



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

George J. Terwilliger III, Esq.
Robert J. Bittman, Esq.
McGuire Woods
2001 K Street, N.W.
Washington, DC 20006

AUG 01 2017

RE: MUR 7248
CTCA

Dear Mr. Terwilliger,

On July 27, 2017, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf Cancer Treatment Centers of America Global, Inc. (CTCA), in settlement of violations of 52 U.S.C. § 30118 and 30122, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). 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), effective September 1, 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. We already have received your civil penalty payment. Please note that other obligations imposed by the agreement are to be completed within 30 days of July 28, 2017. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Shonkwiler", written over a horizontal line.

Mark Shonkwiler
Assistant General Counsel

Enclosure
Conciliation Agreement

ENCLOSURE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Cancer Treatment Centers of)
America Global, Inc.)
Eastern Regional Medical Center, Inc.)
Midwestern Regional Medical Center, Inc.)
Southeastern Regional Medical Center, Inc.)
Southwestern Regional Medical Center, Inc.)
Western Regional Medical Center, Inc.)
Stephen Bonner)
Robert Mayo)
Richard Stephenson)

MUR 7248

OFFICE OF GENERAL COUNSEL

2017 JUL 11 AM 9:00

RECEIVED FEDERAL ELECTION COMMISSION

CONCILIATION AGREEMENT

The Commission received a sua sponte submission from Cancer Treatment Centers of America Global, Inc. ("CTCA"), Eastern Regional Medical Center, Inc., Midwestern Regional Medical Center, Inc., Southeastern Regional Medical Center, Inc., Southwestern Regional Medical Center, Inc., and Western Regional Medical Center, Inc. (together, the "Regional Medical Centers"), and sixteen current and former individual employees, detailing the years-long existence of a bonus program (called Community Management Incentive Bonuses, or "CMI Bonuses") whereby CTCA used corporate resources to conduct its fundraising activities and reimbursed with corporate funds the political contributions of its executives. The Commission found reason to believe CTCA and its Regional Medical Centers violated 52 U.S.C. §§ 30118 and 30122 by making prohibited corporate contributions in the name of another person. The Commission also found reason to believe that CTCA executives Stephen Bonner and Robert Mayo violated 52 U.S.C. §§ 30118 and 30122. The Commission further found reason to believe CTCA Chairman Richard Stephenson violated 52 U.S.C. § 30118 in connection with fundraising activities other than the CMI Bonus contributions. The Commission found no reason to believe that Stephenson violated 52 U.S.C. § 30122 in connection with the

INFORMATION

reimbursement of contributions:

NOW, THEREFORE, the Commission and the Respondents, 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 the 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).

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. Cancer Treatment Centers of America Global, Inc. ("CTCA") is a Florida-based healthcare provider of cancer treatment services. CTCA operates five separately incorporated Regional Medical Centers, each of which joins CTCA in the Submission.

2. Richard Stephenson founded CTCA and serves as its Chairman.

3. Stephen Bonner was the President and CEO from 1999 to 2013 and is a former member of the CTCA Board of Directors.

4. Robert Mayo is the former Vice Chairman of the Board of Directors who performed an executive role through the Office of the Vice Chairman.

5. CTCA began the CMI Bonus program in early 2002. CTCA states that although the CMI Bonuses had a "broad initial purpose, the practice evolved into a method of providing funds that were primarily used for political contributions." CTCA ceased the CMI Bonus program in October 2014, as a result of an internal investigation that led to the Submission.

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6. From September 15, 2009, through September 15, 2014 (the period within the statute of limitations), CTCA conducted at least 45 distinct fundraising initiatives for approximately 31 federal candidates. The initiatives were primarily led by Bonner and Mayo; Stephenson also had limited involvement in a few of the initiatives. Twenty of the 45 initiatives involved hosted events at CTCA facilities. An additional 18 initiatives were held at other locations, including the homes of Mayo, Bonner, and Stephenson, and at a country club where Mayo held a CTCA-paid membership.

7. Solicitations were typically made by Bonner and Mayo, and either they or their executive assistants issued follow-up communications seeking the contributions. CTCA estimates that administrative staff spent a total of 335 hours from September 15, 2009 to September 15, 2014, (for an estimated value of \$12,412.43) on fundraising and event planning.

8. According to the Submission, from September 15, 2009 to September 15, 2014, there were 134 total CMI Bonuses issued to approximately 25 individuals who made federal political contributions. The total amount of those CMI Bonuses is \$1,523,821.28 (gross) and \$1,014,600.28 (net). These 25 individual recipients made a total of \$1,114,214 in federal contributions during this period. When adjusting for individuals who made contributions in excess of the CMI Bonuses they received, the total amount of federal contributions made during the SOL period by this group of CMI Bonus recipients is \$696,443.65.

