



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 10, 2023

VIA ELECTRONIC MAIL

Jason Torchinsky
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RE: MUR 8176
(formerly PMUR 652)
Salazar for Congress
Freedom Force PAC
Salazar Victory Fund

Dear Mr. Torchinsky and Mr. Bayes:

On September 7, 2021, and October 18, 2021, you notified the Federal Election Commission (the "Commission"), in a *sua sponte* submission and supplement, that your clients, Salazar for Congress and Les Williamson in his official capacity as treasurer ("Salazar for Congress"), Freedom Force PAC and Les Williamson in his official capacity as treasurer ("Freedom Force"), and Salazar Victory Committee and Les Williamson in his official capacity as treasurer ("Salazar Victory Committee"), violated certain sections of the Federal Election Campaign Act of 1971, as amended (the "Act"). Following discussions with the Commission's Office of General Counsel, the *sua sponte* was supplemented with additional information in 2022.

On October 3, 2023, the Commission found reason to believe: (1) that Salazar for Congress, Freedom Force PAC, and Salazar Victory Committee violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3 by failing to report and incorrectly reporting information regarding receipts, disbursements, and cash on hand; and (2) that Salazar Victory Committee and Freedom Force PAC violated 52 U.S.C. § 30102(h) and 11 C.F.R. § 103.3 by failing to deposit receipts into a campaign depository account. The Factual and Legal Analysis, which formed the basis for the Commission's reason to believe finding, is enclosed for your information.

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to you as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that your client violated the law.

If your client is interested in engaging in pre-probable cause conciliation, please contact Kevin Fortkiewicz, the attorney assigned to this matter, at (202) 694-1169 or kfortkiewicz@fec.gov, within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within 30 days. *See* 52 U.S.C. § 30109(a), 11 C.F.R. Part 111 (Subpart A). Conversely, if you are not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

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.

We look forward to your response.

On behalf of the Commission,



Dara Lindenbaum
Chair

Enclosures
Factual and Legal Analysis

FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS**

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6 RESPONDENTS: Salazar for Congress and Les MUR 8176
7 Williamson in his official
8 capacity as treasurer
9 Freedom Force PAC and Les
10 Williamson in his official
11 capacity as treasurer
12 Salazar Victory Committee and Les
13 Williamson in his official
14 capacity as treasurer
15

I. INTRODUCTION

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17 This matter arises from a *sua sponte* submission filed by three committees, Salazar for
18 Congress and Les Williamson in his official capacity as treasurer, Freedom Force PAC and Les
19 Williamson in his official capacity as treasurer, and Salazar Victory Committee and Les
20 Williamson in his official capacity as treasurer (the “Committees”), describing a variety of
21 reporting errors that occurred in the first half of 2021, in violation of the Federal Election
22 Campaign Act of 1971, as amended (the “Act”). The *sua sponte* submission, as well as
23 subsequent supplements and exhibits, describe hundreds of individual errors in the Committees’
24 reporting of receipts, disbursements, transfers, joint fundraising, and cash on hand. They also
25 include the mistaken depositing of checks made payable to Salazar Victory Committee or
26 Freedom Force PAC into Salazar for Congress’s depository account. In total, the *sua sponte*
27 submission discloses over \$2,000,000 in reporting errors. The Committees attribute the errors to
28 their former treasurer, Nancy Marks, who all three Committees hired in late 2020. The
29 Committees represent that they replaced Marks in July of 2021 after having difficulties
30 communicating with her. They subsequently discovered the errors described below, alerted the
31 Commission, and have amended their reports.

1 As described in further detail below, based on the information provided by the
2 Committees, the Commission finds reason to believe that the Committees violated 52 U.S.C.
3 § 30104(b) and 11 C.F.R. § 104.3 by filing inaccurate reports with the Commission. The
4 Commission also finds reason to believe that Salazar Victory Committee and Freedom Force
5 PAC violated 52 U.S.C. § 30102(h) and 11 C.F.R. § 103.3 by failing to deposit contributions into
6 its depository account.

7 **II. FACTUAL BACKGROUND**

8 Salazar for Congress is the authorized campaign committee of Representative Maria E.
9 Salazar.¹ Freedom Force PAC is Salazar’s leadership PAC.² Salazar Victory Committee is her
10 joint fundraising committee.³ Les Williamson is the treasurer of all three Committees.⁴

11 Salazar for Congress submitted an initial *sua sponte* submission on September 7, 2021,
12 stating that it had identified certain errors relating to two reports it filed in 2021 and that it would
13 submit a supplement to its submission after further internal review conducted by Williamson.⁵
14 All three Committees then jointly filed a supplement to the *sua sponte* submission on
15 October 18, 2021, which they amended on March 22, 2022.⁶ The Committees each amended the
16 affected reports to correct the errors identified thus far.⁷

¹ Salazar for Congress, Statement of Organization (Apr. 7, 2022).

