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FEDERAL ELECTION COMMISSION

Washington, D.C. 20463

April 24, 2023

BY EMAIL & CERTIFIED MAIL

Craig Engle ArentFox Schiff LLP 1717 K Street, NW Washington, DC 20006 Craig.Engle@afslaw.com

> RE: MUR 8073 Vista Pacifica Enterprises, Inc.

Dear Mr. Engle:

On October 4, 2022, the Federal Election Commission (the "Commission") notified your client, Vista Pacifica Enterprises, 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, your client's response, and publicly available information, the Commission on April 18, 2023, found reason to believe that Vista Pacifica Enterprises, Inc., violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by making a prohibited government contractor contribution. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is enclosed for your information.

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.

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If your client is interested in engaging in pre-probable cause conciliation, please contact Jacob Tully, the attorney assigned to this matter, at (202) 694-1404 or jtully@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 your client 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 https://www.fec.gov/resources/cms-content/documents/respondent_guide.pdf.

In addition, please note that your client 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 to the public, it may share information on a confidential basis with other law enforcement agencies.¹

We look forward to your response.

On behalf of the Commission,

Dara Lindenbaum Chair

Enclosures: Factual and Legal Analysis

¹ 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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FEDERAL ELECTION COMMISSION FACTUAL AND LEGAL ANALYSIS

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Respondent: Vista Pacifica Enterprises, Inc. N

MUR 8073

6 I. INTRODUCTION

7 This matter was generated by a Complaint alleging that Vista Pacifica Enterprises, Inc. 8 ("Vista Pacifica"), a health care services company and federal government contractor, made one 9 contribution of \$100,000 to Stop Socialism in OC and David Satterfield in his official capacity as treasurer ("Stop Socialism in OC"), an independent-expenditure only political committee 10 ("IEOPC"), in violation of the Federal Election Campaign Act of 1971, as amended (the "Act").¹ 11 Vista Pacifica's Response admits that Vista Pacifica was a federal contractor at the time it 12 13 made the contribution but contends that its president, Cheryl Jumonville, who authorized the subject contribution, was unaware of the government contractor prohibition.² Its Response 14 further states that, upon learning that the contribution was prohibited, Jumonville directed the 15 contribution to be replaced by another \$100,000 contribution from Mira Poly Holdings LLC, an 16 entity "that is unrelated to Vista and that does not have any federal contracts," and the original 17 contribution from Vista Pacifica was promptly refunded.³ 18 The available information indicates that Vista Pacifica made a \$100,000 contribution to 19

20 Stop Socialism in OC while it was a federal contractor. Accordingly, the Commission finds

reason to believe that Vista Pacifica violated 52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by

22 making a prohibited government contractor contribution.

³ *Id.*

¹ Compl. at 1 (Sept. 28, 2022).

² Vista Pacifica Resp. at 1 (Dec. 13, 2022).

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1 II. FACTUAL BACKGROUND

Vista Pacifica is a health care services company that was incorporated in California in 1988.⁴ According to its website, Vista Pacifica provides care and treatment services to adults at two facilities, Vista Pacifica Center and Vista Pacifica Convalescent.⁵ Cheryl Jumonville, whose sworn affidavit is attached to Vista Pacifica's Response, is Vista Pacifica's sole owner and serves as its president.⁶

On January 27, 2022, Vista Pacifica made a \$100,000 contribution to Stop Socialism in 7 OC, an IEOPC.⁷ The Complaint alleges that this contribution is prohibited by the Act because 8 9 Vista Pacifica was a federal contractor performing two open federal contracts with the Department of Veterans Affairs ("VA") at the time it made the subject contribution: a Basic 10 Ordering Agreement and a Delivery Order.⁸ Publicly available federal spending data supports 11 these assertions; USASpending.gov records show that the Basic Ordering Agreement has a 12 period of performance of May 1, 2019 to April 30, 2023, and the Delivery Order had a period of 13 performance of January 1, 2022 to March 31, 2022.⁹ The Complaint further alleges that Vista 14 Pacifica's contribution constituted 80% of Stop Socialism in OC's total fundraising during the 15

About Us, VISTA PACIFICA ENTERPRISES, INC., <u>https://vistapacificaent.com/about-us/</u> (last visited Mar. 17, 2023).

