

FEDERAL ELECTION COMMISSION

Washington, DC 20463

December 14, 2022

VIA ELECTRONIC MAIL

Dan Backer, Esq. Chalmers & Adams LLC dbacker@chalmersadams.com

RE: MUR 7928

Renacci for US Senate and Russell Corwin, in his official capacity as treasurer

Dear Mr. Backer:

On December 13, 2022, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30104(b)(2) and (4), provisions of the Federal Election Campaign Act of 1971, as amended. 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). 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. Please note that 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) 694-1548.

Sincerely,

Clena Paoli

Elena Paoli Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 7928
Renacci for US Senate and Russell Corwin 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 Renacci for US Senate and Russell Corwin in his official capacity as treasurer (the "Committee") violated 52 U.S.C. § 30104(b)(2) and (4) by failing to disclose receipts and disbursements.

NOW, THEREFORE, the Commission and the Committee, 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 Committee 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. The Committee has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
 - III. The Committee enters voluntarily into this agreement with the Commission.
 - IV. The pertinent facts in this matter are as follows:
- The Committee is the authorized committee for James Renacci's 2016
 Ohio senatorial campaign.
 - 2. Russell Corwin is the Treasurer of the Committee.

- 3. Renacci loaned the Committee \$4 million from his personal funds on March 27, 2018. The Committee disclosed the loan on its 2018 April Quarterly Report and designated the loan for the primary election but did not indicate whether the loan had been made from the candidate's personal funds or had been sourced from a bank loan.
- 4. On July 18, 2018, the Committee filed its original 2018 July Quarterly Report covering the period after the May 8, 2018, primary election and continued to report the loan as being for the primary election.
- 5. The Committee amended its 2018 July Quarterly Report on October 15, 2018. The amended report continued to include the \$4 million loan from Renacci, but it no longer specified whether the loan was for the primary, general, or other election. The amendment, like the original filing, also did not indicate the source of the candidate's loan.
- 6. On December 21, 2018, the Committee filed another amended 2018 July Quarterly Report (the "Second Amended Report"), which disclosed a May 9, 2018, repayment of the \$4 million primary loan and a May 9, 2018, issuance of a \$4 million loan for the general election, as well as \$1,590.00 of initially undisclosed Itemized Contributions from Individuals (Line 11(a)(i)) and \$12,908.93 of initially unreported Operating Expenditures (Line 17). In total, the Second Amended Report contained an increase of \$4,001,590.00 in receipts and an increase of \$4,012,908.93 in disbursements.
- 7. The Committee contends that the candidate loans were structured with the intent to comply with 52 U.S.C. § 30116(j) and 11 C.F.R. § 116.11, provisions which are no longer in effect. Solely for the purpose of resolving this matter, the Committee will not further contest the Commission's finding.
- 8. Additionally, on October 25, 2018, the Committee filed its original 2018 12 Day Pre-General Report that disclosed \$369,148.26 on Line 17 (Operating Expenditures) of the Detailed Summary Page. On March 25, 2019, the Committee filed an Amended 2018 12

Day Pre-General Report that disclosed \$869,336.83 on Line 17 of the Detailed Summary Page.

The \$500,188.57 in increased activity reflected on the Amended 2018 12 Day Pre-General

Report was primarily attributed to a single unreported \$500,000 payment to a media vendor.

- 9. The Federal Election Campaign Act of 1971, as amended (the "Act"), requires committee treasurers to file reports of receipts and disbursements in accordance with the provisions of 52 U.S.C. § 30104. 52 U.S.C. § 30104(a)(1); 11 C.F.R. § 104.1(a). These reports must include, *inter alia*, the total amount of receipts and disbursements. *See* 52 U.S.C. § 30104(b)(2), (4).
- 10. The Act also requires accurate reporting of the total amount of loans made or guaranteed by the candidate and the repayment of those loans. 52 U.S.C. § 30104(b); 11 C.F.R. § 104.3(d).
- V. The Committee violated 52 U.S.C. § 30104(b)(2) and (4) by failing to disclose receipts and disbursements.
- VI. 1. In ordinary circumstances, the Commission would seek a substantially higher civil penalty based on the violations outlined in this agreement. The Commission is taking into account, however, the Committee's representations that it intends to terminate, has a limited ability to raise additional funds, and has little cash on hand. In light of these factors, the Committee will pay a civil penalty to the Commission in the amount of Sixteen Thousand Five Hundred Dollars (\$16,500) pursuant to 52 U.S.C. § 30109(a)(5)(A).
- 2. The Committee will cease and desist from committing violations of 52 U.S.C. § 30104(b)(2) and (4).
- 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

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MUR 7928 (Renacci for US Senate) Conciliation Agreement Page 4 of 4

District Court for the District of Columbia.

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.

IX. The Committee 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

Charles _{BY:} Kitcher

Digitally signed by Charles Kitcher Date: 2022.12.14 16:16:04 -05'00'

Charles Kitcher

Associate General Counsel

For Enforcement

12/14/22

Date

FOR THE COMMITTEE:

Dan Backer

Counsel to the Committee

11/03/2022

Date