² Freedom Force PAC, Statement of Organization (Aug. 11, 2021).

³ Salazar Victory Committee, Statement of Organization (Aug. 11, 2021).

⁴ *Supra* notes 1-3.

⁵ Salazar for Congress *Sua Sponte* Submission (Sept. 7, 2021) (“*Sua Sponte*”).

⁶ Committees Revised Supp. *Sua Sponte* Submission (Mar. 22, 2022) (“Revised Supp. *Sua Sponte*”).

⁷ *Id.*; Salazar for Congress Second Amended 2021 April Quarterly Report (Sep. 7, 2021); Salazar for Congress Second Amended 2021 July Quarterly Report (Sep. 7, 2021); Freedom Force PAC, 2021 Mid-Year Report (Sep. 28, 2021); Salazar Victory Committee, 2021 Mid-Year Report (Sep. 29, 2021).

1 The reporting errors identified by the *sua sponte* submissions occurred over a 7-month
2 period between January and July 2021.⁸ According to the submissions, these errors were
3 committed by the treasurer, Nancy Marks, hired by all three Committees in mid-January, 2021.⁹
4 The Committees represent that they decided to dismiss Marks in June 2021, after she had been
5 unresponsive to their requests for information and draft reports.¹⁰ Marks filed July quarterly
6 reports for the Committees, purportedly without giving other staff at the Committees an
7 opportunity to review the reports, and then was replaced by their current treasurer, Les
8 Williamson.¹¹ The Committees also contend that their *sua sponte* submission and amendments
9 to their prior reports were delayed because it was difficult to obtain their files and account access
10 from Marks, who, they represent, did not provide this information until August 11, 2021.¹²

11 The Committees in their supplemental *sua sponte* have disclosed a variety of different
12 errors, which are summarized below. Salazar for Congress disclosed the following categories of
13 errors, as reflected in the *sua sponte* submissions themselves as well as the exhibits included with
14 the submissions:¹³

- 15 • Unreported contributions, disbursements, and transfers;
16 • Duplicate reporting of contributions, disbursements, and loan repayments;

⁸ Revised Supp. *Sua Sponte* at 1-2.

⁹ *Id.*

¹⁰ *Id.* at 2.

¹¹ *Id.*

¹² *Id.*

¹³ The relevant exhibits consist of six spreadsheets detailing: (A) contribution receipt errors in the first quarter of 2021 (Q1) for Salazar for Congress; (B) contribution receipt errors in the second quarter of 2021 (Q2) for Salazar for Congress; (C) disbursement errors in the first and second quarters of 2021 (Q1 and Q2) for Salazar for Congress; (D) details of contributions deposited into the wrong account; (E) reporting errors for Freedom Force PAC; and (F) reporting errors for Salazar Victory Committee. The spreadsheets include fields listing the “Reported Amount,” which lists the amount reported in the Committees’ disclosure reports filed with the Commission, and “Bank Amount” listing the actual amounts that appear on the bank statements. .

- 1 • Incorrect reporting of contribution information, including the source, date, and
2 amount;
3 • Incorrect reporting of disbursement information, including the amount, date, and
4 ultimate payee;
5 • Failing to designate contributions between the primary and general election;
6 • Failing to properly report joint contributions and transfers;
7 • Incorrect reporting of transfers and disbursements that did not occur;
8 • Reporting contributions received when they were in fact mis-deposited and should
9 have been deposited into the account of another of the Committees; and
10 • Depositing checks made payable to Salazar Victory Committee or Freedom Force
11 PAC into Salazar for Congress's account.¹⁴

12 Freedom Force PAC disclosed the following categories of errors:

- 13 • Incorrect reporting of transfers;
14 • Failing to report contributions — including those that had been mis-deposited into
15 Salazar for Congress's account — and disbursements;
16 • Reporting disbursements not made by Freedom Force PAC; and
17 • Incorrect reporting of information about disbursements, including by reporting
18 disbursements not made by Freedom Force PAC, reporting disbursements not
19 made during the reporting period, and incorrectly categorizing disbursements.