9. CMI Bonus recipients also made 60 contributions totaling \$82,313 to eight active committees from April 24, 2002, to September 15, 2009. CTCA has also identified 11 now-terminated committees that received a total of 48 contributions totaling \$73,500 from CMI Bonus recipients during this period.

10. According to CTCA, the program was "conceived and initiated" by Bonner, the

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former CTCA President. The program was limited to senior executives, and the issuance of CMI Bonuses required Bonner's approval. Most of the solicitations for contributions came from either Bonner or Mayo. Bonus recipients frequently reached out to Bonner or Mayo to request Bonus distributions.

11. CTCA's internal investigation determined that Stephenson was aware of and generally supported political activity by CTCA executives and "occasionally hosted events for these purposes," but was not aware of or involved in the use of CMI Bonuses to make political contributions. On a few occasions, Stephenson communicated with candidates or their staff in order to plan CTCA fundraisers. Stephenson states that although he was aware of efforts by Mayo and Bonner "to generate support within and without CTCA for political candidates," he was not aware of the fact that the CMI Bonuses were being used to reimburse individuals for political contributions until late-2014 when he initiated the internal investigation process.

12. In addition to the CMI Bonuses, CTCA reimbursed Stephenson's personal trust account (the "Stephenson Trust") for contributions he made to federal candidates. CTCA's internal investigation determined that the contributions, entirely without Stephenson's knowledge, were erroneously identified as "business expenses" and submitted to CTCA for reimbursement by the individuals who administer the Stephenson Trust. In the five years prior to the discovery, CTCA reimbursed 17 of Stephenson's contributions, totaling \$120,700.

13. An executive at a management company owned by Stephenson was also reimbursed for two federal contributions totaling \$3,500. The executive made the contributions in 2012 with checks drawn from his personal account then submitted reimbursement requests to the Stephenson Trust, which included those amounts in its "business expenses" reimbursement

requests to CTCA.

14. Although evidently not part of the CMI Bonus program, CTCA appears to have reimbursed an executive \$3,154 for a portion of the expenses he paid for a reception.

15. In January 2012, CTCA made a \$1,000 contribution to Martha for Congress, the authorized committee of Martha Mitchell Zoller, a candidate for Congress in Georgia's 9th District.

16. CTCA states that when Stephenson first learned in late-2014 that CMI Bonuses were being used to make contributions, Stephenson, as CTCA Board chair, named, and the non-conflicted members of the Board approved, an Investigatory Committee to supervise a comprehensive investigation of the CMI Bonus program, to disclose the results of the investigation to the Commission, and to oversee comprehensive remedial measures, including: adopting a "Political Contributions" policy as part of the CTCA Standards of Conduct; preparing a comprehensive Political Activity Compliance Manual; approving a new Ethics Policy and Manual "that seeks to ensure CTCA stakeholders always do the right thing, even if it means going beyond strict compliance with a policy or applicable law"; designing and implementing new training programs in the area of federal political activity; issuing disciplinary letters to all of the CMI Bonus recipients; adding outside directors with expertise to the reconstituted Board; and retaining local counsel to render ongoing advice to each regional medical center on any future state or local political activity.

V. 1. CTCA and its Regional Medical Centers violated 52 U.S.C. §§ 30118 and 30122 by making prohibited corporate contributions in the name of another person.

2. Stephen Bonner and Robert Mayo violated 52 U.S.C. §§ 30118 and 30122.

3. Richard Stephenson violated 52 U.S.C. § 30118.

VI. 1. Respondents will pay a joint civil penalty to the Federal Election Commission in the amount of \$288,000 pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondents will cease and desist committing violations of the Act.

3. Respondents waive any rights they may have to a refund of any the illegal contributions discussed in this agreement. CTCA shall seek disgorgement of all such funds from all recipient candidates and committees to the U.S. Treasury.

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.

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.

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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: Kathleen M. Guith
Kathleen M. Guith
Associate General Counsel

7/28/17
Date

FOR THE RESPONDENTS:

Cancer Treatment Centers of America Global, Inc.,
and the Regional Medical Centers

BY: George Terwilliger, Esq.
George Terwilliger, Esq.
Counsel of Record

June 30, 2017
Date

Stephen Bonner

BY: _____
Ben O'Neil, Esq.
Counsel of Record

Date

Robert Mayo

BY: _____
Craig D. Tobin, Esq.
Counsel of Record

Date

Richard Stephenson

BY: _____
Michael Toner, Esq.
Counsel of Record


Date

CONFIDENTIAL

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Counsel of Record

6/30/17
Date

Robert Mayo

BY: _____
Craig D. Tobin, Esq.
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Counsel of Record

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BY: Craig D. Tobin
Craig D. Tobin, Esq.
Counsel of Record

6-30-17
Date

Richard Stephenson

BY: _____
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Counsel of Record

Date


17044423330

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