

**BEFORE THE FEDERAL ELECTION COMMISSION**

2014 NOV 25 PM 3:44

In the Matter of )

MUR 6712 )

Kreegel for Congress )  
and Alan Childers as Treasurer<sup>1</sup> )

DISMISSAL AND  
CASE CLOSURE UNDER GELA  
ENFORCEMENT PRIORITY  
SYSTEM

**GENERAL COUNSEL'S REPORT**

Under the Enforcement Priority System, the Commission uses formal scoring criteria as a basis to allocate its resources and decide which matters to pursue. These criteria include, without limitation, an assessment of the following factors: (1) the gravity of the alleged violation, taking into account both the type of activity and the amount in violation; (2) the apparent impact the alleged violation may have had on the electoral process; (3) the complexity of the legal issues raised in the matter; and (4) recent trends in potential violations of the Federal Election Campaign Act of 1971, as amended (the "Act"), and developments of the law.<sup>2</sup> It is the Commission's policy that pursuing relatively low-rated matters on the Enforcement docket warrants the exercise of its prosecutorial discretion to dismiss cases under certain circumstances. The Office of General Counsel has scored MUR 6712 as a low-rated matter and determined that it should not be referred to the Alternative Dispute Resolution Office.<sup>3</sup> For the reasons set forth below, the Office of General Counsel recommends that the Commission dismiss the allegations that Respondents violated the Act or Commission regulations in MUR 6712.

<sup>1</sup> The current treasurer of Kreegel for Congress is Alan Childers. See Amended Statement of Organization, dated January 7, 2014. Vicki Potts was the Committee's treasurer of record during the time period at issue.

<sup>2</sup> On September 1, 2014, the Federal Election Campaign Act of 1971, as amended (the "Act"), was transferred from Title 2 of the United States Code to new Title 52 of the United States Code.

<sup>3</sup> The EPS rating information is as follows: Complaint Filed: January 4, 2013. Response Filed: January 28, 2013.

1 The Complainant in this matter, Revolvis Consulting, Inc. ("Revolvis"), alleges that  
2 Kreegel for Congress and Alan Childers, in his official capacity as treasurer, (collectively, the  
3 "Committee")<sup>4</sup> violated the Act and Commission regulations by failing to report a debt in the  
4 amount of \$49,762.63 for consulting services that Revolvis rendered to the Committee. Compl.  
5 at 2. Complainant asserts that "during the time period covered by the [2012] October Quarterly  
6 Report," Revolvis entered into an "oral agreement" with the Committee to provide campaign  
7 consulting services in exchange for payment. *Id.* at 2, 3. Complainant states that the debt was  
8 incurred and "remained outstanding" during the 2012 October Quarterly reporting period, and  
9 that the Committee failed to disclose the debt on its 2012 October Quarterly Report. *Id.* at 3.

10 Attached to the Complaint is a copy of a "Proposal for Consulting Services," signed by  
11 Jason Cabel Roe, president of Revolvis, and dated October 25, 2012.<sup>5</sup> *Id.*, Ex. B. Also attached  
12 to the Complaint are copies of two apparent collection letters to the Committee from counsel for  
13 Revolvis. *Id.*, Ex. C. One letter, dated November 30, 2012, requests the remittance of  
14 \$24,775.63 and includes several invoices for services allegedly rendered by Revolvis on behalf  
15 of the Committee. *Id.* The letter indicates that the Committee has "not denied" the amount that  
16 is due, and that the Committee has requested that Revolvis settle for a lesser amount "by  
17 accepting the remaining funds left in the [campaign's] account."<sup>6</sup> The second letter, dated  
18 December 17, 2012, requests the payment of \$24,987.00 and includes a December 13, 2012

<sup>4</sup> The Committee is the principal campaign committee of Paige Vanier Kreegel, unsuccessful 2012 primary election candidate for Florida's 17<sup>th</sup> congressional district.

