



FEDERAL ELECTION COMMISSION
Washington DC 20463

THIS IS THE BEGINNING OF ADMINISTRATIVE FINE CASE # 1563

DATE SCANNED 11-29-07

SCANNER NO. 2

SCAN OPERATOR Jms

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2007 FEB -1 A 10:39

February 1, 2007

MEMORANDUM

SENSITIVE

TO: THE COMMISSION

THROUGH: PATRINA M. CLARK *PMC*
STAFF DIRECTOR

MARGARITA MAISONET *MM*
CHIEF COMPLIANCE OFFICER

FROM: JOHN D. GIBSON *JG*
ASSISTANT STAFF DIRECTOR
REPORTS ANALYSIS DIVISION

SUBJECT: REASON TO BELIEVE RECOMMENDATION - 2006 (ELECTION-SENSITIVE) OCTOBER QUARTERLY REPORT FOR THE ADMINISTRATIVE FINES PROGRAM

Attached is a list of political committees and their treasurers who failed to file or failed to timely file, the 2006 October Quarterly Report in accordance with 2 U.S.C. 434(a). On September 21, 2006, Prior Notice was sent to all political committees and their treasurers, informing them that the October Quarterly Report was due on October 15, 2006. The report should have covered the period ending on September 30, 2006.

Under the Administrative Fines Program, the October Quarterly Report is considered an election-sensitive filing for authorized committees supporting candidates involved in the general election as well as all unauthorized committees. For the committees listed on the attached RTB Circulation Report, the October Quarterly Report was an election-sensitive filing. The committees either filed the report more than five (5) days after the due date, failed to file the report or failed to file the report prior to four (4) days before the general election (considered a non-filed report). In accordance with the schedule of civil money penalties for reports at 11 C.F.R. 111.43, these committees should be assessed the civil money penalties included on the attached report.

Recommendation

- (1) Find reason to believe that the political committees and their treasurers listed on the Reason to Believe (RTB) Circulation Report violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalties would be the amounts indicated on the RTB Circulation Report.
- (2) Send the appropriate RTB letters.

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Federal Election Commission
Reason to Believe Circulation Report
2006 OCTOBER QUARTERLY Election Sensitive 10/15/2006 H_S_UNAOUTH

AF#	Committee ID	Committee Name	Candidate Name	Treasurer	Threshold	PV	Receipt Date	Days Late	LOA	RTB Penalty
1555	C00141242	AGRI-MARK, INC LEGISLATIVE AND EDUCATIONAL COMMITTEE (ALEC)		HAROLD LARRABEE	\$104,244	0	10/25/2006	10	\$14,953	\$250
1556	C00396028	AL GREEN FOR CONGRESS	GREEN, ALEXANDER	WILLIAM A. LAWSON	\$588,725	2	10/24/2006	9	\$41,014	87
1557	C00412718	AMERICANS AGAINST ILLEGAL IMMIGRATION PAC		JOHN W. LEUTHOLD	\$1,422,337	0	10/26/2006	11	\$500,041	\$5,950
1558	C00426262	COMMITTEE TO ELECT JAKE FORD FOR CONGRESS, THE	FORD, NEWTON JAKE	SIR ISAAC FORD	\$131,898	0	10/27/2006	12	\$103,759	\$2,400
1559	C00355818	COUNCIL OF SCHOOL SUPERVISORS AND ADMINISTRATORS LOCAL 1 AFSA AFL-CIO		ANITA GOMEZ-PALACIO	\$104,287	0	11/6/2006	22	\$20,458	\$900
1560	C00425694	IA VETS FOR CONGRESS	DUCKWORTH, L TAMMY	MALEA STENZEL	\$149,386	0	10/24/2006	9	\$149,136	\$2,025
1561	C00420091	MAATTA FOR CONGRESS CAMPAIGN COMMITTEE	MAATTA, RANDAL G	DEBRA C. MAATTA	\$194,712	2		Not Filed	\$64,904 (est)	\$4,500
1562	C00419267	MOUNTJOY FOR US SENATE	MOUNTJOY, RICHARD L	PEGGY A. MEW	\$318,509	0	10/21/2006	6	\$241,010	\$2,550
1563	C00369884	MZM INC. PAC		JEANNE O'NEIL	\$178,705	0		Not Filed	\$35,741 (est)	900
1564	C00188987	NATIONAL ASSOCIATION FOR HOME CARE POLITICAL ACTION COMMITTEE		MICHAEL N. WOODS	\$136,269	0	10/29/2006	14	\$24,581	\$290
1565	C00143362	PLUMBERS LOCAL 519 POLITICAL ACTION COMMITTEE		PHIL TRUCKS JR	\$142,202	1	10/23/2006	8	\$21,885	\$287
1566	C00396655	SAN ANTONIO POLICE OFFICERS ASSOCIATION POLITICAL ACTION COMMITTEE		ROBERT GRAJEDA	\$388,946	3	10/25/2006	10	\$28,682	\$962

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AF#	Committee ID	Committee Name	Candidate Name	Treasurer	Threshold	PV	Receipt Date	Days Late	LOA	RTB Penalty
1567	C00417576	TERRIPAC		BRIAN SCHIAVO	\$111,837	0	10/27/2006	12	\$63,949	\$1,350
1568	C00010795	THE LOOSE GROUP		E. MARSH DOUJHAT	\$771,182	0	10/25/2006	10	\$107,976	\$2,150
1569	C00232835	UNITED ASSOC OF JOURNEYMEN & APPRENTICES/PLUMBING & PIPE FITTING INDUSTRY LOCAL UNION 335		RICHARD G. FRANTZ	\$156,709	0	10/25/2006	10	\$63,562	\$1,200

