



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Neil Reiff, Esq.  
Sandler, Reiff, Lamb, Rosenstein, & Birkenstock, P.C.  
1025 Vermont Ave., N.W.  
Suite 300  
Washington, DC 20005

JUL 15 2016

RE: MUR 7074

Dear Mr. Reiff:

On July 7, 2016, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients, Committee for Charlotte/Charlotte DNC Host Committee and Harvey Gantt, in his official capacity as treasurer, to resolve violations of 52 U.S.C. § 30102(c)-(d) and 11 C.F.R. §§ 102.9(c), 104.14(b)(1), and 9008.9(b)(4). Accordingly, the file in this matter is now closed.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003); Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66,132 (Dec. 14, 2009). 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, as specified in the agreement, the \$4,500 civil penalty is due within 30 days of the agreement's effective date. If you have any questions, please do not hesitate to contact me at (202) 694-1372.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy Q. Luckett".

Roy Q. Luckett  
Attorney, Enforcement Division

Enclosure  
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of

Committee for Charlotte/Charlotte DNC  
Host Committee and Harvey Gantt  
in his official capacity as treasurer

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MUR 7074

OFFICE OF GENERAL  
COUNSEL

CONCILIATION AGREEMENT

This matter was initiated pursuant to information ascertained by the Federal Election Commission (the "Commission") in the normal course of carrying out its supervisory responsibilities. Based on a Commission audit of the Committee for Charlotte/Charlotte DNC Host Committee and Harvey Gantt in his official capacity as treasurer (the "Committee") for the time period of April 1, 2011, through December 31, 2012, the Commission found reason to believe that the Committee violated 52 U.S.C. § 30102(c)-(d) and 11 C.F.R. §§ 102.9(c), 104.14(b)(1), 9008.9(b)(4).

NOW, THEREFORE, the Commission and the Respondents, 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 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           1. The Committee is the non-qualified party committee responsible for hosting the  
2 2012 Democratic National Convention. Harvey Gantt is the Committee's treasurer.

3           2. The Federal Election Campaign Act of 1971, as amended (the "Act"), defines a  
4 contribution to include a "gift, subscription, loan . . . or anything of value made by any person  
5 for the purpose of influencing any election for federal office." 52 U.S.C. § 30101(8)(A)(1).  
6 "Anything of value" includes all in-kind contributions. 11 C.F.R. § 100.7(a)(1)(iii). The Act  
7 generally prohibits corporations from making contributions to political committees, and similarly  
8 prohibits political committees from knowingly accepting or receiving prohibited contributions,  
9 but also provides a number of exceptions to this prohibition. 52 U.S.C. §§ 30118(a), (b)(2). One  
10 such exception permits corporations, in certain circumstances, to provide goods or services to a  
11 host committee that may be used in connection with a presidential nominating convention.

12           3. A host committee may be created to represent a city hosting a nominating  
13 convention in matters involving a presidential nominating convention. *Id.* § 9008.51. The  
14 principal objective of a host committee is the encouragement of commerce in the convention  
15 city, as well as the projection of a favorable image of the city to convention attendees. *Id.*  
16 § 9008.50(c). The Committee is a host committee. Stmt. of Org. at 2 (Feb. 16, 2011).

17           4. The Act and Commission regulations permit host committees to accept goods or  
18 services from commercial vendors, individuals, and other organizations for various convention-  
19 related facilities and service expenses. 11 C.F.R. §§ 9008.9, 9008.52. Commission regulations  
20 define "commercial vendors" as "any persons proving goods or services to a candidate or  
21 political committee whose usual and normal business involves the sale, rental, lease or provision  
22 of those goods or services." §§ 116.1(c), 9008.9. Commercial vendors may sell, lease, rent or  
23 provide their goods or services to the host committee with respect to a presidential nominating

1 convention at reduced or discounted rates, or at no charge, provided that certain requirements are  
2 met. *Id.* § 9008.9. The amount of an in-kind contribution shall be equal to the usual and normal  
3 value on the date received. *Id.* § 104.13(a)(1).

4           5. The Act and Commission regulations also require that all committees maintain  
5 certain records regarding in-kind contributions. The treasurer of a political committee must keep  
6 an account of, among other things: (1) all contributions received by or on behalf of the  
7 committee; (2) the name and address of any person who makes a contribution in excess of \$50,  
8 together with the date and amount of the contribution; and (3) the occupation and name of  
9 employer of any individual whose contributions aggregate more than \$200 during a calendar  
10 year, together with the date and amount of any such contributions. *Id.* § 104.14(b)(1). Also, for  
11 each in-kind contribution that a convention committee receives, it must, among other things,  
12 maintain documentation showing: (1) the goods or services provided; (2) the date(s) on which  
13 the goods or services were provided; (3) the terms and conditions of the arrangement; and (4)  
14 what promotional consideration was provided. *Id.* §§ 9008.9(b)(4), 9008.52. In addition, each  
15 political committee must maintain records with respect to the matters required to be reported —  
16 including the receipt of in-kind contributions — which provide in sufficient detail the necessary  
17 information and data from which the filed reports may be verified, explained, clarified, and  
18 checked for accuracy and completeness. 52 U.S.C. § 30102(c)-(d); 11 C.F.R. § 104.14(b)(1).  
19 Committees must preserve these records for three years after a report is filed. 11 C.F.R.  
20 § 102.9(c).

21           6. The Committee failed to maintain appropriate supporting documentation for the  
22 23 in-kind contributions that it had reported to the Commission. The reported in-kind

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1 contributions provided by corporations, commercial vendors, and individual contributors totaled  
2 \$2,878,882.

3 V. Respondents violated 52 U.S.C. § 30102(c)-(d) and 11 C.F.R. §§ 102.9(c),  
4 104.14(b)(1), 9008.9(b)(4) by failing to maintain appropriate documentation to support reported  
5 in-kind contributions totaling \$2,878,882.

6 VI. 1. Respondents will pay a civil penalty to the Commission in the amount of Four  
7 Thousand Five Hundred Dollars (\$4,500), pursuant to 52 U.S.C. § 30109(a)(5)(A).

8 2. Respondents will cease and desist from committing violations of 52 U.S.C.  
9 § 30102(c)-(d) and 11 C.F.R. §§ 102.9(c), 104.14(b)(1), 9008.9(b)(4).

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

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


17 IX. Respondents shall have no more than 30 days from the date this agreement  
18 becomes effective to comply with and implement the requirements contained in this agreement  
19 and to so notify the Commission.  
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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 within this written agreement shall be enforceable.

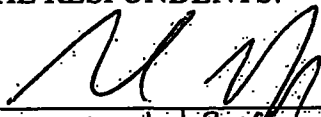
FOR THE COMMISSION:

BY:

  
Kathleen Guith  
Acting Associate General Counsel  
for Enforcement

7-14-16  
Date

FOR THE RESPONDENTS:

  
(Name) Neil Reill  
(Position) Counsel

6/23/16  
Date

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