20 Salazar Victory Committee disclosed the following categories of errors:

- 21 • Failing to provide attribution information for contributors that exceeded the
22 itemization threshold;
23 • Failing to indicate in the memo text that the contributions were earmarked
24 through the website WinRed;
25 • Contributions incorrectly reported as conduit contributions;
26 • Failing to report various disbursements for fees and expenses; and
27 • Incorrect reporting of transfers from Salazar Victory Committee to the other
28 Committees.

¹⁴ The Committees also explain that the checks made payable to Salazar Victory Committee, which is a joint fundraising committee, would ultimately have been transferred to Salazar for Congress but acknowledge that the funds should have been routed through Salazar Victory Committee. Revised Supp. *Sua Sponte* at 6.

1 These individual errors also caused the Committees to misreport their cash on hand in the
2 relevant reports.¹⁵ The below chart reflects the total amounts in violation with respect to the
3 errors identified by the Committees in exhibits filed with their submissions:

¹⁵ Revised Supp. *Sua Sponte* at 5; *compare* Salazar for Congress Original 2021 April Quarterly Report (Apr. 15, 2021), *with* Salazar for Congress Second Amended 2021 April Quarterly Report (Sep. 7, 2021) (reflecting a closing cash on hand disparity of \$3,816.08); *compare* Salazar for Congress Original 2021 July Quarterly Report (July 16, 2021), *with* Salazar for Congress Second Amended 2021 July Quarterly Report (Sep. 7, 2021) (reflecting a closing cash on hand disparity of \$143,155.12); *compare* Freedom Force PAC Amended 2021 July Quarterly Report (July 17, 2021), *with* Freedom Force PAC, 2021 Mid-Year Report (Sep. 28, 2021) (reflecting a closing cash on hand disparity of \$11,041.21); *compare* Salazar Victory Committee Original 2021 July Quarterly Report (July 16, 2021), *with* Salazar Victory Committee, 2021 Mid-Year Report (Sep. 29, 2021) (reflecting a closing cash on hand disparity of \$37,540.49). Salazar for Congress received Request for Additional Information (“RFAI”) letters for its original and amended April and July 2021 filings, which regarded the large increase and decreases in activity, transfers, reattributions, and other issues. RFAI (Oct. 14, 2021); RFAI (Oct. 11, 2021); RFAI (Aug. 3, 2021); RFAI (June 30, 2021).

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Factual and Legal Analysis

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	Failure to Report¹⁶	Incorrectly Reported Amounts¹⁷	Other Violations¹⁸	Deposit Errors¹⁹	Total Amount in Violation
Salazar for Congress	\$387,787.70	\$754,581.39	\$350,811.31	\$0.00	\$1,493,180.40
Freedom Force PAC	\$5,715.25	\$26,756.46	\$3,500.00	\$10,000.00	\$45,971.71
Salazar Victory Committee	\$156,439.04	\$130,534.91	\$223,900.00	\$92,950.00	\$603,823.95
Total					\$2,132,976.06

1 The total amounts at issue, broken down by report, are as follows:²⁰

	April 2021	July 2021
Salazar for Congress	\$563,114.24	\$930,066.16
Freedom Force PAC	\$12,200.00	\$23,771.71

¹⁶ Calculated by taking the sum of the absolute values of the “Bank Amount” field – meaning the amount shown in the bank statements – for all lines in Exhibits A-C, E, and F where the “Reported Amount” field is zero except that Exhibit C includes four entries that reflect \$182,000 in loan repayments to the candidate and an additional four entries that reflect a bank return of full amount of the loan payments (-\$182,000). During our January 18, 2022, call with Respondents, they explained that these entries are in error because they were double-reported in the original disclosure report – meaning that the Committees included two instances of each of the four entries when they should have included one instance of each of the four entries. They have thus been moved to the “other violations” column, and only the entries reflecting the loan payment have been included to avoid double-counting.

¹⁷ Calculated by taking the sum of the absolute values of the difference between the “Bank Amount” field and the “Reported Amount” field for all lines in Exhibits A-C, E, and F minus the amount calculated in the “Failure to Report” column of this chart for that respective exhibit.

¹⁸ Calculated by taking the sum of the absolute values of the “Bank Amount” field for all lines in Exhibits A-C, E, and F, where the difference between the “Bank Amount” field and the “Reported Amount” field is zero. This column relates to nonmonetary reporting errors such as, for example, incorrectly-reported dates, sources of contributions, and recipients of disbursements.

¹⁹ Calculated with respect to Salazar Victory Committee by taking the sum of the “Amount” field for all lines in Exhibit D. The revised supplement to the *sua sponte* also describes two contributions made to Freedom Force PAC of \$5,000 each that were also incorrectly deposited into Salazar for Congress’s bank account. Revised Supp. *Sua Sponte* at 6.