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Reason To Believe Recommendation - 2006)
(Election Sensitive) October Quarterly)
Report For The Administrative Fines)
Program.:)
MOUNTJOY FOR US SENATE, and) AF# 1562
PEGGY A MEW as treasurer;)
COMMITTEE TO ELECT JAKE FORD) AF# 1558
FOR CONGRESS; THE, and SIR ISAAC)
FORD as treasurer;)
AL GREEN FOR CONGRESS, and) AF# 1556
WILLIAM A LAWSON as treasurer;)
MAATTA FOR CONGRESS CAMPAIGN) AF# 1561
COMMITTEE, and DEBRA C MAATTA)
as treasurer;)
AMERICANS AGAINST ILLEGAL) AF# 1557
IMMIGRATION PAC, and LEUTHOLD,)
JOHN W MR as treasurer;)
IA VETS FOR CONGRESS, and MALEA) AF# 1560
STENZEL as treasurer;)
SAN ANTONIO POLICE OFFICERS) AF# 1566
ASSOCIATION POLITICAL ACTION)
COMMITTEE, and ROBERT GRAJEDA)
as treasurer;)
AGRI-MARK, INC LEGISLATIVE AND) AF# 1555
EDUCATIONAL COMMITTEE (ALEC),)
and HAROLD LARRABEE as treasurer;)
NATIONAL ASSOCIATION FOR HOME) AF# 1564
CARE POLITICAL ACTION)
COMMITTEE, and MICHAELE N)
WOODS as treasurer;)
PLUMBERS LOCAL 519 POLITICAL) AF# 1565
ACTION COMMITTEE, and PHIL)
TRUCKS JR as treasurer;)
TERRIPAC, and BRIAN SCHIAVO as) AF# 1567
treasurer;)

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THE LOOSE GROUP, and Douthat, E. AF# 1568
Marsh as treasurer;
UNITED ASSOC OF JOURNEYMEN &) AF# 1569
APPRENTICES/PLUMBING & PIPE)
FITTING INDUSTRY LOCAL UNION)
335, and RICHARD G FRANTZ as)
treasurer;)
COUNCIL OF SCHOOL SUPERVISORS) AF# 1559
AND ADMINISTRATORS LOCAL 1)
AFSA AFL-CIO, and GOMEZ- PALACIO,)
ANITA as treasurer;)
MZM INC. PAC, and O'Neil, Jeanne Ms. as) AF# 1563
treasurer;)

CERTIFICATION

I, Mary W. Dove, Secretary of the Federal Election Commission, do hereby certify that on February 06, 2007 the Commission took the following actions on the Reason To Believe Recommendation - 2006 (Election Sensitive) October Quarterly Report For The Administrative Fines Program. as recommended in the Reports Analysis Division's Memorandum dated February 01, 2007, on the following committees:

AF#1562 Decided by a vote of 5-0 to: (1) find reason to believe that MOUNTJOY FOR US SENATE, and PEGGY A MEW as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1558 Decided by a vote of 5-0 to: (1) find reason to believe that COMMITTEE TO ELECT JAKE FORD FOR CONGRESS; THE, and SIR ISAAC FORD as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

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AF#1556 Decided by a vote of 5-0 to: (1) find reason to believe that AL GREEN FOR CONGRESS, and WILLIAM A LAWSON as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1561 Decided by a vote of 5-0 to: (1) find reason to believe that MAATTA FOR CONGRESS CAMPAIGN COMMITTEE, and DEBRA C MAATTA as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1557 Decided by a vote of 5-0 to: (1) find reason to believe that AMERICANS AGAINST ILLEGAL IMMIGRATION PAC, and LEUTHOLD, JOHN W MR as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1560 Decided by a vote of 5-0 to: (1) find reason to believe that IA VETS FOR CONGRESS, and MALEA STENZEL as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1566 Decided by a vote of 5-0 to: (1) find reason to believe that SAN ANTONIO POLICE OFFICERS ASSOCIATION POLITICAL ACTION COMMITTEE, and ROBERT GRAJEDA as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1555 Decided by a vote of 5-0 to: (1) find reason to believe that AGRI-MARK, INC LEGISLATIVE AND EDUCATIONAL COMMITTEE (ALEC), and HAROLD LARRABEE as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1564 Decided by a vote of 5-0 to: (1) find reason to believe that NATIONAL ASSOCIATION FOR HOME CARE POLITICAL ACTION COMMITTEE, and

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MICHAEL N WOODS as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1565 Decided by a vote of 5-0 to: (1) find reason to believe that PLUMBERS LOCAL 519 POLITICAL ACTION COMMITTEE, and PHIL TRUCKS JR as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1567 Decided by a vote of 5-0 to: (1) find reason to believe that TERRIPAC, and BRIAN SCHIAVO as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1568 Decided by a vote of 5-0 to: (1) find reason to believe that THE LOOSE GROUP, and Douthat, E. Marsh as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1569 Decided by a vote of 5-0 to: (1) find reason to believe that UNITED ASSOC OF JOURNEYMEN & APPRENTICES/PLUMBING & PIPE FITTING INDUSTRY LOCAL UNION 335, and RICHARD G FRANTZ as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1559 Decided by a vote of 5-0 to: (1) find reason to believe that COUNCIL OF SCHOOL SUPERVISORS AND ADMINISTRATORS LOCAL 1 AFSA AFL-CIO, and GOMEZ- PALACIO, ANITA as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

AF#1563 Decided by a vote of 5-0 to: (1) find reason to believe that MZM INC. PAC, and O'Neil, Jeanne Ms. as treasurer violated 2 U.S.C. 434(a) and make a

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preliminary determination that the civil money penalty would be the amount indicated on the report; (2) send the appropriate mailgram. Commissioners Lenhard, Mason, Toner, von Spakovsky, and Walther voted affirmatively for the decision. Commissioner Weintraub did not vote.

Attest:

February 7, 2007
Date

Mary W. Dove
Mary W. Dove
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 8, 2007

Ms. Jeanne O'Neil
MZM Inc. PAC
1523 New Hampshire Avenue, N.W.
Washington, DC 20036

C00369884
AF#: 1563

Dear Ms. Jeanne O'Neil:

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires that your committee file an October Quarterly Report of Receipts and Disbursements in a calendar year during which there is a regularly scheduled election. This report, covering the period through September 30th, shall be filed no later than October 15th. 2 U.S.C. 434(a). You were previously notified of the due date for this report. Records at the Federal Election Commission ("FEC") indicate that this report was not filed prior to four (4) days before the general election held on November 2, 2004. You should file the report if you have not already done so.

