



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Marc E. Elias, Esq.
Jonathan S. Berkon, Esq.
Joseph P. Wenzinger, Esq.
Perkins Coie
700 Thirteenth Street, N.W.
Suite 600
Washington, D.C. 20005-3960

JUL 15 2015

Re: MUR 6394 (Rochelle M. Pingree, *et al.*)

Dear Messrs. Elias, Berkon, and Wenzinger:

On July 9, 2015, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 52 U.S.C. §§ 30114(c)(2), 30116(a)(1)(A), and 30116(f), and 11 C.F.R. §§ 100.93(c)(2) and 113.5(b), provisions of the Federal Election Campaign Act of 1971, as amended, and the Commission's regulations. The Commission previously notified you that it voted to take no further action regarding Magic Carpet Enterprises, LLC. 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* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and 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 respondents 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 civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,


Kamau Philbert
Attorney

Enclosure
Signed Conciliation Agreement

1
2 **BEFORE THE FEDERAL ELECTION COMMISSION**

3
4 In the Matter of)
5)
6 Chellie Pingree) MUR 6394
7)
8 Pingree for Congress and)
9 Anne Rand in her official)
10 capacity as treasurer)
11)
12 S. Donald Sussman)

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13 **CONCILIATION AGREEMENT**

14
15 This matter was initiated via a complaint filed by Charles M. Webster and the Maine
16 Republican Party. The Federal Election Commission (“Commission”) found probable cause to
17 believe that Chellie Pingree violated 52 U.S.C. §§ 30114(c)(2), 30116(f), and 11 C.F.R.
18 §§ 100.93(c)(2) and 113.5(b), that Pingree for Congress and Anne Rand in her official capacity
19 as treasurer violated 52 U.S.C. §§ 30114(c)(2), 30116(f), and 11 C.F.R. § 113.5(b), and that
20 S. Donald Sussman violated 52 U.S.C. § 30116(a)(1)(A).
21

22 NOW, THEREFORE, the Commission and the above-named Respondents, having duly
23 entered into conciliation pursuant to 52 U.S.C. § 30109(a)(4)(A)(i), do hereby agree as follows:

24 I. The Commission has jurisdiction over the Respondents and the subject matter of this
25 proceeding.

26 II. Respondents have had a reasonable opportunity to demonstrate that no action should
27 be taken in this matter.

28 III. Respondents enter voluntarily into this agreement with the Commission.

29 IV. The pertinent facts in this matter are as follows:

30 1. Chellie Pingree was a candidate for re-election to Maine’s First Congressional
31 District during the 2010 election cycle.

1 contributions in the form of non-commercial air travel. *Id.* § 113.5(b). The regulations explain
2 that HLOGA prohibition on non-commercial air travel applies to a House candidate who is a
3 “campaign traveler,” which includes, “any candidate traveling in connection with an election for
4 Federal office.” *Id.* § 100.93(a)(3)(i)(A).

5 7. HLOGA permits a House candidate to travel on an aircraft owned or leased by the
6 candidate or the candidate’s “immediate family member.” 52 U.S.C. § 30114(c)(3). HLOGA
7 limits immediate family members to a father, mother, son, daughter, brother, sister, husband,
8 wife, father-in-law, or mother-in-law; it does not include “fiancé” among immediate family
9 members. 52 U.S.C. § 30114(c)(3)(B); 11 C.F.R. §§ 100.93(g)(4), 113.5(c)(3).

10 8. The Act prohibits any person from making contributions to any candidate or the
11 candidate’s authorized committee with respect to a federal election that in the aggregate, exceed
12 \$2,400 in the 2010 election cycle. 52 U.S.C. § 30116(a)(1)(A). The Act’s limits also apply to the
13 provision of in-kind contributions in the form of air travel. 11 C.F.R. § 113.5(b).

14 9. A contribution by a limited liability company that is owned by a sole individual and
15 does not elect to be treated as a corporation by the Internal Revenue Service is attributed only to
16 the individual. *See* 11 C.F.R. § 110.1(g)(4).

17 10. The Act prohibits any candidate or political committee from accepting any
18 contribution that exceeds the contribution limits, which were \$2,400 for the 2010 election cycle.
19 52 U.S.C. § 30116(f).

20 **Facts**

21 11. Sussman’s business regularly involves travel to the metropolitan New York area,
22 where, as of 2010, he maintained an office and residence in Greenwich, Connecticut (roughly
23 one hour north of New York City), and an apartment in Manhattan, New York City. Pingree

1 occasionally accompanied Sussman on travels to New York City for personal reasons unrelated
2 to re-election campaign activities.

3 12. In the summer of 2010, the Committee considered planning a re-election fundraiser
4 in New York City. Respondents state that roughly one month prior to the date on which the
5 fundraiser was to be held, Pingree sought from Sussman dates that he would otherwise be
6 traveling to the New York area for business. Sussman identified September 13, 2010, and the
7 campaign scheduled a fundraiser on that day.