⁷ Compl. at 2; Stop Socialism in OC, 2022 April Quarterly Report at 6 (Apr. 19, 2022), <u>https://docquery</u>.<u>fec.gov/pdf/466/202204139496087466/202204139496087466.pdf</u>.

⁴ *Business Search*, CAL. SEC'Y OF STATE, <u>https://bizfileonline.sos.ca.gov/search/business</u> (last visited Mar. 17, 2023).

⁶ *Id.*; Vista Pacifica Resp. at 4.

⁸ Compl. at 2-3.

⁹ Award Profile, USASPENDING.GOV, <u>https://www.usaspending.gov/award/CONT_AWD_36C26222K0275</u> <u>3600_36C26219G0014_3600</u> (last visited Mar. 17, 2023); Award Profile, USASPENDING.GOV, <u>https://www.usa</u> <u>spending.gov/award/CONT_IDV_36C26219G0014_3600</u> (last visited Mar. 17, 2023).

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1 2022 election cycle.¹⁰ In actuality, a review of Stop Socialism in OC's disclosure reports reveals

- 2 that Vista Pacifica's \$100,000 contribution accounts for just under 60% of Stop Socialism in
- 3 OC's receipts for the 2022 election cycle.¹¹
- 4 Vista Pacifica admits in its Response that it is a current contractor for the VA, admits to
- 5 holding at least one VA contract during January 2022, and admits to making the subject
- 6 contribution of \$100,000.¹² The Vista Pacifica Response states that the subject contribution was
- 7 authorized by Jumonville, the corporation's president.¹³ In her sworn affidavit,¹⁴ Jumonville
- 8 attests that after she received notice of the Complaint, she directed the \$100,000 contribution to
- 9 be replaced by a \$100,000 contribution from another entity unrelated to Vista Pacifica, Mira Poly
- 10 Holdings LLC, which was not a federal government contractor, and instructed Stop Socialism in
- 11 OC to refund the subject contribution.¹⁵ Stop Socialism in OC's 2022 Post-General report
- 12 confirms that Mira Poly Holdings LLC contributed \$100,000 to Stop Socialism in OC on
- 13 November 22, 2022, shortly before the IEOPC issued a \$100,000 refund to Vista Pacifica on
- 14 November 28, 2022.¹⁶
- 15 Although Vista Pacifica does not deny that the subject contribution was prohibited, its
- 16 Response advances the following mitigating arguments: (1) that Jumonville does not regularly

¹⁵ *Id.* at 1.

¹⁰ Compl. at 3.

¹¹ Stop Socialism in OC: Financial Summary 2021-2022, FEC.GOV, <u>https://www.fec.gov/data/committee/</u> <u>C00802009/</u> (last visited Mar. 17, 2023) (showing that Stop Socialism in OC received \$169,783.27 in total contributions, excluding the contribution from Mira Poly Holdings LLC provided to replace the refunded contribution from Vista Pacifica).

¹² Vista Pacifica Resp. at 1-2; Vista Pacifica Supp. Resp. (Dec. 20, 2022).

¹³ Vista Pacifica Resp. at 1.

¹⁴ *Id.* at 4-5.

¹⁶ Stop Socialism in OC, 2022 Post-General Report at 6, 8 (Dec. 8, 2022), <u>https://docquery.fec.gov/pdf/569/</u>202212089547397569/202212089547397569.pdf.

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make political contributions and is unfamiliar with federal campaign finance law, including the 1 restriction on federal contractor contributions; (2) that Jumonville considered the contribution to 2 have been her own political contribution because of her close association with Vista Pacifica; (3) 3 that Vista Pacifica's contracts were awarded as a result of competitive bidding, and the subject 4 contribution was therefore not intended as part of a quid pro quo arrangement; and (4) that 5 federal contracts comprise a relatively small part of Vista Pacifica's revenue, accounting for only 6 3.26% of its revenue during the months surrounding the subject contribution.¹⁷ The Vista 7 8 Pacifica Response provides no information regarding the solicitation of the contribution or any 9 communications with Stop Socialism in OC.