The Act was further amended in 1999 to permit the FEC to impose civil money penalties for violations of the reporting requirements of 2 U.S.C. 434(a). 2 U.S.C. 437g(a)(4). On 2/6/2007, the FEC found that there is reason to believe ("RTB") that MZM Inc. PAC and you, as treasurer, violated 2 U.S.C. 434(a) by failing to file timely this report on or before October 15th. Based on the FEC's schedules of civil money penalties at 11 C.F.R. 111.43, the amount of your civil money penalty calculated at the RTB stage is \$1,400. It is due by 3/18/2007 and is based on these factors:

Election Sensitivity of Report: Election Sensitive
Level of Activity: \$35,740
Number of Days Late: Not Filed
Number of Previous Civil Money Penalties Assessed: 0

To Pay the Calculated Civil Money Penalty

To pay the calculated civil money penalty, send the enclosed remittance and your payment to the FEC at the address on page 3. Upon receipt of your payment, the FEC will send you a final determination letter.

To Challenge the RTB Finding and/or Calculated Civil Money Penalty

To challenge the RTB finding and/or calculated civil money penalty, you must submit a written response, including the AF# found on page one, to the FEC's Office of Administrative Review, 999 E Street, NW, Washington, DC 20463. Your response must be received by 3/18/2007. Your written response must include the reason(s) why you are challenging the RTB finding and/or calculated civil money penalty. The FEC will only consider challenges that are based on a factual error, miscalculation of the calculated civil money penalty by the FEC, or the

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existence of extraordinary circumstances that persisted for more than 48 hours that were beyond your control and prevented you from filing the report in a timely manner. Your response must include the factual basis supporting the reason(s) and supporting documentation. The FEC strongly encourages that documents be submitted in the form of affidavits or declarations. Examples of circumstances that will not be considered extraordinary include, but are not limited to, negligence, problems with vendors or contractors, staff illness, computer failures and similar circumstances. 11 C.F.R. 111.35(b)(1)(iii) and (4).

Your failure to raise an argument in a timely fashion during the administrative process shall be deemed a waiver of your right to present such argument in a petition to the district court under 2 U.S.C. 437g. 11 C.F.R. 111.38.

If you intend to be represented by counsel, please advise the Office of Administrative Review. You should provide, in writing, the name, address and telephone number of your counsel and authorize counsel to receive notifications and communications relating to this challenge and imposition of the calculated civil money penalty.

If You Do Not Pay the Calculated Civil Money Penalty or Submit a Challenge

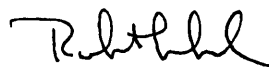
If you do not pay the calculated civil money penalty or submit a written response, the FEC will assume that the preceding factual allegations are true and make a final determination that MZM Inc. PAC and you, as treasurer, violated 2 U.S.C. 434(a) and assess a civil money penalty.

Unpaid civil money penalties assessed through the Administrative Fine regulations will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. 3701 et seq. The FEC may take any and all appropriate action authorized and required by the DCA, as amended, including transfer to the U.S. Department of the Treasury for collection. 11 C.F.R. 111.45.

This matter was generated based on information ascertained by the FEC in the normal course of carrying out its supervisory responsibilities. 2 U.S.C. 437g(a)(2). It will remain confidential in accordance with 2 U.S.C. 437g(a)(4)(B) and 437g(a)(12)(A) until it is placed on the public record in accordance with 11 C.F.R. 111.42, unless you notify the FEC in writing that you wish the matter to be made public.

Additional information on the FEC's administrative fine program, including the final regulations, is located at the FEC's website at www.FEC.gov. If you have questions regarding the payment of the calculated civil money penalty, please contact Rhiannon Ryan in the Reports Analysis Division at our toll free number (800) 424-9530 (at the prompt press 5) or (202) 694-1130. If you have questions regarding the submission of a challenge, please contact the Office of Administrative Review at our toll free number (800) 424-9530 (press 0, then ext. 1660) or (202) 694-1660.

Sincerely,


Robert D. Lenhard
Chairman

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ADMINISTRATIVE FINE REMITTANCE & PAYMENT INSTRUCTIONS

In accordance with the schedule of penalties at 11 C.F.R. 111.43, the amount of your civil money penalty calculated at RTB is \$1,400 for the 2006 October Quarterly Report.

Please mail this remittance with a check or money order made payable to the Federal Election Commission to the following address:

Federal Election Commission
P.O. Box 979058
St. Louis, MO 63197-9000

If you choose to send your remittance and payment by courier or overnight delivery, please use this address:

U.S. Bank - Government Lockbox
FEC #979058
1005 Convention Plaza
Attn: Government Lockbox, SL-MO-C2GL
St. Louis, MO 63101

The remittance and your payment are due by 3/18/2007. Upon receipt of your remittance and payment, the FEC will send you a final determination letter.

PAYMENTS BY PERSONAL CHECK

Personal checks will be converted into electronic funds transfers (EFTS). Your account will be electronically debited for the amount on your check, usually within 24 hours, and the debit will appear on your regular statement. We will destroy your original check and keep a copy of it. In case the EFT cannot be processed for technical reasons, you authorize us to process the copy in lieu of the original check. Should the EFT not be completed because of insufficient funds, we may try to make the transfer twice.

PLEASE DETACH AND RETURN THE PORTION BELOW WITH YOUR PAYMENT

FOR: MZM Inc. PAC

FEC ID#: C00369884

AF#: 1563

PAYMENT DUE DATE: 3/18/2007

PAYMENT AMOUNT DUE: \$1,400

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WILMERHALE

Ronald C. Machen

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ronald.machen@wilmerhale.com

March 9, 2007

Office of Administrative Review
Federal Election Commission
999 E Street, NW
Washington DC 20463

RE: AF# 1563

Dear Sir or Madam:

I am writing on behalf of my client, Mitchell Wade, to support and provide factual background in connection with Ms. Jeanne O'Neil's challenge to the FEC's February 6, 2007 finding that there is reason to believe ("RTB") that MZM Inc. PAC and Ms. O'Neil, as treasurer, violated 2 U.S.C. 434(a) by failing to file timely an October Quarterly Report of Receipts and Disbursements.

