



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

VIA ELECTRONIC AND FIRST CLASS MAIL

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MAR 20 2017

RE: MUR 7221
Christopher Stecher

Dear Mr. Parks:

On October 6, 2014, the Federal Election Commission notified your client, Christopher Stecher, of a *sua sponte* submission filed by Mepco Holdings, LLC and Longview Intermediate Holdings C, LLC alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). A copy of the submission was forwarded to your client at that time.

Upon review of the available information, the Commission, on March 7, 2017, found that there is reason to believe that your client violated 52 U.S.C. § 30122 (formerly 2 U.S.C. § 441f). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is enclosed for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the Office of the General Counsel within 15 days of receipt of this notification. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. See 52 U.S.C. § 30109(a)(4).

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

If you are interested in pursuing pre-probable cause conciliation, you should make such a request by letter to the Office of the General Counsel. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of this matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into in order to complete its investigation of

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this matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been delivered to the Respondents. Requests for extensions of time are not routinely granted. Requests must be made in writing at least five days prior to the due date of the response and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days. Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at http://www.fec.gov/em/respondent_guide.pdf.

This matter will remain confidential in accordance with 52 U.S.C. §§ 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you have any questions, please contact Nicholas Mueller, the attorney assigned to this matter, at (202) 694-1577 or nmueller@fec.gov.

On behalf of the Commission,



Steven T. Walther
Chairman

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 **RESPONDENT:** Christopher Stecher

MUR 7221

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8 **I. INTRODUCTION**

9 In the normal course of carrying out its supervisory responsibilities, the Commission
10 received information indicating that Mepco Holdings, LLC ("Mepco") reimbursed nine
11 executives for federal and state contributions made in the names of the executives and their
12 spouses. The information shows that between 2010 and 2013, a number of Mepco executives,
13 including Christopher Stecher, were reimbursed for federal political contributions in an amount
14 potentially exceeding \$600,000. Accordingly, the Commission finds reason to believe that
15 Christopher Stecher violated 52 U.S.C. § 30122 (formerly 2 U.S.C. § 441f) by knowingly
16 permitting his name to be used to effect contributions in the name of another.

17 **II. FACTUAL BACKGROUND**

18 **A. Respondents**

19 Mepco is a holding company that owns and operates numerous coal-related businesses,
20 including Mepco, LLC. According to information in possession of the Commission, Mepco has
21 been managed by three generations of the Laurita family, including James Laurita, Jr., who was
22 the President and Chief Executive Officer of both Mepco and Mepco, LLC until he resigned in
23 November 2013. Mepco is a subsidiary of Longivew, which owns another subsidiary, Longview
24 Power, LLC ("Longview Power"), which operates a coal-fired power facility.

25 According to information that the Commission possesses, Christopher Stecher, a former
26 Chief Financial Officer and Manager of Accounting, was one of the Mepco executives who

received reimbursements for contributions. On October 6, 2014, the Office of General Counsel notified Stecher of the allegations as to him but received no response from him.¹

B. Mepco's Reimbursement of Political Contributions to Federal Candidates from 2010 through 2013

The available information indicates that after the 2008 election, Mepco's officers decided that the company should become more politically active by making contributions to federal and state candidates who were likely to support the coal industry. On March 4, 2010, Laurita requested that eight Mepco officers, who included Karen Hughes, Kent Lindsay, Rick Usery, Eric Grimm, Steve Polce, Kevin O'Dell, Brian Osborn, and Christopher Stecher, attend a meeting the next day to discuss elections and support for particular candidates. As a follow-up to the March 5 meeting, Laurita asked those officers to make contributions in specific dollar amounts to four candidates, three of whom were federal candidates running for seats in the House of Representatives: Mike Oliverio, David McKinley, and Sarah Minear. Laurita also suggested contribution amounts. At Laurita's request, Mepco began reimbursing executives for political contributions on March 9, 2010. According to the information, on that date, Osborn, Hughes, Polce, O'Dell, Usery, Grimm, Stecher, and Lindsay all received a \$20,000 bonus.

From March 2010 through March 2013, Mepco continued to provide its executives with bonus payments to be used for political contributions. According to Commission disclosure reports and other information available to the Commission, Laurita and the eight other Mepco officers involved in the reimbursement program contributed over \$600,000 to federal candidates between 2010 and 2013, and as further described below, Stecher received reimbursements for the following contributions made in his and his spouse's names:

¹ See Letter to Christopher Stecher from Jeff S. Jordan, FEC (Oct. 6, 2014).

