the time the contributions were made and received orders on the contracts from the U.S. Department of Veteran’s Affairs (“VA”) and Defense Logistics Agency.<sup>2</sup> Two of the IDCs were with the VA and were in effect from September 16, 2021 to September 30, 2022, and February 1, 2022 through February 28, 2022, respectively; and the two FSS contracts (also known as “IDVs,” which stands for Indefinite Delivery Vendors) were in effect from August 30, 2021 to March 30, 2022, and from March 7, 2022 to May 31, 2022, respectively.<sup>3</sup>

IDC contracts facilitate the delivery of supply and service orders during a set timeframe.<sup>4</sup> FSS contracts are “indefinite delivery/indefinite quantity type contracts,” meaning that sales are not guaranteed; instead, once an FSS contract is awarded, a vendor is added to a list of approved suppliers from which multiple agencies may choose to make purchases.<sup>5</sup> In this instance, federal spending data shows that the Medical Place has been awarded \$249.5 million in federal contracts pursuant to IDV contracts from the VA, U.S. Department of Defense, U.S. Department of

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<sup>2</sup> Compl.at 3 (July 7, 2022); *see also* Compl., Attach. C.

<sup>3</sup> Compl., Attach. C.

<sup>4</sup> *See* “Indefinite Delivery Contract,” <https://www.usaspending.gov/?glossary=indefinite-delivery-contract-idc> (last visited November 2, 2022); *see also* Compl., Attach. C.

<sup>5</sup> *See* U.S. Dep’t of Veterans Affairs, *VA Federal Supply Schedule Service*, <https://www.fss.va.gov/>; Compl., Attach. C; *see also* <https://www.usaspending.gov/recipient/78ae7b8d-4fea-93a6-9e16-b31d62927309-C/all> (last visited Nov. 2, 2022) (detailing Medical Place’s IDV and FSS contracts). The VA recommends that prospective contractors “conduct market research to identify and assess your competition prior to submitting a proposal,” as contract holders must market their products to federal purchasers once an FSS is awarded, and the competition is “fierce.” Dep’t of Veterans Affairs, *Prospective Contractors*, <https://www.va.gov/opal/nac/fss/prospective.asp> (last visited Oct. 29, 2021); Dep’t of Veterans Affairs, *Marketing to the Federal Government*, <https://www.va.gov/opal/nac/fss/marketing.asp> (last visited Oct. 29, 2021).

Justice, U.S. Department of Health and Human Services and U.S. Department of Homeland Security.<sup>6</sup>

On February 2 and April 6, 2022, Medical Place, while holding the above-referenced IDC and FSS contracts, made two separate \$50,000 corporate contributions to ACF.<sup>7</sup> Neither Medical Place nor ACF have provided information regarding whether or how ACF solicited the contributions or the circumstances under which the contributions were made.<sup>8</sup> On June 21, 2022, approximately two weeks after the Commission notified Respondents of the Complaint in this matter, ACF refunded the contributions to Medical Place.<sup>9</sup>

The Complaint contends that Medical Place made prohibited government contractor contributions to ACF.<sup>10</sup> Medical Place acknowledges that it was a government contractor but asks that the Commission nonetheless exercise its prosecutorial discretion and dismiss this matter.<sup>11</sup> Medical Place states that upon learning of the potential impermissibility of the contributions, it promptly requested and received a refund of the contributions on June 21,

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<sup>6</sup> USASpending.gov, *Award Profile – Indefinite Delivery Vehicle*, [https://www.usaspending.gov/award/CONT\\_IDV\\_V797D30296\\_3600](https://www.usaspending.gov/award/CONT_IDV_V797D30296_3600) (last visited Oct. 29, 2021) (showing approximately \$3 million in purchases under “Child Award Orders” tab).

<sup>7</sup> Alabama Conservatives Fund, April 2022 Quarterly Report at 7 (Apr. 15, 2022), <https://docquery.fec.gov/pdf/243/202204159496531243/202204159496531243.pdf>; Medical Place Resp. at 1 (“MP Resp.”) (July 21, 2022); Alabama Conservatives Fund, 12-Day Pre-Primary Report at 6 (May 12, 2022), <https://docquery.fec.gov/pdf/223/202205129502793223/202205129502793223.pdf>; MP Resp. at 1.

<sup>8</sup> MP Resp., generally. A review of the Commission’s contribution database does not indicate that any other contributions were made by Medical Place to ACF or any other committee. *See* Commission Contr. Database for Medical Place.

<sup>9</sup> Alabama Conservatives Fund, 2022 July Quarterly Report at 15 (July 15, 2022), <https://docquery.fec.gov/pdf/378/202207159521490378/202207159521490378.pdf> (reporting a refund disbursed on June 21, 2022); Medical Place Notif. Letter at 1 (June 8, 2022).

<sup>10</sup> Compl. at 1.

<sup>11</sup> MP Resp. at 1-3.

2022.<sup>12</sup> Medical Place further contends that the federal contractor contribution prohibition is unconstitutional as applied to its contributions to IEOPCs and that prosecutorial discretion is additionally warranted because “pursuing enforcement necessarily would rest on a constitutionally questionable application of the law.”<sup>13</sup>

### III. LEGAL ANALYSIS

The Act and the Commission’s regulations prohibit 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.”<sup>14</sup> 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.<sup>15</sup> The prohibition covers contributions to any political party, political committee, federal candidate, or “any person for any political purpose or use.”<sup>16</sup> The Act also bars any person from knowingly soliciting a contribution from a federal contractor during the prohibited period.<sup>17</sup>

Medical Place acknowledges that it was a federal contractor at the time it made the \$100,000 contributions to ACF.<sup>18</sup> Specifically, at the relevant times, Medical Place held several Indefinite Delivery Contract (“IDC”) and Federal Supply Schedule (“FSS”) contracts with the

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<sup>12</sup> *Id.* at 1-2.

<sup>13</sup> *Id.* at 5; *see also id.* at 2-4.

<sup>14</sup> 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2(a).

<sup>15</sup> 11 C.F.R. § 115.1(b).

<sup>16</sup> *Id.* § 115.2(a).

<sup>17</sup> 52 U.S.C. § 30119(a)(2); 11 C.F.R. § 115.2(c).

<sup>18</sup> MP Resp. at 1.

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VA and DLA.<sup>19</sup> Accordingly, the Commission finds reason to believe that Medical Place violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by making prohibited contributions totaling \$100,000 to ACF.

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<sup>19</sup> See U.S. Dep't of Veterans Affairs, *VA Federal Supply Schedule Service*, <https://www.fss.va.gov/>; Compl., Attach. C; see also <https://www.usaspending.gov/recipient/78ae7b8d-4fea-93a6-9e16-b31d62927309-C/all> (last visited Nov. 2, 2022) (detailing Medical Place's IDV and FSS contracts).