8 13. On September 13, 2010, the day of the fundraiser, Pingree traveled with Sussman on
9 the jet from Portland, Maine to Westchester County Airport in White Plains, New York (“White
10 Plains Airport”). Pingree and Sussman drove to New York City and, among other things,
11 attended a re-election fundraiser at a private residence. After the fundraiser ended, Pingree and
12 Sussman drove back to White Plains Airport and flew on the jet to Washington, D.C.

13 14. On September 30, 2010, Pingree flew on the jet from Washington D.C. to
14 Portland — Maine and attended a campaign fundraiser and a Democratic candidates event the
15 next day, October 1, 2010. The following day, October 2, 2010, Pingree attended a Seacoast
16 Democrats event and a campaign house party. On October 4, 2010, Pingree flew on the jet from
17 Portland, Maine to Westchester, New York for a nonprofit fundraiser — the only scheduled
18 event on Pingree’s calendar for the day. Pingree returned to Washington, D.C. on the jet with
19 Sussman.

20 15. Sussman paid total costs of approximately \$13,456.80 for both of Pingree’s trips on
21 the jet — \$7,974.40 for the September 13, 2010 trip and \$5,482.40 for the September 30 to
22 October 4, 2010 trip.

1 16. Respondents contend that they would have made the trip to the New York area on
2 September 13, 2010, and the trip between Washington, D.C., Maine, and New York from
3 September 30 to October 4, 2010, irrespective of Pingree's re-election campaign. Based on their
4 understanding of the Commission's decision in Advisory Opinion 2002-5, Respondents contend
5 that they understood that any travel expenses that would have existed irrespective of campaign
6 activities would not be considered expenditures and not subject to the Act's restrictions.
7 Accordingly, notwithstanding the new restrictions that HLOGA placed on House candidates
8 campaign travel on noncommercial aircraft, Respondents contend that they believed that
9 Representative Pingree's trips on Sussman's private aircraft were permissible at the time they
10 were made in 2010. Respondents contend that they had a good faith misunderstanding of the
11 HLOGA restrictions and that any violation of the law was inadvertent, and the Commission is
12 unaware of any information to the contrary.

13 V. Solely for the purpose of settling this matter expeditiously and avoiding litigation,
14 with no admission as to the merit of the Commission's legal conclusions or with respect to any
15 other proceeding, Respondents agree not to contest:

16 1. That Chellie Pingree was a "campaign traveler" on the flights in question within
17 the meaning of 11 C.F.R. § 100.93.

18 2. The flights at issue constituted a violation of 52 U.S.C. § 30114 (c)(2) and
19 11 C.F.R. §§ 100.93(c)(2) and 113.5(b), when Pingree travelled on a non-commercial aircraft on
20 trips to attend re-election campaign events.

21 3. The flights at issue constituted an excessive in-kind contribution under 52 U.S.C.
22 § 30116 (a)(1)(A) and 30116 (f).

1 VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the
2 amount of Nine Thousand Seven Hundred Fifty Dollars (\$9,750), pursuant to 52 U.S.C.
3 § 30109(a)(5)(A). Respondents will cease and desist from violating 52 U.S.C. §§ 30114(c),
4 30116 (a)(1)(A), and 30116(f).¹

5 2. Pingree for Congress and Anne Rand in her official capacity as treasurer will
6 reimburse the \$13,456.80 value of the flights on the jet to Magic Carpet Enterprises LLC and
7 will provide the Commission with proof of the reimbursement.

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

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

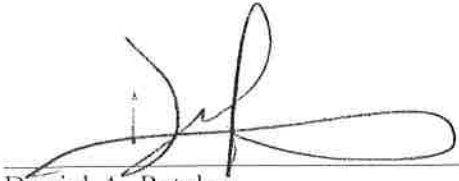
15 IX. Respondents shall have no more than 30 days from the date this agreement becomes
16 effective to comply with and implement the requirements contained in this agreement and to so
17 notify the Commission.

18

¹ The Commission acknowledges that under HLOGA, Pingree may travel on a non-commercial aircraft owned or leased by an "immediate family member," such as her husband.


1 X. This Conciliation Agreement constitutes the entire agreement between the parties on
2 the matters raised herein, and no other statement, promise, or agreement, either written or oral,
3 made by either party or by agents of either party, that is not contained in this written agreement
4 shall be enforceable.

5 FOR THE COMMISSION:

6 BY: 
7 Daniel A. Petalas
8 Associate General Counsel
9 for Enforcement
10

7/15/15
Date

11 FOR THE RESPONDENTS:

12 
13 Marc Elias
14 Counsel for Respondents
15
16

Date