



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NOV 03 2017

Anne L. Weismann
Citizens for Responsibility and Ethics in Washington
455 Massachusetts Avenue, NW, Sixth Floor
Washington, DC 20001

RE: MUR 6920

Dear Ms. Weismann:

This is in reference to the complaint you filed with the Federal Election Commission on February 27, 2015, concerning alleged violations that American Conservative Union allowed its name to be used to effect a contribution in the name of another. After conducting an investigation in this matter, the Commission found that there was probable cause to believe American Conservative Union violated 52 U.S.C. § 30122, a provision of the Federal Election Campaign Act of 1971, as amended. The Commission also found reason to believe that Government Integrity, LLC, violated 52 U.S.C. § 30122; that Now or Never PAC and James C. Thomas, III in his official capacity as treasurer knowingly and willfully violated 52 U.S.C. §§ 30122 and 30104(b); and that James C. Thomas, III knowingly and willfully violated 52 U.S.C. §§ 30122 and 30104(b). On October 24, 2017, the Commission accepted a conciliation agreement signed by the respondents, thereby concluding the 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). A copy of the agreement with respondents is enclosed for your information. If you have any questions, please contact me at (202) 694-1634 or afuoto@fec.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Antoinette Fuoto".

Antoinette Fuoto
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)	
)	
American Conservative Union)	MUR 6920
Government Integrity, LLC)	
Now or Never PAC)	
and James C. Thomas, III, in his official)	
capacity as treasurer)	
James C. Thomas, III)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint filed with the Federal Election Commission (“Commission”) by Citizens for Responsibility and Ethics in Washington. The Commission made findings that (1) “Unknown Respondent(s)” – later identified as Government Integrity, LLC (“GI LLC”) - made a contribution in the name of another; (2) that Now or Never PAC and James C. Thomas, III, in his official capacity as treasurer knowingly accepted a contribution in the name of another and misreported that contribution; that (3) James C. Thomas, III knowingly assisted in the making of a contribution in the name of another, knowingly accepted a contribution in the name of another, and misreported that contribution; and that (4) American Conservative Union (“ACU”) knowingly permitted its name to be used to effect a contribution in the name of another, as set forth in the Commission’s Factual and Legal Analyses (February 7, 2017, July 13, 2017). As identified herein, “Respondents,” are: American Conservative Union; Government Integrity, LLC; Now or Never PAC and James C. Thomas, III, in his official capacity as treasurer, and James C. Thomas, III.

NOW, THEREFORE, the Commission and the above-captioned Respondents, having duly entered into conciliation pursuant to 52 U.S.C. § 30109(a)(4)(A)(i), 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. GI LLC is a Delaware limited liability company that was formed in September 2012, seven weeks prior to the transaction at issue. Christopher W. Byrd, who died in 2014, served as the sole manager and officer of GI LLC.

2. American Conservative Union is registered with the IRS as a social welfare organization under section 501(c)(4) of the Internal Revenue Code, and it is not registered with the Commission as a political committee. ACU describes itself as the oldest and largest conservative grassroots organization in the United States. In 2012, ACU's executive director was Gregg Keller.

3. Now or Never PAC is an independent expenditure-only political committee. It filed its Statement of Organization with the Commission on February 21, 2012. During the 2012 cycle, Now or Never PAC raised \$8,250,500 and reported \$7,760,174 in independent expenditures.

4. James C. Thomas, III has been Now or Never PAC's treasurer since its organization. Thomas's engagement letter with Now or Never PAC authorized him to communicate with, share financial information with, and make disbursements upon the

authorization of Now or Never PAC's political consultants. Thomas contends that he has never made any expenditures on behalf of Now or Never PAC without the authorization of Now or Never PAC's political consultants.

5. Thomas served as an attorney for GI LLC in 2012. Thomas contends that he never served as an officer or director of GI LLC, and he never possessed or exercised any independent decision-making authority over any aspect of GI LLC's operations or finances. All tasks and functions Thomas performed on GI LLC's behalf were conducted at the request and under the direction of Byrd.

6. On or around October 31, 2012, GI LLC received \$2.5 million from another source.

7. On the morning of October 31, 2012, after GI LLC received the \$2.5 million, GI LLC contributed \$1.8 million from its account to ACU.

