Dear Mr. Mackenzie:

On August 26, 2019, the Federal Election Commission accepted the signed conciliation agreement submitted on your behalf in settlement of a violation of 52 U.S.C. § 30104(f) of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.


Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the first installment of 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) 694-1507 or c.jacksonjones@fec.gov.

Sincerely,

Camilla Jackson Jones
Attorney

Enclosure
Conciliation Agreement
BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of Tea Party Majority Fund and Scott B. Mackenzie in his official capacity as treasurer

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Tea Party Majority Fund and Scott B. Mackenzie in his official capacity as treasurer ("Respondent" or the "Committee") violated 52 U.S.C. §§ 30104(b)(4)(H)(iii), 30104(b)(8) and 11 C.F.R. §§ 104.3(d), 104.4, 104.11(a).

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. Tea Party Majority Fund is a non-connected political action committee and Scott B. Mackenzie is its treasurer.
MUR 7545 (Tea Party Majority Fund)
Conciliation Agreement

1.  

2. The Federal Election Campaign Act of 1971, as amended (the “Act”), requires each treasurer of a political committee to file accurate reports of receipts and disbursements in accordance with the provisions of 52 U.S.C. § 30104(b). This requirement includes reporting independent expenditures (“IEs”) made by political committees other than authorized committees. Every political committee that makes IEs must report them in its regularly scheduled disclosure reports in accordance with 11 C.F.R. § 104.3(b)(3)(vii).

3. The Act and Commission regulations also require political committees to disclose the amount and nature of its outstanding debts and obligations until those obligations are extinguished. A political committee must file separate schedules for debts owed by and to the committee with a statement explaining the circumstances and conditions under which each debt and obligation was incurred and extinguished. A similar statement is required where such debts and obligations are settled for less than their reported amount or value. A debt of $500 or less must be reported at the time that payment was made or within 60 days of the date the political committee incurs the debts, whichever comes first, and a debt exceeding $500 must be disclosed in the report that covers the date on which the debt was incurred.

4. In its 2016 April Quarterly Report, Respondent listed IEs totaling $753,273.16, of which, in reality, $400,000 was a debt and $353,273.16 were actual payments on that debt. Because Respondent failed to explain these distinctions in the report, however, it appears that the Committee made $753,273.16 in IEs.

5. Furthermore, the 2016 April Quarterly Report fails to list $46,726.84 in debts for that reporting period.

6. On the 2016 October Quarterly, Respondent listed IEs totaling $843,569.24, of which, in reality, $450,000 was a debt and $393,569.24 were actual payments on
that debt. Because Respondent failed to explain these distinctions in the report, however, it appears that the Committee made $843,569.24 in IEs.

7. In its 2016 Amended 12 Day Pre-General Report, Respondent listed $212,943.72 as an IE that was distributed prior to payment with no accompanying information, and did not list a debt for that period.

V. Respondent violated 52 U.S.C. § 30104(b)(4)(H)(iii) and 11 C.F.R. § 104.4 by failing to accurately report independent expenditures, and 52 U.S.C. § 30104(b)(8) and 11 C.F.R. §§ 104.3(d), 104.11(a) by not properly disclosing its debts and obligations.

VI. Respondent will take the following actions:

1. Respondent will cease and desist from violating 52 U.S.C. §§ 30104(b)(4)(H)(iii), 30104(b)(8) and 11 C.F.R. §§ 104.3(d), 104.4, 104.11(a).

2. Respondent will amend its reports to ensure they accurately reflect its IEs and debts at all times.

3. Respondent will pay a civil penalty to the Federal Election Commission in the amount of One Hundred Thousand Dollars ($100,000) pursuant to 2 U.S.C. § 437g(a)(5)(A). The $100,000 will be paid as follows:

   a. A payment of Twenty Five Thousand Dollars ($25,000) is due no more than thirty (30) days from the date this Agreement becomes effective;

   b. Thereafter, three quarterly installments of Twenty Five Thousand Dollars ($25,000) each;

   c. The second and third installments shall be paid within one hundred twenty (120) and one hundred and eighty (180) days of the due date of the previous installment and the final installment shall be paid within ninety (90) days after the third installment;
d. In the event that any payment is not received by the Commission by the fifth day after it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the Respondent. Failure by the Commission to accelerate the payments with regard to any overdue payment shall not be construed as a waiver of its right to do so with regard to further overdue payments.

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 requirement contained in this agreement and to so notify the Commission.
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1. 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
Acting Associate General Counsel for Enforcement

FOR THE RESPONDENT:

Scott B. Mackenzie
Treasurer

August 7, 2019
Date