10 III. LEGAL ANALYSIS

11 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 12 "furnishing any material, supplies, or equipment," if payment on such contract "is to be made in 13 whole or in part from funds appropriated by Congress."¹⁸ Such contributions are barred for the 14 period between (1) the earlier of commencement of negotiations or when requests for proposal 15 are sent out, and (2) the later of the completion of performance on or termination of negotiations 16 for the contract.¹⁹ The Act also bars any person from knowingly soliciting a contribution from a 17 federal contractor during the prohibited period.²⁰ 18

²⁰ 52 U.S.C. § 30119(a)(2).

¹⁷ Vista Pacifica Resp. at 1-3.

¹⁸ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2(a).

¹⁹ 11 C.F.R. § 115.1(b).

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1	Vista Pacifica's Response admits that the corporation is a current contractor for the VA,
2	and does not dispute that it held at least one federal contract at the time that it made the subject
3	contribution to Stop Socialism in OC. ²¹
4	Vista Pacifica requests that the Commission take no further action in this matter based on
5	several mitigating factors, including: that Jumonville was unaware of the prohibition on
6	contributions to federal contractors; that Jumonville considered the subject contribution to be her
7	own contribution; that the subject contribution accounts for a relatively small portion of Vista
8	Pacifica's total revenue; that Vista Pacifica has no plans to renew its current contracts with the
9	VA; and that no evidence has been shown of improper influence or quid pro quo in connection
10	with the subject contribution. ²²
11	These arguments do not undercut the factual and legal basis for finding that Vista
12	Pacifica violated the Act by making the subject contribution. Specifically, the argument that
13	Jumonville considered the subject contribution to have been her own contribution is
14	unpersuasive. Vista Pacifica's Response does not claim that Jumonville used a personal bank
15	account to make the subject contribution. Rather, the Response appears to argue that, because
16	Jumonville treated corporate treasury funds as her own in making the subject contribution, the
17	contribution should be analyzed not as a government contractor contribution, but as a personal
18	contribution from Jumonville. With some exceptions, ²³ the Commission analyzes contributions

- 18
- drawn from corporate treasury funds as being attributable to the corporation, rather than to the 19

²¹ Vista Pacifica Supp. Resp.

²² Vista Pacifica Resp. at 3.

²³ Among these exceptions is the Commission regulation enabling separate segregated funds to accept funds drawn from an individual contributor's "non-repayable corporate drawing account." 11 C.F.R. § 102.6(c)(3).

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1	corporation's officers or shareholders. ²⁴ In MUR 7450 (Ashbritt, Inc.) the Commission found
2	reason to believe that a government contractor made an impermissible contractor contribution,
3	notwithstanding the respondent's argument that the contribution should have been treated as an
4	individual contribution from a corporate officer because the contribution was "charged" to the
5	officer's "loan/distribution account." ²⁵ Unlike the response in Ashbritt, Vista Pacifica's
6	Response does not claim that the subject contribution came from a quasi-personal corporate
7	account, so the rationale for displacing the Commission's longstanding analysis is even weaker
8	here. The Response's argument that Vista Pacifica was unaware of the government contractor
9	prohibition is similarly unpersuasive. The Commission recently found reason to believe that a
10	government contractor made a prohibited government contractor contribution despite the
11	respondent's claim that it was unaware of the restriction on federal contractor contributions. ²⁶
12	Accordingly, the Commission finds reason to believe that Vista Pacifica violated
13	52 U.S.C. § 30119(a) and 11 C.F.R. § 115.2(a) by making a prohibited contribution of \$100,000
14	to Stop Socialism in OC.

²⁴ See, e.g., Factual and Legal Analysis ("F&LA") at 8-9, MUR 3191 (Christmas Farm Inn, Inc.) (available at <u>https://www.fec.gov/files/legal/murs/3191.pdf</u> at 238) ("By choosing to incorporate their business, the Zeliffs converted personal assets into corporate ones. Their ability to benefit from a statute designed to provide protection against double taxation does not change the corporate nature of the enterprise itself or re-convert the corporation's assets into personal ones.").

²⁵ F&LA at 5-6, MUR 7450 (Ashbritt, Inc.).

²⁶ F&LA at 4, MUR 8011 (Daniel Defense, LLC).