²⁰ The \$102,950.00 in deposit errors disclosed by the Committees is not included in this chart because it is not a reporting violation and thus is not attributable to a particular report.

Salazar Victory Committee	\$246,480.60	\$264,393.35
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1 The *sua sponte* submissions also describe additional practices implemented by the
 2 Committees' new treasurer, Williamson. These include daily review of bank accounts to ensure
 3 all transactions are recorded in a compliance database and QuickBooks and a monthly
 4 reconciliation of the bank account records and these two files.²¹ According to the submission,
 5 Williamson also deposits and records all non-direct-mail check contributions and records online
 6 contributions within one day of receipt and direct mail receipts every month.²² The Committees
 7 have also provided their training and compliance manual, developed after Williamson became
 8 treasurer, which includes instructions for proper processing of receipts and bank reconciliation,
 9 provides the recordkeeping requirements and internal controls guidance from the Commission's
 10 Best Practices guide, as well as information on contribution limits, prohibited contributions, and
 11 required disclaimers.²³

12 **III. LEGAL ANALYSIS**

13 **A. The Commission Finds Reason to Believe that the Committees Failed to** 14 **Accurately Report Their Receipts, Disbursements, Cash on Hand, and Debts**

15 The Act and Commission regulations require treasurers to file reports disclosing, among
 16 other things the amount of cash-on-hand at the beginning of each reporting period; the total
 17 amount of receipts for the reporting period and for the calendar year; and the total amount of

²¹ Revised Supp. *Sua Sponte* at 8.

²² *Id.*

²³ Salazar for Congress, FEC Training and Compliance Manual.

1 disbursements for the reporting period and for the calendar year.²⁴ For each receipt or
2 disbursement exceeding \$200, the committee must report the source, date, and amount of each
3 receipt and the ultimate payee, purpose, amount, and date of each disbursement.²⁵ Committees
4 must also disclose the amount and nature of any outstanding debts and obligations.²⁶

5 The Committees have acknowledged a large variety of reporting errors made in their first
6 and second quarter reports for 2021. As outlined above, these include failing to report and mis-
7 report contributions received, disbursements, and transfers.²⁷ In total, the Committees have
8 disclosed nearly 700 individual errors regarding receipts, disbursements, and debts totaling over
9 \$2,000,000.²⁸ More specifically, Salazar for Congress disclosed \$563,114.24 in errors in its
10 2021 April Quarterly Report and \$930,066.16 in errors in its 2021 July Quarterly Report;
11 Freedom Force PAC disclosed \$12,200.00 in errors in its 2021 April Quarterly Report and
12 \$23,771.71 in errors in its 2021 July Quarterly Report; and Salazar Victory Committee disclosed
13 \$246,480.60 in errors in its 2021 April Quarterly Report and \$264,393.35 in errors in its 2021
14 July Quarterly Report.²⁹ These errors also resulted in the Committees misreporting their cash on
15 hand in the relevant reports.³⁰ Accordingly, The Commission finds reason to believe the
16 Committees violated 52 U.S.C. § 30104(b) and 11 C.F.R. § 104.3.

²⁴ See 52 U.S.C. § 30104(b)(1), (2), (4); 11 C.F.R. §§ 104.3(a)(1), 104.12.

²⁵ 52 U.S.C. § 30104(b)(3) and (5); 11 C.F.R. § 104.3(a)(4), (b)(3), (b)(4).

²⁶ 52 U.S.C. § 30104(b)(8); 11 C.F.R. § 104.3(d).

²⁷ *Supra* § II.

²⁸ Revised Supplemental *Sua Sponte* Exs. A-F.

²⁹ *Supra* § II.

³⁰ *Id.*

1 **B. The Commission Finds Reason to Believe that the Committees Failed to**
2 **Properly Deposit Contributions into Their Depository Accounts**

3 The Act requires a committee to establish and maintain one or more depository accounts
4 into which its receipts are deposited.³¹ \$92,950 in checks made payable to Salazar Victory
5 Committee and \$10,000 in checks made payable to Freedom Force PAC were not deposited into
6 those committees' depository accounts and were instead deposited into Salazar for Congress's
7 account.³² The Commission therefore finds reason to believe that Salazar Victory Committee
8 and Freedom Force PAC violated 52 U.S.C. § 30102(h) and 11 C.F.R. § 103.3 by failing to
9 deposit contributions into their respective depository accounts.

³¹ 52 U.S.C. § 30102(h)(1); 11 C.F.R. § 103.3.

³² Revised Supp. *Sua Sponte* at 6 & Ex. D.