

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 6724
Bachmann for President and)
Christopher M. Marston in his)
official capacity as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Peter Waldron, and by a referral from the Office of Congressional Ethics to the Federal Election Commission ("Commission"). The Commission found reason to believe that Bachmann for President and Christopher M. Marston in his official capacity as treasurer ("Respondent") violated 52 U.S.C. § 30104(b)(5)(A) by failing to properly disclose disbursements, 52 U.S.C. § 30116(f) by knowingly accepting excessive in-kind contributions, and 52 U.S.C. § 30104(b)(2)(D) by failing to properly disclose in-kind contributions.

NOW, THEREFORE, the Commission and the 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 the 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 Commission determined as follows:

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1. Bachmann for President was Representative Michele Bachmann's authorized committee during her 2012 presidential campaign.
2. At the time of the events at issue in this matter, Christopher M. Marston was not the Respondent's Treasurer. Nancy H. Watkins, of Robert Watkins & Co., was the Respondent's Treasurer during the relevant time period.
3. In early 2011, the Respondent offered payment to Kent Sorenson, an Iowa State Senator, to support Bachmann's presidential campaign. Believing that state law prohibited Sorenson from accepting payment directly from the Respondent, the parties agreed that the Respondent would route payments to Sorenson through an existing contract with another political consultant (C&M Strategies, Inc.) in order to avoid disclosure of Sorenson as the ultimate payee.
4. Sorenson did not take direction from or perform any work for C&M Strategies. C&M Strategies did not exercise any independent control over the funds it received from the Respondent, which were earmarked for Sorenson.
5. The Respondent paid Sorenson \$7,500 per month for four and one-half months (for a total of \$33,750) using C&M Strategies merely as a conduit for payment. The Respondent filed its 2011 October Quarterly and 2011 Year-End Reports with the Commission stating that C&M Strategies, and not Sorenson, was the recipient of these payments. Therefore, the Commission found reason to believe that Committee failed to properly disclose \$33,750 in disbursements to Sorenson.
6. The Respondent also was under contract to pay consulting fees of \$22,500 per month to C&M Strategies and Grassroots Strategies from mid-2011 through the end of the year. Despite the substantial evidence that C&M Strategies (through its principal, Guy Short) worked

NONDISCLOSURE

full time for the Respondent during November and December 2011 in anticipation of the Iowa Caucus, the Respondent did not report paying the \$22,500 monthly consulting fees for either month. Instead, the Respondent's obligations under the contract during this time were paid by Many Individual Conservatives Helping Elect Leaders Everywhere (MichelePAC), Bachmann's leadership PAC, which was under the control of Guy Short, principal of C&M Strategies.

7. MichelePAC paid \$45,000 to C&M Strategies for consulting services performed for the Respondent during November and December 2011. The Commission found reason to believe that these payments resulted in the Respondent knowingly accepting excessive in-kind contributions in the amount of \$35,000: \$45,000 paid to C&M for services performed in November and December, minus the \$5,000 the Act permitted MichelePAC to contribute to the Committee in each of calendar years 2011 and 2012. Furthermore, the Commission found reason to believe that the Respondent did not report these amounts as in-kind contributions on its 2011 Year-End and 2012 February Monthly Reports.

V. The Commission found reason to believe that the Respondent violated 52 U.S.C. § 30104(b)(5)(A) by failing to properly disclose its disbursements, 52 U.S.C. § 30116(f) by knowingly accepting those excessive in-kind contributions, and 52 U.S.C. § 30104(b)(2)(D) by failing to report them. Respondent contends that any such violations were not knowing and willful.

VI. 1. Without admitting liability in this matter or with respect to any other proceeding, but in order to resolve this matter, Respondent will pay a civil penalty to the Federal Election Commission in the amount of \$17,500, pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Respondent will comply with 52 U.S.C. § 30104(b)(5)(A), 52 U.S.C. § 30116(f), and 52 U.S.C. § 30104(b)(2)(D).

3. Respondent will amend its October 2011 Quarterly Report, 2011 Year-End Report, and 2012 February Monthly Report within 30 days.

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.

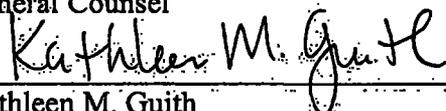
IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the 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
Associate General Counsel

Date

7/27/17