As background, Mr. Wade was the founder, President, CEO, and majority shareholder of MZM Inc., the company through which MZM Inc. PAC operated. On September 30, 2005, MZM Inc. was sold to Veritas Capital. (See press release at Exhibit A) In turn, Veritas Capital moved the operations of MZM Inc. into a newly created subsidiary, Athena Innovative Solutions Inc. At the time of the sale, Ms. O'Neil became an employee of Athena Innovative Solutions, Inc. and ceased serving as the treasurer of MZM Inc. PAC. From that time forward, no treasurer was available to act on behalf of MZM Inc. PAC. Furthermore, Ms. O'Neil left Athena Innovative Solutions, Inc. on October 20, 2006.

As you may know, Mr. Wade, through counsel, has been consulting with FEC attorneys Lynn Tran and Mark Shonkwiler on FEC MUR 5666, which involves MZM Inc. PAC. On November 2, 2006, I sent Ms. Tran a letter addressing PAC filing notices that the FEC had sent to Ms. O'Neil. (See Exhibit B) As that letter explains, MZM Inc. PAC was effectively dissolved on February 13, 2006, after ceasing political fundraising and disbursement activity and donating all its remaining funds to the Intrepid Fallen Heroes Fund. (See donation form, MZM Inc. check no. 1057, and MZM Inc. PAC account statement at Exhibit C) At the time of the charitable donation, MZM Inc. PAC had no outstanding debts or obligations, and its sponsoring corporation had disposed of all its assets and dissolved the prior year. Accordingly, on February 13, 2006, MZM Inc. PAC made a good faith attempt to follow FEC procedures and filed a termination notice pursuant to the Federal Election Campaign Act (2 U.S.C. 433(d)(1)) and the associated regulation (11 C.F.R. § 102.3). (See Exhibit D)

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FEC Office of Administrative Review
March 9, 2007
Page 2

On February 22, 2006, the FEC formally denied the termination request due to the pending MUR. A denial of a termination request due to a pending MUR appears to be contemplated by informal FEC guidance (FEC, Campaign Guide for Corporations and Labor Organizations at 58 (June 2001)). However, we are unaware of any express provision in the Federal Election Campaign Act or any other FEC regulations, which allows for the denial of a termination request upon these grounds, particularly where termination does not frustrate the progress of an ongoing inquiry.

As outlined above, it should be apparent that MZM Inc. PAC could not file an October 2006 Quarterly Report of Receipts and Disbursements due to the existence of extraordinary circumstances—MZM Inc. PAC did not exist at the time the filing was due, and MZM Inc. PAC had no treasurer. Under such circumstances, filing a report was not realistic, efficient, or necessary.

In addition, the FEC's February 8, 2007 RTB letter states that the designated report was not filed before the general election held on November 2, 2004. However, it appears that the November 2, 2004 election date is inaccurate, and that the report at issue relates to the election held over two years later, on November 7, 2006. Moreover, on February 13, 2006, the FEC was notified that the actual level of MZM Inc. PAC activity was zero—not the amount listed in the RTB letter. (See Exhibit D) Exhibit C further demonstrates this zero balance. The RTB letter is thus technically deficient and does not describe an accurate factual predicate upon which relief could be sought. For all of the foregoing substantive and technical reasons, and those articulated in summary fashion in Ms. O'Neil's letter, the FEC's February 6, 2007 RTB finding should be reversed, and a determination should be made that no penalty is owed to the FEC.

Sincerely yours,

Ronald C. Machen
RS

Ronald C. Machen

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NEWS

Veritas Capital Completes Acquisition of Selected MZM, Inc. Assets

NEW YORK (Sept. 30, 2005) -- Veritas Capital, a leading private equity firm focused on the defense and federal sectors, announced today it has completed the previously announced agreement to purchase selected assets of MZM, Inc., a provider of services to the national security community. Financial terms of the acquisition have not been disclosed.

The transaction included, but was not limited to, all of the existing contracts, relationships and employees, and included the assumption of only specific liabilities associated with the ongoing operations of those assets, which were acquired through a newly created subsidiary, Athena Innovative Solutions, Inc.

Under the leadership and control of Veritas, Athena will continue to provide a broad array of services to the national security community. Veritas and Athena will retain MZM Inc.'s employees, underscoring their commitment to the high level of service its clients have come to expect. James C. King will serve as the President and Chief Executive Officer for Athena.

About Athena Innovative Solutions, Inc.

Athena is a trusted and respected leader in the national security community providing policy, operational, and technical expertise and solutions to government and industry clients in the fields of intelligence, counterintelligence, counterterrorism, security, and homeland defense.

About Veritas Capital

Veritas Capital is a private equity investment firm headquartered in New York. Founded in 1992 by Robert B. McKeon, Veritas invests primarily in defense and aerospace related companies. Veritas' portfolio of companies include, or have included, DynCorp International, Integrated Defense Technologies, Vertex Aerospace, McNeil Technologies, The Wornick Company, and TRAK Communications, among others. Veritas is dedicated to providing the highest level of critical services and equipment to the defense and federal sectors around the world. For more information, please visit www.veritascapital.com.

[back to news](#)

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WILMERHALE

Ronald C. Machen

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ronald.machen@wilmerhale.com

November 2, 2006

Lynn Tran
Federal Election Commission
999 E Street, NW
Washington DC 20463

Dear Ms. Tran:

On October 16, 2006, Ms. Jeannie O'Neil received what appear to be two form notices from the FEC regarding PAC filing procedures. The first was an electronic late filing notification, stating that an October quarterly filing was due the previous day. The second was a General Election Report Notice identifying an October 26, 2006 filing date for the reporting period of October 1, 2006 to October 18, 2006.