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Name	Date	Amount	Aggregate	Election	Employer	Occupation
Citizens for Altmire						
Rodriguez Sanabia, Patricia	8/22/2011	1,500.00	1,500.00	P2012	Self	Property Manager
Stecher, Christopher	8/22/2011	1,500.00	1,500.00	P2012	Mepco	Finance
Capito for Congress						
Stecher, Christopher J. Mr.	9/27/2010	\$500.00	\$500.00	G2010	Mepco LLC	Finance
Mark Critz for Congress						
Stecher, Christopher	9/14/2010	\$500.00	\$500.00	G2010	Mepco LLC	Finance
Rodriguez-Sanabia, Patricia	10/29/2010	\$1,000.00	\$1,000.00	G2010	Self Employed	Real Estate
Stecher, Christopher	10/29/2010	\$1,900.00	\$2,400.00	G2010	Mepco LLC	Finance
Rodriguez, Patricia	12/16/2010	\$1,000.00	\$1,000.00	P2012	Self Employed	Real Estate Professional
Stevhen, Christopher	12/16/2010	\$1,000.00	\$1,000.00	P2012	Mepco	Accounting & Finance
Rodriguez, Patricia	6/30/2011	\$1,500.00	\$2,500.00	P2012	Self Employed	Real Estate Professional
Stecher, Christopher	6/30/2011	\$1,500.00	\$1,500.00	P2012	Mepco LLC	Finance
Manchin for West Virginia						
Stecher, Christopher	8/17/2010	\$1,000.00	\$1,000.00	P2010	Mepco	Accountant
Stecher, Christopher	4/10/2012	\$2,500.00	\$5,000.00	P2012	Mepco	Accountant
Stecher, Christopher	4/10/2012	\$2,500.00	\$5,000.00	G2012	Mepco	Accountant
Spike Maynard for Congress						
Stecher, Christopher	10/22/2010	\$1,000.00	\$1,000.00	G2010	Mepco	Accountant

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McKinley for Congress						
Rodriguez-Sanabia, Patricia	3/10/2010	\$500.00	\$500.00	P2010	Self	Real Estate Agent
Rodriguez-Sanabia, Patricia	6/28/2010	\$1,000.00	\$1,500.00	G2010	Self	Real Estate Agent
Stecher, Christopher	6/28/2010	\$1,000.00	\$1,000.00	G2010	Mepco LLC	President
Rodriguez-Sanabia, Patricia	3/31/2011	\$2,500.00	\$2,500.00	P2012	Self	Real Estate Agent
Stecher, Christopher	3/31/2011	\$2,500.00	\$2,500.00	P2012	Mepco LLC	President
Minear for Congress						
Rodriguez-Sanabia, Patricia	3/17/2010	\$500.00	\$500.00	P2010	N/A	Real Estate Agent
Oliverio for Congress						
Stecher, Christopher	3/15/2010	\$2,400.00	\$2,400.00	P2010	Finance	Mepco LLC
Rodriguez-Sanabia, Patricia	6/30/2010	\$1,000.00	\$3,400.00	G2010	Self	Real Estate Agent
Stecher, Christopher	6/30/2010	\$1,000.00	\$3,400.00	G2010	Finance	Mepco LLC
Rodriguez-Sanabia, Patricia	10/9/2010	\$500.00	\$3,900.00	G2010	Self	Real Estate Agent
Stecher, Christopher	10/9/2010	\$1,400.00	\$4,800.00	G2010	Finance	Mepco LLC
Snuffer for Congress						
Stecher, Christopher J	9/21/2012	\$1,000.00	\$1,000.00	G2012	Mepco LLC	Finance
	Total	\$34,200.00				

The available information indicates that the manner in which Mepco reimbursed its executives varied. Laurita would at times identify candidates friendly to the coal industry and request or "instruct," either orally or in writing, that company officers, along with their spouses, make contributions to those candidates. In other instances, executives made candidate recommendations to Laurita. On occasion, executives would discuss political candidates at monthly management meetings or in other group settings.

1 Further, the available information shows that when not personally soliciting
2 contributions, Laurita frequently relied on either Hughes, who handled administrative tasks
3 related to Mepco's finances and payroll, or his assistant, Suzanne Crane (née Likins), to convey
4 his requests. Hughes and Crane communicated with executives both orally and in writing,
5 indicating which candidates should receive contributions and in what amount. Often
6 accompanying their requests were contribution forms for specific candidates or fundraising
7 events. Once the officers received the requests, they or their spouses would make contributions
8 online or by check. Typically, the executives provided checks to Hughes instead of submitting
9 them directly to a campaign or candidate.

10 At Laurita's request, Hughes and staff in the payroll department would arrange for
11 officers to receive reimbursement through "bonuses" paid through Mepco's payroll system.
12 Hughes maintained extensive charts that reflected contributions made by each executive and the
13 payment of reimbursements. Specifically, payroll records indicate that funds used for
14 reimbursements came from Mepco's wholly owned subsidiary, Mepco LLC. The method and
15 amounts of the reimbursements varied, and the payments were not made at regular intervals.
16 The timing of the "bonuses" also varied in that executives received compensation for
17 contributions either before or after making them. Sometimes, reimbursements were tied to
18 specific contributions made to a particular campaign. In other instances, executives received
19 lump sum payments deposited into their accounts from which they were to make contributions.
20 And still in others, Hughes would simply ask executives to provide a list of contributions they
21 had already made, so that she could reimburse them accordingly.

