

FEDERAL ELECTION COMMISSION Washington, DC

November 30, 2023

VIA ELECTRONIC MAIL

Jason Torchinsky
Michael Bayes
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RE: MUR 8176

(formerly PMUR 652) Salazar for Congress Freedom Force PAC Salazar Victory Fund

Dear Mr. Torchinsky and Mr. Bayes:

On November 29, 2023, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations: (1) that Salazar for Congress, Freedom Force PAC, and Salazar Victory Committee violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by failing to report and incorrectly reporting information regarding receipts, disbursements, and cash on hand; and (2) that Salazar Victory Committee and Freedom Force PAC violated 52 U.S.C. § 30102(h) and 11 C.F.R. § 103.3 by failing to deposit receipts into a campaign depository account. 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) 694-1169.

Sincerely,

Kevin Fortkiewicz

Kevin Fortkiewicz

Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of	ĺ	
Salazar for Congress and)	MUR 8176
Les Williamson in his)	
official capacity as treasurer)	
Freedom Force PAC and)	
Les Williamson in his)	
official capacity as treasurer)	
Salazar Victory Committee)	
and Les Williamson in his)	
official capacity as treasurer)	
)	

CONCILIATION AGREEMENT

This matter was generated by a *sua sponte* submission filed by Salazar for Congress and Les Williamson in his official capacity as treasurer, Freedom Force PAC and Les Williamson in his official capacity as treasurer, and Salazar Victory Committee and Les Williamson in his official capacity as treasurer (the "Committees" or the "Respondents). The Federal Election Commission found reason to believe that the Committees violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by filing inaccurate reports with the Commission and that Salazar Victory Committee and Freedom Force PAC violated 52 U.S.C. § 30102(h) and 11 C.F.R. § 103.3 by failing to deposit contributions into their respective depository accounts.

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation prior to a finding of probable cause to believe, agree as follows:

I. The Commission has jurisdiction over Respondents 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).

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- II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
 - III. Respondents enter voluntarily into this Agreement with the Commission.
 - IV. The pertinent facts in this matter are as follows:
- 1. Salazar for Congress is the authorized campaign committee of Representative Maria E. Salazar. Freedom Force PAC is Salazar's leadership PAC. Salazar Victory Committee is her joint fundraising committee. Les Williamson is the current treasurer of all three Committees. Mr. Williamson was not the treasurer of the Committees when the reporting errors described below occurred.
- 2. In approximately mid-January, 2021, the Committees hired Nancy Marks to serve as the treasurer for all three Committees. Marks served in that role until approximately July, 2022. Marks filed April 2021 and July 2021 Quarterly Reports for the Committees while serving as the Committees' treasurer.
- 3. The Reports filed by Marks contained numerous errors, including, *inter alia*:
 - unreported contributions, disbursements, and transfers;
 - duplicate reporting of contributions, disbursements, and loan repayments;
 - incorrect reporting of contribution information, including the source, date, and amount;
 - incorrect reporting of disbursement information, including the amount, date, and ultimate payee;
 - failing to designate contributions between the primary and general election;
 - failing to properly report joint contributions and transfers;
 - incorrect reporting of transfers and disbursements that did not

occur;

- reporting contributions received when they were in fact misdeposited and should have been deposited into the account of another of the Committees;
- failing to provide attribution information for contributors that exceeded the itemization threshold; and
- failing to indicate in the memo text that the contributions were earmarked through the website WinRed.
- These individual errors also caused the Committees to misreport their cash on hand in the relevant reports.
- 4. The dollar amounts for the Committees' errors are as follows: (1) Salazar for Congress disclosed \$563,114.24 in errors in its 2021 April Quarterly Report and \$930,066.16 in errors in its 2021 July Quarterly Report; (2) Freedom Force PAC disclosed \$12,200.00 in errors in its 2021 April Quarterly Report and \$23,771.71 in errors in its 2021 July Quarterly Report; and (3) Salazar Victory Committee disclosed \$246,480.6 in errors in its 2021 April Quarterly Report and \$264,393.35 in errors in its 2021 July Quarterly Report. These errors also resulted in the Committees misreporting their cash on hand in the relevant reports. In total, these individual errors resulted in the Committees misreporting over \$2,000,000 in transactions.
- 5. In addition, during this same period, Marks deposited \$92,950 in checks made payable to Salazar Victory Committee and \$10,000 in checks made payable to Freedom Force PAC into Salazar for Congress's depository account.
- 6. The Committees contend that the reporting errors and misdeposited checks are attributable to the actions of their former treasurer, Nancy Marks. The Committees further contend that Marks was replaced after the Committees became aware of reporting errors and Marks was unresponsive to requests for information and draft reports. The Committees

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contend that, after Marks was replaced, the Committees' new treasurer conducted a full review of financial records and filed amended reports to correct identified errors.

- 7. The Federal Election Campaign Act of 1971, as amended (the "Act") and Commission regulations require political committees to file reports disclosing, among other things the amount of cash-on-hand at the beginning of each reporting period; the total amount of receipts for the reporting period and for the calendar year; and the total amount of disbursements for the reporting period and for the calendar year. 52 U.S.C. § 30104(b)(1), (2), (4); 11 C.F.R. §§ 104.3(a)(1), 104.12. For each receipt or disbursement exceeding \$200, the committee must report the source, date, and amount of each receipt and the ultimate payee, purpose, amount, and date of each disbursement. 52 U.S.C. § 30104(b)(3) and (5); 11 C.F.R. § 104.3(a)(4), (b)(3). Committees must also disclose the amount and nature of any outstanding debts and obligations. 52 U.S.C. § 30104(b)(8); 11 C.F.R. § 104.3(d).
- 8. The Act requires a committee to establish and maintain one or more depository accounts into which its receipts are deposited. 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3.
 - V. Respondents committed the following violations:
- 1. The Committees violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by filing reports with the Commission that failed to report and mis-reported contributions received, disbursements, loan repayments, and transfers and misreporting cash on hand balances.
- Salazar Victory Committee and Freedom Force PAC violated 52 U.S.C.
 § 30102(h) and 11 C.F.R. § 103.3 by failing to deposit contributions into their respective depository accounts.

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- VI. Respondents will take the following actions:
- 1. Respondents will pay a civil penalty to the Commission in the following amounts:
 - \$10,450 by Salazar for Congress;
 - \$4,750 by Freedom Force PAC;
 - \$7,600 by Salazar Victory Committee.
- 2. Respondents will cease and desist from committing further violations of 52 U.S.C. §§ 30102(h), 30104(b) and 11 C.F.R. §§ 103.3, 104.3.
- 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 the same and the Commission has approved the entire Agreement.
- IX. Respondents shall have no more than 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 Conciliation Agreement constitutes the entire agreement between the Commission and Respondents and constitutes a final settlement as to Respondents. 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.

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FOR THE COMMISSION:

Lisa J. Stevenson Acting General Counsel

Charles Kitcher Digitally signed by Charles Kitcher Date: 2023.11.30 13:52:03 -05'00'

11/30/23

BY: <u>r</u>

Charles Kitcher Associate General Counsel for Enforcement

FOR THE RESPONDENTS:

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11/17/2023

Jason Torchinsky Counsel

Date

Date