I am writing on behalf of my client, Mitchell Wade, to address several points regarding these notices. First, it is our understanding that MZM Inc. PAC was effectively dissolved on February 13, 2006, after ceasing political fundraising and disbursement activity and donating all its remaining funds to the Intrepid Fallen Heroes Fund. At the time of the charitable donation, MZM Inc. PAC had no outstanding debts or obligations, and its sponsoring corporation had disposed of all its assets and dissolved the prior year. Accordingly, on February 13, 2006, MZM Inc. PAC made a good faith attempt to follow FEC procedures and filed a termination notice pursuant to the Federal Election Campaign Act (2 U.S.C. 433(d)(1)) and the associated regulation (11 C.F.R. § 102.3).

I understand that, on February 22, 2006, the FEC formally denied the termination request due to a pending MUR, which appears to have triggered the subsequent filing notices. A denial of a termination request due to a pending MUR appears to be contemplated by informal FEC guidance (FEC, Campaign Guide for Corporations and Labor Organizations at 58 (June 2001)). However, we are unaware of any provision in the Federal Election Campaign Act or any other FEC regulations, which allows for the denial of a termination request upon these grounds, particularly where termination does not frustrate the progress of an ongoing inquiry and settlement discussions. Moreover, we believe that requiring ministerial reports relating to MZM Inc. PAC at this time -- given that MZM Inc. PAC is no longer active and MZM is no longer in existence -- is inefficient and unnecessary. Further, we understand that Ms. O'Neil, who became an employee of Athena Innovative Solutions, Inc. in 2005, left that company on October 20, 2006.

27092613466

WILMERHALE

Lynn Tran
November 2, 2006
Page 2

I sincerely hope that we can agree that filing any PAC forms at this time is unnecessary and look forward to discussing this matter with you at your earliest convenience.

Sincerely yours,

Ronald C. Machen *RM*

Ronald C. Machen

cc: Matt Herrington, Esq.

27092613467

27092613468

C



INTREPID FALLEN HEROES FUND

DONATION FORM

Please fill out this form and mail it to the below address:

Name: MJ Wade

Title: _____

Company: The North Inc

Address: Po Box 787

City, State, Zip: Great Falls, VA 22066

E-mail address (optional): _____

Amount of contribution: 70892.71

The Intrepid Fallen Heroes Fund lists all contributions above \$1,000 on our website, www.fallenheroesfund.org.

If you are donating \$1,000 or more but DO NOT want your name listed on the website, please check here: _____

Please mail this form and your contribution to:

Intrepid Fallen Heroes Fund
Attn: Contributions
One Intrepid Square
West 46th Street and 12th Avenue
New York, New York 10036

The Intrepid Fallen Heroes Fund will provide a written acknowledgement for your contribution by mail.

The Intrepid Fallen Heroes Fund is a 501(c)(3) not-for-profit organization.

Contributions are tax deductible under applicable laws.

The Intrepid Fallen Heroes Fund's tax identification number is 20-0366717.

27092613469

MZM, INC., PAC 1523 NEW HAMPSHIRE AVE WASHINGTON, DC 20036	1057
	65-270/550
	DATE <u>2/13/06</u>
PAY TO THE ORDER OF <u>Intrepid Fallen Heroes Fund</u>	\$ <u>70892.71</u>
<u>Seventy Thousand Eight Hundred Ninety Two and 71/100</u>	
SUNTRUST SunTrust Bank	
FOR <u>Donation</u>	

SUNTRUST BANK
 P O BOX 622227
 ORLANDO FL 32862-2227

Page 1 of 2
 66/E00/0175/0 /72
 01/31/2006



Account Statement



MZM INC PAC
 PAC ACCOUNT
 1523 NEW HAMPSHIRE AVE NW
 WASHINGTON DC 20036-1203

Questions? Please call
 1-800-786-8787

THANK YOU FOR BANKING WITH SUNTRUST. TO LEARN MORE ABOUT HOW SUNTRUST CAN MEET YOUR FINANCIAL SERVICES NEEDS, PLEASE VISIT OUR WEB SITE AT WWW.SUNTRUST.COM

Account Summary	Account Type	Account Number	Statement Period	Taxpayer ID
	BUSINESS CHECKING	[REDACTED]	01/01/2006 - 01/31/2006	[REDACTED]

Description	Amount	Description	Amount
Beginning Balance	\$70,892.71	Average Balance	\$70,892.71
Deposits/Credits	\$0.00	Average Collected Balance	\$70,892.71
Checks	\$0.00	Number of Days in Statement Period	31
Withdrawals/Debits	\$0.00		
Ending Balance	\$70,892.71		

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	01/31	70,892.71	70,892.71			

27092613470

27092613471

D

DISCLOSE -- FEC Financial Disclosure Filing Acknowledgement

This is to acknowledge the receipt and acceptance of your electronic filing via the DISCLOSE protocol.

Your filing was received and accepted by our system at 02/14/2006 - 09:20:42, and was assigned the Filing ID of: FEC-202051

Please make a note of this, as it will be necessary to refer to this information in the future.

Thank you for using DISCLOSE.

Do not reply to this notice. It is sent from an unattended account that cannot receive email.

For your reference, the output of the validation check was as follows:

FEC File Validator Version 5.3.1.0

Developed for the Federal Election Commission by NIC Technologies, Inc. 1996-2006

=== Identification Section ===

Committee ID: C00369884
Committee Name: MZM INC. PAC
Filing Type: F3XT
From/Through: 20060101 - 20060213
Software/Ver#: FECfile / Ver# 5.3.1.0(f16)

=== Results Section ===

>>>----> FEC data file PASSED validation! <----<<<

=== Summary Page Totals Section ===

Cover/Summary Page Totals for Form: F3X

Table with 3 columns: Line No., Column A, Column B. Rows include 6A-6D and 7-8 with numerical values.