<sup>5</sup> This document was not signed by a representative of the Committee, and contains a date subsequent to when the alleged services were provided. *Id.*, Ex. B.

<sup>6</sup> Included with the November 30, 2012 letter is apparent email correspondence between Kreegel and a representative of Revolvis, in which Kreegel noted that "there are vastly more invoices [from Revolvis] than there is cash in the campaign account to pay for them." *Id.*

1 invoice for services allegedly rendered by Revolvis on behalf of the Committee. *Id.* Both letters  
2 state that the outstanding balances have not been paid “despite repeated requests.” *Id.*

3 In its Response, the Committee states that it is aware of “claims” made by Revolvis on its  
4 behalf, but that “said claims were disputed and otherwise categorically denied as due and  
5 owing.” Resp. at 2. The Committee asserts that Vickie Potts, the treasurer at the time of the  
6 alleged activity, was “unaware” that Commission regulations require political committees to  
7 report disputed debts. *Id.* The Committee states that, upon learning of the Complaint in this  
8 matter, it promptly amended its disclosure reports to include “other debts that were disputed.”  
9 *Id.*

10 Under the Act and Commission regulations, political committees are required to  
11 continuously report outstanding debts and obligations owed by the committee until such time as  
12 the debt or obligation is extinguished. 52 U.S.C. § 30104(b)(8) (formerly 2 U.S.C. § 434(b)(8));  
13 11 C.F.R. §§ 104.3(d), 104.11(a). If a debt is disputed, a political committee is required to  
14 disclose any amount the committee admits it owes and the amount the creditor claims is owed  
15 until the dispute is resolved. 11 C.F.R. § 116.10(a).

16 The Committee’s original 2012 October Quarterly Report does not disclose any debts  
17 owed to Revolvis; however, its Amended 2012 October Quarterly Report discloses \$27,275.63 in  
18 total outstanding debt to Revolvis as having been incurred during the October Quarterly filing  
19 period. See 2012 October Quarterly Report, filed October 13, 2012; Amended 2012 October  
20 Quarterly Report at 69-71, filed January 24, 2013. The Amended October Quarterly Report also  
21 discloses a total outstanding debt of \$24,987.00 to “Magma Creative, Inc.” for services rendered

1 during the October Quarterly filing period.<sup>7</sup> See Amended 2012 October Quarterly Report at 68-  
2 69. Moreover, the Committee's subsequent filings to date continue to disclose \$27,275.63 total  
3 debt owed to Revolvix and \$24,987.00 total debt owed to Magma Creative, Inc.; however, none  
4 of the transactions are classified as "disputed."

5 In light of the remedial action taken by the Committee in amending its reports shortly  
6 after being notified of the Complaint, and the Commission's priorities and resources, relative to  
7 other matters pending on the Enforcement Docket, the Office of General Counsel recommends  
8 that the Commission exercise its prosecutorial discretion and dismiss this matter pursuant to  
9 *Heckler v. Chaney*, 470 U.S. 821 (1985).

<sup>7</sup> This appears to be the same amount itemized on the December 13, 2012 invoice from Revolvix, which indicates that \$24,987.00 is owed to Revolvix for "Television and Radio Production Services Provided by Magma Creative." See Compl., Ex. C.

**RECOMMENDATIONS**

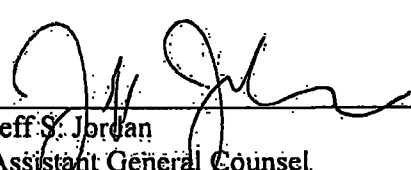
1. Dismiss MUR 6712 pursuant to the Commission's prosecutorial discretion;
2. Approve the attached Factual and Legal Analysis and the appropriate letters; and
3. Close the file.

General Counsel

11/25/14  
Date

BY

  
\_\_\_\_\_  
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Deputy General Counsel

  
\_\_\_\_\_  
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Assistant General Counsel  
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