



FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 4, 2022

By Email Only

kreynolds@dickinsonwright.com

Katherine N. Reynolds, Esq.
Dickinson Wright PLLC
1825 Eye Street, NW, Suite 900
Washington, DC 20006-5468

RE: MUR 8030 (RR 21L-66)
Dan Crenshaw for Congress

Dear Ms. Reynolds:

On November 2, 2022, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your client, Dan Crenshaw for Congress and Paul Kilgore in his official capacity as treasurer, in settlement of violations of 52 U.S.C. §§ 30116(f) and 30118(a), provisions of the Federal Election Campaign Act of 1971, as amended. 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) 694-1505.

Sincerely,

Christine C. Gallagher

Christine C. Gallagher
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 8030
Dan Crenshaw for Congress and)
Paul Kilgore in his official capacity)
as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission (the “Commission”), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Dan Crenshaw for Congress and Paul Kilgore in his official capacity as treasurer (the “Committee” or “Respondent”) violated 52 U.S.C. §§ 30116(f) and 30118(a) by knowingly accepting excessive and prohibited corporate contributions in violation of the Federal Election Campaign Act of 1971, as amended (the “Act”).

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. Dan Crenshaw for Congress is a political committee within the meaning of 52 U.S.C. § 30101(4)(A).

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2. Dan Crenshaw for Congress is the principal campaign committee for Dan Crenshaw, a U.S. Representative from Texas's 2nd Congressional District.

3. During the 2020 election cycle, an authorized committee was permitted to accept a total of \$2,800 per election from individuals. 52 U.S.C. § 30116(a)(1)(A); 11 C.F.R. § 110.1(a)-(b); *see* Price Index Adjustments for Contribution and Expenditure Limitations and Lobbyist Bundling Disclosure Threshold, 84 Fed. Reg. 2504, 2506 (Feb. 19, 2019).

4. Multicandidate committees are permitted to make contributions to authorized committees not exceeding an aggregate of \$5,000 per election. 52 U.S.C. § 30116(a)(2)(A); 11 C.F.R. § 110.2(b)(i).

5. Candidates and their political committees are prohibited from knowingly accepting excessive contributions. 52 U.S.C. § 30116(f); 11 C.F.R. § 110.9.

6. The Act prohibits corporations from making contributions to federal candidates, and likewise bars candidates, political committees (other than independent expenditure-only political committees and committees with hybrid accounts), and other persons from knowingly accepting or receiving corporate contributions. 52 U.S.C. § 30118(a); 11 C.F.R. § 114.2(a), (d).

7. Commission regulations allow receipt of contributions from limited liability companies ("LLCs") provided the LLC is treated as a partnership for tax purposes and has not elected to be treated as a corporation by the Internal Revenue Service. 11 C.F.R. § 110.1(g). LLCs that claim corporate status or those that are publicly traded are treated as corporations for purposes of the Act. *Id.* § 110.1(g)(3).

8. A committee's treasurer is responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the Act's contribution limits. 11 C.F.R. § 103.3(b). Treasurers must make their best efforts to determine the legality of the

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contribution. *Id.* § 103.3(b)(1). If the legality of the contribution cannot be determined, the treasurer must refund the contribution within 30 days of receipt. *Id.* Contributions which on their face exceed the contribution limits, and contributions which do not appear to exceed the contribution limits, but exceed contribution limits when aggregated with other contributions, and which cannot be accepted under the net debts outstanding provisions, may be returned to the contributor or deposited. *Id.* § 103.3(b)(3); *see also id.* § 110.1(b)(3) (a contribution designated for a particular election shall not exceed the amount of net debts outstanding from that election). If deposited, contributions must be: (1) redesignated in accordance with 11 C.F.R. §§ 110.1(b)(5) or 110.2(b)(5); (2) reattributed in accordance with 11 C.F.R. § 110.1(k)(3); or (3) refunded within 60 days of the date that the committee has actual notice of the need to refund, redesignate or reattribute the contributions. *Id.* § 103.3(b)(3).

9. The Committee received excessive and apparent prohibited contributions aggregating \$223,460.26 for the 2020 primary and general elections from 125 individuals, one non-qualified political action committee (“PAC”), one qualified multicandidate committee, four corporations, and three LLCs. The excessive and apparent prohibited contributions were disclosed on the Committee’s 2020 July Quarterly, 2020 October Quarterly, 2020 12-Day Pre-General, 2020 30-Day Post-General Reports.

10. The Committee disclosed refunds and redesignations for most of these excessive and prohibited contributions on its 2021 April Quarterly Report (filed on April 15, 2021), Amended 2021 April Quarterly Report (filed on September 27, 2021), Amended 2021 July Quarterly Report (filed on January 12, 2022), and Amended 2021 Year-End Report (March 14, 2022).

11. The Committee refunded \$2,800 in excessive contributions in August 2021. The Committee contends that technological errors caused the refund to not itemize on its disclosure

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reports filed with the Commission at that time. On August 17, 2022, the Committee amended its 2021 October Quarterly Report to itemize that refund. Following the Commission's reason-to-believe finding in this matter, the Committee refunded the remaining \$416.50 in excessive contributions and disclosed that refund on its 2022 October Quarterly Report.

V. Respondent knowingly accepted a total of \$207,360.20 in excessive contributions from individuals and multicandidate committees in violation of 52 U.S.C. § 30116(f). Further, Respondent knowingly accepted a total of \$16,100 in apparent prohibited contributions from corporations and limited liability companies in violation of 52 U.S.C. § 30118(a).

VI. 1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Forty-Two Thousand dollars (\$42,000), pursuant to 52 U.S.C. § 30109(a)(5)(A);

2. Respondent will cease and desist from violating 52 U.S.C. §§ 30116(f) and 30118(a).

3. The Committee will send its treasurer to Commission-sponsored compliance training for candidates and authorized committees within one year of the effective date of this Agreement.

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 executed same and the Commission has approved the entire agreement.

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IX. Respondent shall have no more than 30 days from the date this Agreement becomes effective to comply with and implement the requirement contained in this Agreement and to so notify the Commission.

X. 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 in this written Agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson
Acting General Counsel

BY: 
Charles Kitcher
Associate General Counsel for Enforcement

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Date

FOR THE RESPONDENT:


Name: Katherine Reynolds
Position: Counsel

October 19, 2022
Date