27092613472

9	0.00	
10	0.00	
11A1	0.00	0.00
11A2	0.00	0.00
11A3	0.00	0.00
11B	0.00	0.00
11C	0.00	0.00
11D	0.00	0.00
12	0.00	0.00
13	0.00	0.00
14	0.00	0.00
15	0.00	0.00
16	0.00	0.00
17	0.00	0.00
18A	0.00	0.00
19	0.00	0.00
20	0.00	0.00
21A1	0.00	0.00
21A2	0.00	0.00
21B	0.00	0.00
21C	0.00	0.00
22	0.00	0.00
23	0.00	0.00
24	0.00	0.00
25	0.00	0.00
26	0.00	0.00
27	0.00	0.00
28A	0.00	0.00
28B	0.00	0.00
28C	0.00	0.00
28D	0.00	0.00
29	70,892.71	70,892.71
31	70,892.71	70,892.71
32	70,892.71	70,892.71
33	0.00	0.00
34	0.00	0.00
35	0.00	0.00
36	0.00	0.00
37	0.00	0.00
38	0.00	0.00
18B	0.00	0.00
18C	0.00	0.00
30A1	0.00	0.00
30A2	0.00	0.00
30B	0.00	0.00
30C	0.00	0.00

27092613473

MD5 checksum:
621d37a7c68b72e32d4bd850c1db3b80

**FEC
FORM 3X**

**REPORT OF RECEIPTS
AND DISBURSEMENTS**
For Other Than An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (In full) **USE FEC MAILING LABEL OR TYPE OR PRINT** Example: If typing, type over the lines

MZM INC. PAC

ADDRESS (number and street)

1523 New Hampshire Avenue, NW

Check if different than previously reported. (ACC)

Washington

DC

20036

2. FEC IDENTIFICATION NUMBER CITY STATE ZIP CODE

C00369884

3. IS THIS REPORT NEW (N) OR AMENDED (A)

4. TYPE OF REPORT (Choose One)

(a) Quarterly Reports:

- April 15 Quarterly Report(Q1)
- July 15 Quarterly Report(Q2)
- October 15 Quarterly Report(Q3)
- January 31 Quarterly Report(YE)
- July 31 Mid-Year Report(Non-election Year Only) (MY)
- Termination Report (TER)

- (b) Monthly Report Due On:
- | | | | |
|--------------------------------------|--------------------------------------|---------------------------------------|--|
| <input type="checkbox"/> Feb 20 (M2) | <input type="checkbox"/> May 20 (M5) | <input type="checkbox"/> Aug 20 (M8) | <input type="checkbox"/> Nov 20 (M11) (Non-Election Year Only) |
| <input type="checkbox"/> Mar 20 (M3) | <input type="checkbox"/> Jun 20 (M6) | <input type="checkbox"/> Sep 20 (M9) | <input type="checkbox"/> Dec 20 (M12) (Non-Election Year Only) |
| <input type="checkbox"/> Apr 20 (M4) | <input type="checkbox"/> Jul 20 (M7) | <input type="checkbox"/> Oct 20 (M10) | <input type="checkbox"/> Jan 31 (YE) |

- (c) 12-Day PRE-Election Report for the:
- | | | |
|---|--|---------------------------------------|
| <input type="checkbox"/> Primary (12P) | <input type="checkbox"/> General (12G) | <input type="checkbox"/> Runoff (12R) |
| <input type="checkbox"/> Convention (12C) | <input type="checkbox"/> Special (12G) | |
- Election on _____ in the State of _____

- (d) 30-Day Post-Election Report for the:
- | | | |
|--|---------------------------------------|--|
| <input type="checkbox"/> General (30G) | <input type="checkbox"/> Runoff (30R) | <input type="checkbox"/> Special (30S) |
|--|---------------------------------------|--|
- Election on _____ in the State of _____

5. Covering Period 01 01 2006 through 02 13 2006

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer Ms. Jeanne M. O'Neil

Signature of Treasurer Electronically Filed by Ms. Jeanne M. O'Neil Date 02 13 2006

NOTE : Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C 437g.

Office Use Only

FEC FORM 3X
(Rev. 02/2003)

27092613474

**SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS**

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name
MZM INC. PAC

Report Covering the Period: From:

MM	DD	YYYY
01	01	2006

 To:

MM	DD	YYYY
02	13	2006

	COLUMN A This Period	COLUMN B Calendar Year-to-Date		
6. (a) Cash on Hand January 1 <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>YYYY</td></tr><tr><td>2006</td></tr></table>	YYYY	2006		70892.71
YYYY				
2006				
(b) Cash on Hand at Beginning of Reporting Period	70892.71			
(c) Total Receipts (from Line 19)	0.00	0.00		
(d) Subtotal (add lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	70892.71	70892.71		
7. Total Disbursements (from Line 31)	70892.71	70892.71		
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	0.00	0.00		
9. Debts and Obligations owed TO the committee (Itemize all on Schedule C and/or Schedule D)	0.00			
10. Debts and Obligations owed BY the committee (Itemize all on Schedule C and/or Schedule D)	0.00			

This Committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:

Federal Election Commission
999 E street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

27092613475

**DETAILED SUMMARY PAGE
OF RECEIPTS**

FEC Form 3X (Rev. 02/2003)

Page 3

Write or Type Committee Name
MZM INC. PAC

Report Covering the Period: From:

MM	DD	YYYY
01	01	2006

 To:

MM	DD	YYYY
02	13	2006

I. Receipts	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
11. Contributions (other than loans) From:		
(a) Individuals/Persons Other Than Political Committees	0.00	0.00
(i) Itemized (use Schedule A)	0.00	0.00
(ii) Unitemized	0.00	0.00
(iii) TOTAL (add Lines 11(a)(i) and (ii))	0.00	0.00
(b) Political Party Committees	0.00	0.00
(c) Other Political Committees (such as PACs)	0.00	0.00
(d) Total Contributions (add Lines 11(a)(iii),(b) and (c)) (Carry Totals to Line 33, page 5)	0.00	0.00
12. Transfers From Affiliated/Other Party Committees	0.00	0.00
13. All Loans Received	0.00	0.00
14. Loan Repayments Received	0.00	0.00
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.) (Carry Totals to Line 37, page 5)	0.00	0.00
16. Refunds of Contributions Made to Federal candidates and Other Political Committees	0.00	0.00
17. Other Federal Receipts (Dividends, Interest, etc.)	0.00	0.00
18. Transfers from Non-Federal and Levin Funds		
(a) Non-Federal Account (from Schedule H3)	0.00	0.00
(b) Levin Funds (from Schedule H5)	0.00	0.00
(c) Total Transfer (add 18(a) and 18(b))	0.00	0.00
19. Total Receipts (add Lines 11(d), 12, 13, 14, 15, 16, 17, and 18(c))	0.00	0.00
20. Total Federal Receipts (subtract Line 18(c) from Line 19)	0.00	0.00

