



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 13, 2023

Jason Hinton
80 M Street, SE
Washington, DC 20003

Re: ADR 1127 (23L-38)
Sheila Jackson Lee for Congress and Karen Y. Grays, Treasurer (C00287904)

Dear Jason Hinton:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on December 6, 2023– the effective date of the agreement.

Note the specific time frames for compliance detailed in the agreement. Please forward to this office, a statement confirming Respondent’s compliance with each term. The letter should note the dates on which Respondents satisfied each of the terms and contain the ADR case number. For your convenience, a compliance chart is attached.

Under the terms of the agreement, a civil penalty in the amount of \$8,400 is due by February 13, 2024. Kindly review the attached payment instructions for details on payment methods and the collection of unpaid debts.

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our negotiations, and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC’s Public Records Office.

This agreement resolves this matter. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Rosa Marshall".

Rosa Marshall
Assistant Director
Alternative Dispute Resolution Office

Enc: Payment Instructions
Compliance Chart
Negotiated Settlement

ADRO Civil Penalty Payment Instructions

You may remit payment by credit card, debit card, or ACH withdrawal from your bank account through Pay.gov, the federal government's secure portal for online collections. Visit www.fec.gov/adrpayment to be directed to Pay.gov's FEC ADR Payment form.

Unpaid Civil Penalties

Unpaid civil money penalties will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 et seq. If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact you to request payment. Treasury currently charges a fee of 30% of the civil money penalty amount for its collection services. If the age of the debt is greater than or equal to two years old, Treasury will charge a fee of 32% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

ADR 1127 Compliance Chart

Type	Date Due
Amend relevant reports to address the 2021-2022 election cycle Requests for Additional Information (RFAIs)	6/6/2024
Certify Committee continued to retain the services of a compliance firm	12/6/2024
Certify that a representative participated in an FEC training	12/6/2024
Certify Committee continued to retain the services of a compliance firm	12/6/2025



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Case Number: ADR 1127
Source: RAD 23L-38
Case Name: Sheila Jackson Lee for Congress

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (FEC or the Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Commission entered into negotiations with Jason J. Hinton, Esq., representing Sheila Jackson Lee for Congress and Karen Y. Grays, in the official capacity of Treasurer (the Committee or Respondents). It is understood that this settlement will have no precedential value relative to any other matters coming before the Commission.

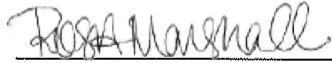
Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission enters into this settlement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 52 U.S.C. § 30109.
2. Respondents voluntarily enter into this settlement with the Commission.
3. The Reports Analysis Division referred Respondents for a series of reporting errors and other FECA violations during the 2021-2022 election cycle. The Committee's errors included: excessive, prohibited and other impermissible contributions or transfers; mathematical and cash-on-hand discrepancies; failure to provide supporting schedules; failure to properly itemize contributions from individuals; and failure to properly itemize disbursements.
4. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA. 52 U.S.C. § 30109.
5. Respondents acknowledge that there were reporting challenges during the 2021-2022 election cycle that were caused, in part, by the volunteer nature of its staff who were unfamiliar with FEC reporting requirements. The Committee states it has since transferred its compliance operations to an external compliance firm. During negotiations, Respondents maintained that their willingness to agree to this settlement was purely aimed at resolving the raised issues, and not to be interpreted as an admission of fault.

6. Respondents, in an effort to avoid similar errors in the future, agree to:
 - a. amend relevant reports to address the 2021-2022 election cycle Requests For Additional Information (RFAs) from RAD within six (6) months of the effective date of this settlement;
 - b. certify annually that the Committee continued to retain the services of a compliance firm with the first certification due on the first anniversary of the effective date of this settlement, and the second certification due on the second anniversary of the effective date of this settlement;
 - c. certify that a representative of the Committee participated in an FEC conference, webinar, or other program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this settlement; and
 - d. pay a civil penalty of \$8,400 within sixty (60) days of the effective date of this settlement.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this settlement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance. Unpaid civil money penalties are subject to the Debt Collection Act of 1982 as amended by the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. § 3701 et seq. The Commission will transfer debt to the United States Department of the Treasury (Treasury) for collection.
9. This settlement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this settlement as set forth above and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 1127 (RAD 23L-38), and resolves those issues identified above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

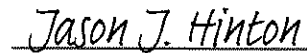
Rosa Marshall, Assistant Director
Alternative Dispute Resolution Office



12/6/2023

Date Signed

FOR THE RESPONDENTS:



Jason J. Hinton (Nov 17, 2023 11:16 EST)

Jason J. Hinton, Esq.
Representing Sheila Jackson Lee for Congress
and Karen Y. Grays, Treasurer

Nov 17, 2023

Date Signed