8. Subsequently, also on October 31, 2012, ACU contributed \$1.71 million to Now or Never PAC. ACU would have had insufficient funds to make this contribution without the funds it received from GI LLC earlier that same day.

9. As evidenced by contemporaneous emails to and from Thomas, Now or Never PAC's political consultants, and Keller, GI LLC contributed \$1.8 million from GI LLC to ACU, and later ACU contributed \$1.71 million to Now or Never PAC. For example, shortly after receiving confirmation of the wire transfer from GI LLC to ACU, Keller wrote to Thomas and Now or Never PAC's political consultants to state, "[w]ill take action immediately upon receipt." Keller authorized the contribution from ACU to Now or Never PAC once ACU received the GI LLC funds.

10. After Thomas confirmed that Now or Never PAC received ACU's transfer, Keller wrote to ACU's then-National Finance Director, Louisa Imperiale, to state, "FYI. We have the 90k." Imperiale replied, "Well done!!!!"

11. On December 6, 2012, Now or Never PAC filed its post-general election report, signed by Thomas, which reported receiving a \$1.71 million contribution from ACU on October 31, 2012.

12. In May 2014, after an independent auditor reviewed its 2012 finances, ACU filed an Amended 2012 IRS Form 990 that disclosed the \$1.71 million contribution to Now or Never PAC as "a political contribution received by the Organization and promptly and directly delivered to a separate political organization."

13. Thomas contends that he first learned that ACU considered itself a "pass through" for the funds when he received a copy of the complaint in this matter, which was based on ACU's amended tax filing.

V. The pertinent law in this matter is as follows:

1. The Federal Election Campaign Act of 1971, as amended ("Act"), prohibits any person from making a contribution in the name of another person, knowingly permitting his or her name to be used to effect such a contribution, or knowingly accepting such a contribution. 52 U.S.C. § 30122.

2. The Act also requires committee treasurers to file reports of receipts and disbursements. 52 U.S.C. § 30104(b). These reports must include, *inter alia*, the identification of each person who makes a contribution or contributions that have an aggregate amount or value in

excess of \$200 during an election cycle, in the case of an authorized committee of a federal candidate, together with the date and amount of any such contribution. *Id.* § 30104(b)(3)(A)

VI. For the purpose of settling this matter and to avoid the expense of litigation, without admitting liability in this proceeding or with respect to any other proceeding, Respondents agree not to further contest in Commission proceedings that:

1. Government Integrity, LLC violated 52 U.S.C. § 30122.
2. American Conservative Union violated 52 U.S.C. § 30122.
3. Now or Never PAC and James C. Thomas, III, in his official capacity as treasurer, violated 52 U.S.C. §§ 30122 and 30104(b)(3)(A).
4. James C. Thomas, III violated 52 U.S.C. §§ 30122 and 30104(b)(3)(A).

VII. Respondents will take the following actions:

1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Three Hundred and Fifty Thousand Dollars (\$350,000), pursuant to 52 U.S.C. § 30109(a)(5)(A).
2. Respondents will cease and desist from violating 52 U.S.C. § 30122 and 30104(b)(3)(A).

VIII. 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.

IX. 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.

X. 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.

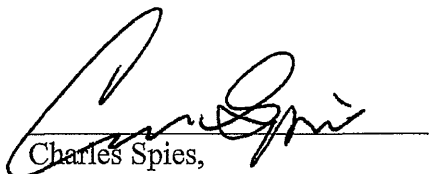
XI. This conciliation agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained within this written agreement shall be enforceable.

FOR THE COMMISSION:

BY: Kathleen M. Guith
Kathleen M. Guith
Associate General Counsel
for Enforcement

10/31/17
Date

FOR THE RESPONDENTS:



Charles Spies,
Counsel for American Conservative Union

10/23/17
Date

Elliot Berke, Counsel for Government Integrity, LLC

Date

Chris Gober, Counsel for Now or Never PAC

Date


Kory Langhofer, Counsel for James C. Thomas, III

Date

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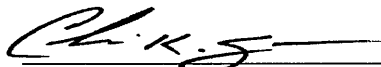
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Chris Gober, Counsel for Now or Never PAC

10/20/2017

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Kory Langhofer, Counsel for James C. Thomas, III

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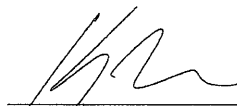
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10/20/17
Date