



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL AND ELECTRONIC MAIL
RETURN RECEIPT REQUESTED

Scott B. Mackenzie, Treasurer
Tea Party Majority Fund
2776 S. Arlington Mill Drive, # 806
Arlington, VA 22206

AUG 29 2019

RE: MUR 7545
Tea Party Majority Fund

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.

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 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 cjacksonjones@fec.gov.

Sincerely,


Camilla Jackson Jones
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

FEDERAL COUNSEL

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In the Matter of Tea Party Majority Fund)
and Scott B. Mackenzie in his) MUR 7545
official capacity as treasurer)

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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.

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

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

16 4. In its 2016 April Quarterly Report, Respondent listed IEs totaling
17 \$753,273.16, of which, in reality, \$400,000 was a debt and \$353,273.16 were actual payments on
18 that debt. Because Respondent failed to explain these distinctions in the report, however, it
19 appears that the Committee made \$753,273.16 in IEs.

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

22 6. On the 2016 October Quarterly, Respondent listed IEs totaling
23 \$843,569.24, of which, in reality, \$450,000 was a debt and \$393,569.24 were actual payments on

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MUR 7545 (Tea Party Majority Fund)
Conciliation Agreement

1 that debt. Because Respondent failed to explain these distinctions in the report, however, it
2 appears that the Committee made \$843,569.24 in IEs.

3 7. In its 2016 Amended 12 Day Pre-General Report, Respondent listed
4 \$212,943.72 as an IE that was distributed prior to payment with no accompanying information,
5 and did not list a debt for that period.

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

9 VI. Respondent will take the following actions:

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

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

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

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

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

21 c. The second and third installments shall be paid within one hundred
22 twenty (120) and one hundred and eighty (180) days of the due date of the previous installment and
23 the final installment shall be paid within ninety (90) days after the third installment;

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1 d. In the event that any payment is not received by the Commission
2 by the fifth day after it becomes due, the Commission may, at its discretion, accelerate the
3 remaining payments and cause the entire amount to become due upon ten days written notice to
4 the Respondent. Failure by the Commission to accelerate the payments with regard to any
5 overdue payment shall not be construed as a waiver of its right to do so with regard to further
6 overdue payments.

7 VII. The Commission, on request of anyone filing a complaint under 52 U.S.C.
8 § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review
9 compliance with this agreement. If the Commission believes that this agreement or any
10 requirement thereof has been violated, it may institute a civil action for relief in the United States
11 District Court for the District of Columbia.

12 VIII. This agreement shall become effective as of the date that all parties hereto have
13 executed same and the Commission has approved the entire agreement.

14 IX. Respondent shall have no more than 30 days from the date this agreement
15 becomes effective to comply with and implement the requirement contained in this agreement
16 and to so notify the Commission.
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1 X. This Conciliation Agreement constitutes the entire agreement between the parties
2 on the matters raised herein, and no other statement, promise, or agreement, either written or
3 oral, made by either party or by agents of either party, that is not contained in this written
4 agreement shall be enforceable.

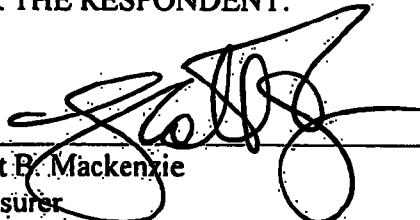
5 FOR THE COMMISSION:

6 Lisa J. Stevenson
7 Acting General Counsel

8 BY: Charles Kitcher by jjs
9 Charles Kitcher
10 Acting Associate General Counsel
11 for Enforcement

8-29-2019
Date

12 FOR THE RESPONDENT:

13 
14 Scott B. Mackenzie
15 Treasurer

August 7, 2019
Date

1000-11-11-11-11-11