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DETAILED SUMMARY PAGE
of Disbursements

FEC Form 3X (Rev. 02/2003)

Page 4

II. DISBURSEMENTS		COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
21. Operating Expenditures:			
(a) Shared Federal/Non-Federal Activity (from Schedule H4)			
(i) Federal Share.....	0.00	0.00	
(ii) Non-Federal Share.....	0.00	0.00	
(b) Other Federal Operating Expenditures.....	0.00	0.00	
(c) Total Operating Expenditures (add 21(a)(i), (a)(ii) and (b))..... ▶	0.00	0.00	
22. Transfers to Affiliated/Other Party Committees.....	0.00	0.00	
23. Contributions to Federal Candidates/Committees and Other Political Committees.....	0.00	0.00	
24. Independent Expenditure (use Schedule E).....	0.00	0.00	
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F).....	0.00	0.00	
26. Loan Repayments Made.....	0.00	0.00	
27. Loans Made.....	0.00	0.00	
28. Refunds of Contributions To:			
(a) Individuals/Persons Other Than Political Committees.....	0.00	0.00	
(b) Political Party Committees.....	0.00	0.00	
(c) Other Political Committees (such as PACs).....	0.00	0.00	
(d) Total Contribution Refunds (add Lines 28(a), (b), and (c))..... ▶	0.00	0.00	
29. Other Disbursements.....	70892.71	70892.71	
30. Federal Election Activity (2 U.S.C 431(20))			
(a) Shared Federal Election Activity (from Schedule H6)			
(i) Federal Share.....	0.00	0.00	
(ii) "Levin" Share.....	0.00	0.00	
(b) Federal Election Activity Paid Entirely With Federal Funds.....	0.00	0.00	
(c) Total Federal Election Activity (add Lines 30(a)(i), 30(a)(ii) and 30(b))....	0.00	0.00	
31. Total Disbursements (add Lines 21(c), 22, 23, 24, 25, 26, 27, 28(d), 29 and 30(c))..	70892.71	70892.71	
32. Total Federal Disbursements (subtract Line 21(a)(ii) from Line 30(a)(ii) from Line 31).....	70892.71	70892.71	

27092613477

DETAILED SUMMARY PAGE
of Disbursements

FEC Form 3X (Rev. 02/2003)

Page 5

III. Net Contributions/Operating Expenditures	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
33. Total Contributions (other than loans) from Line 11(d), page 3)	0.00	0.00
34. Total Contribution Refunds (from Line 28(d))	0.00	0.00
35. Net Contributions (other than loans) (subtract Line 34 from Line 33)	0.00	0.00
36. Total Federal Operating Expenditures (add Line 21(a)(1) and Line 21(b)).....	0.00	0.00
37. Offsets to Operating Expenditures (from Line 15, page 3)	0.00	0.00
38. Net Operating Expenditures (subtract Line 37 from Line 36)	0.00	0.00

27092613478

**SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)						PAGE 6 / 6
	<input type="checkbox"/> 21b <input type="checkbox"/> 27	<input type="checkbox"/> 22 <input type="checkbox"/> 28a	<input type="checkbox"/> 23 <input type="checkbox"/> 28b	<input type="checkbox"/> 24 <input type="checkbox"/> 28c	<input type="checkbox"/> 25 <input checked="" type="checkbox"/> 29	<input type="checkbox"/> 26 <input type="checkbox"/> 30b	

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)
MZM INC. PAC

Full Name (Last, First, Middle Initial) A. INTREPID FALLEN HEROES FUND		Transaction ID: SB29.4493
Mailing Address ONE INTREPID SQUARE W 46TH ST & 12TH AVE		Date of Disbursement 02 / 13 / 2006
City NEW YORK	State NY	Zip Code 10036
Purpose of Disbursement CONTRIBUTION/DONATION		Amount of Each Disbursement this Period 70892.71
Candidate Name		
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Category/ Type
Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		
State:	District:	

SUBTOTAL of Disbursements This Page (optional)

70892.71

TOTAL This Period (last page this line number only)

70892.71

27092613479

Matthew J. Herrington
202.429.8164
mherrington@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel 202.429.3000
Fax 202.429.3902
steptoe.com

March 12, 2007

Office of Administrative Review
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

Re: AF 1563

Dear Sir or Madam:

We represent Jeanne O'Neil. Ms. O'Neil is the addressee on a reason to believe notice (the "Notice") attached hereto at Tab A and addressed to her in her former capacity as Treasurer of the MZM, Inc. PAC ("MZM PAC").

Background

By way of background, Ms. O'Neil was a bookkeeper who worked at MZM, Inc. ("MZM"). She was a low-level employee and was not an officer of the company. Ms. O'Neil did not exercise any managerial control over either the company or the MZM PAC. Rather, her service as Treasurer of the MZM PAC was exclusively ministerial.

Ms. O'Neil's employment with MZM terminated in September of 2005 at the time MZM's operating assets and liabilities were sold to Athena Innovative Solutions, Inc. ("Athena") pursuant to an asset purchase agreement among MZM, its majority shareholder Mitchell J. Wade, and Athena. Under the terms of that agreement all assets and liabilities related to the MZM PAC remained with MZM, which has since changed its name to True Norte, Inc. ("True Norte"). These facts are set forth in detail in the letter attached at Tab B from counsel to Mr. Wade and True Norte, Ronald Machen of Wilmer Hale LLP, to the FEC. While Ms O'Neil for a time worked for Athena, she left that company in October 2006, and in any event Athena has never had any affiliation with the MZM PAC.

In sum, Ms. O'Neil has absolutely no connection with or control over the affairs of MZM, now known as True Norte, or its legacy assets including the MZM PAC, and has had no affiliation with the MZM PAC for more than one year. We have previously discussed and corresponded on Ms. O'Neil's status with Lynn Y. Tran, Esq., of the FEC in connection with FEC MUR 5666.