1 **III. LEGAL ANALYSIS**

2 **A. Contributions Made in the Name of Another**

3 The Act prohibits a person from making a contribution in the name of another or
4 knowingly permitting his or her name to be used to effect such a contribution.² The prohibition
5 extends to knowingly helping or assisting any person in making a contribution made in the name
6 of another.³ The term "person" for purposes of the Act and Commission regulations includes
7 partnerships, corporations, and other organizations, including LLCs.⁴

8 Information in the Commission's possession indicates that Mepco made contributions in
9 the name of another by reimbursing its executives, including Stecher, for contributions to
10 political committees, and that by accepting such reimbursements, Stecher knowingly permitted
11 his name to be used to effect such contributions. Although the Commission has notified Stecher
12 of the allegations as to him, Stecher has not responded.

13 A violation of the Act is knowing and willful if the "acts were committed with full
14 knowledge of all the relevant facts and a recognition that the action is prohibited by law."⁵ This
15 does not require proving knowledge of the specific statute or regulation the respondent allegedly
16 violated.⁶ Instead, it is sufficient to demonstrate that a respondent "acted voluntarily and was

² 52 U.S.C. § 30122 (formerly 2 U.S.C. § 441f); 11 C.F.R. § 110.4(b)(1)(i).

³ 11 C.F.R. § 110.4(b)(1)(iii).

⁴ See 52 U.S.C. § 30101(11) (formerly 2 U.S.C. § 431(11)); 11 C.F.R. § 100.10; Advisory Op. 2009-02 (True Patriot Network) at 3.

⁵ 122 Cong. Rec. 12,197, 12,199 (May 3, 1976).

⁶ *United States v. Danielczyk*, 917 F. Supp. 2d 573, 579 (E.D. Va. Jan. 9, 2013) (quoting *Bryan v. United States*, 524 U.S. 184, 195 & n.23 (1998) (holding that, to establish a violation is willful, government needs to show only that defendant acted with knowledge that conduct was unlawful, not knowledge of specific statutory provision violated)).

1 aware that his conduct was unlawful.”⁷ This may be shown by circumstantial evidence from
2 which the respondents’ unlawful intent reasonably may be inferred.⁸ For example, a person’s
3 awareness that an action is prohibited may be inferred from “the [person’s] elaborate scheme for
4 disguising their . . . political contributions.”⁹

5 The record here indicates that Mepco executives, including Stecher, were aware of the
6 prohibitions and limits relating to political contributions prior to October 2013. On numerous
7 occasions, campaigns informed them about the rules for making political contributions. Further,
8 e-mail communications of Karen Hughes, Secretary and Treasurer of Mepco, instructed other
9 senior Mepco officers to destroy e-mails stating that they would receive reimbursements for their
10 contributions. In an e-mail to six other Mepco executives, including Stecher, with a subject line
11 entitled, “Manchin,” Hughes writes “You will be receiving a \$1,000(net) bonus by direct deposit
12 in the next few days. Please delete this email.” In another e-mail, Hughes informs seven Mepco
13 executives: “By the end of the day tomorrow (Thursday), please provide your check in the
14 amount of \$500 payable to ‘Capito for Congress.’” One minute later, she sends another e-mail
15 with the subject line “Delete this e-mail” to the same individuals and states, “I’ll reimburse you
16 in the next couple days.”

⁷ *Id.* (citing jury instructions in *United States v. Edwards*, No. 11-61 (M.D.N.C. 2012), *United States v. Acevedo Vila*, No. 08-36 (D.P.R. 2009), *United States v. Fieger*, No. 07-20414 (E.D. Mich. 2008), and *United States v. Alford*, No. 05-69 (N.D. Fla. 2005)).

⁸ *Cf. United States v. Hopkins*, 916 F.2d 207, 213 (5th Cir. 1990) (quoting *United States v. Bordelon*, 871 F.2d 491, 494 (5th Cir. 1989)). *Hopkins* involved a conduit contributions scheme, and the issue before the Fifth Circuit concerned the sufficiency of the evidence supporting the defendants’ convictions for conspiracy and false statements under 18 U.S.C. §§ 371 and 1001.

⁹ *Id.* at 214-15. As the *Hopkins* court noted, “It has long been recognized that ‘efforts at concealment [may] be reasonably explainable only in terms of motivation to evade’ lawful obligations.” *Id.* at 214 (quoting *Ingram v. United States*, 360 U.S. 672, 679 (1959)).

- 1 Under these circumstances, the Commission finds reason to believe that Christopher
2 Stecher violated 52 U.S.C. § 30122 (formerly 2 U.S.C. § 441f).¹⁰

¹⁰ The information presented above raises the question of whether Stecher acted with knowing and willful intent, and an investigation is necessary to resolve this issue.