27092613480

The Notice

The Notice asserts reason to believe that a penalty should be imposed for failure to file an MZM PAC report in October 2006. To be clear, in October 2006 Ms. O'Neil had no affiliation whatsoever with MZM or the MZM PAC, which she believed to have been dissolved, and neither the information nor ability to make any filing on behalf of the MZM PAC. We respectfully suggest that in light of the extraordinary circumstances appertaining no administrative action should be taken against Ms. O'Neil or MZM PAC and respectfully request that the FEC withdraw the Notice.

In addition, we believe that the Notice does not establish an accurate factual basis on which penalties could be imposed. First, the Notice references a general election held on November 2, 2004, however, the Notice proposes action based on a failure to file in October 2006. The assertion that the filing was "election sensitive" would thus appear erroneous. Second, the Notice sets forth a regulatory estimate that there was PAC activity in the third quarter of 2006 in the amount of \$35,740, while we believe there was no activity whatsoever in the PAC.

Thank you for your attention to this matter and please feel free to contact me should you have any questions regarding Ms. O'Neil. We respectfully suggest that any further correspondence related to the MZM PAC be addressed to Mr. Wade's counsel's attention.

Sincerely,



Matthew J. Herrington

cc: Lynn Y. Tran, Esq.
Ronald C. Machen, Esq.

27092613481

WILMERHALE

Ronald C. Machen

+1 202 663 6881 (t)

+1 202 663 6363 (f)

ronald.machen@wilmerhale.com

March 9, 2007

Office of Administrative Review
Federal Election Commission
999 E Street, NW
Washington DC 20463

RE: AF# 1563

Dear Sir or Madam:

I am writing on behalf of my client, Mitchell Wade, to support and provide factual background in connection with Ms. Jeanne O'Neil's challenge to the FEC's February 6, 2007 finding that there is reason to believe ("RTB") that MZM Inc. PAC and Ms. O'Neil, as treasurer, violated 2 U.S.C. 434(a) by failing to file timely an October Quarterly Report of Receipts and Disbursements.

As background, Mr. Wade was the founder, President, CEO, and majority shareholder of MZM Inc., the company through which MZM Inc. PAC operated. On September 30, 2005, MZM Inc. was sold to Veritas Capital. (See press release at Exhibit A) In turn, Veritas Capital moved the operations of MZM Inc. into a newly created subsidiary, Athena Innovative Solutions Inc. At the time of the sale, Ms. O'Neil became an employee of Athena Innovative Solutions, Inc. and ceased serving as the treasurer of MZM Inc. PAC. From that time forward, no treasurer was available to act on behalf of MZM Inc. PAC. Furthermore, Ms. O'Neil left Athena Innovative Solutions, Inc. on October 20, 2006.

As you may know, Mr. Wade, through counsel, has been consulting with FEC attorneys Lynn Tran and Mark Shonkwiler on FEC MUR 5666, which involves MZM Inc. PAC. On November 2, 2006, I sent Ms. Tran a letter addressing PAC filing notices that the FEC had sent to Ms. O'Neil. (See Exhibit B) As that letter explains, MZM Inc. PAC was effectively dissolved on February 13, 2006, after ceasing political fundraising and disbursement activity and donating all its remaining funds to the Intrepid Fallen Heroes Fund. (See donation form, MZM Inc. check no. 1057, and MZM Inc. PAC account statement at Exhibit C) At the time of the charitable donation, MZM Inc. PAC had no outstanding debts or obligations, and its sponsoring corporation had disposed of all its assets and dissolved the prior year. Accordingly, on February 13, 2006, MZM Inc. PAC made a good faith attempt to follow FEC procedures and filed a termination notice pursuant to the Federal Election Campaign Act (2 U.S.C. 433(d)(1)) and the associated regulation (11 C.F.R. § 102.3). (See Exhibit D)

27092613482

FEC Office of Administrative Review
March 9, 2007
Page 2

On February 22, 2006, the FEC formally denied the termination request due to the pending MUR. A denial of a termination request due to a pending MUR appears to be contemplated by informal FEC guidance (FEC, Campaign Guide for Corporations and Labor Organizations at 58 (June 2001)). However, we are unaware of any express provision in the Federal Election Campaign Act or any other FEC regulations, which allows for the denial of a termination request upon these grounds, particularly where termination does not frustrate the progress of an ongoing inquiry.

As outlined above, it should be apparent that MZM Inc. PAC could not file an October 2006 Quarterly Report of Receipts and Disbursements due to the existence of extraordinary circumstances—MZM Inc. PAC did not exist at the time the filing was due, and MZM Inc. PAC had no treasurer. Under such circumstances, filing a report was not realistic, efficient, or necessary.

In addition, the FEC's February 8, 2007 RTB letter states that the designated report was not filed before the general election held on November 2, 2004. However, it appears that the November 2, 2004 election date is inaccurate, and that the report at issue relates to the election held over two years later, on November 7, 2006. Moreover, on February 13, 2006, the FEC was notified that the actual level of MZM Inc. PAC activity was zero—not the amount listed in the RTB letter. (See Exhibit D) Exhibit C further demonstrates this zero balance. The RTB letter is thus technically deficient and does not describe an accurate factual predicate upon which relief could be sought. For all of the foregoing substantive and technical reasons, and those articulated in summary fashion in Ms. O'Neil's letter, the FEC's February 6, 2007 RTB finding should be reversed, and a determination should be made that no penalty is owed to the FEC.

Sincerely yours,

Ronald C. Machen
RS

Ronald C. Machen

27092613483

TAB A

27092613484

NEWS

Veritas Capital Completes Acquisition of Selected MZM, Inc. Assets

NEW YORK (Sept. 30, 2005) -- Veritas Capital, a leading private equity firm focused on the defense and federal sectors, announced today it has completed the previously announced agreement to purchase selected assets of MZM, Inc., a provider of services to the national security community. Financial terms of the acquisition have not been disclosed.

The transaction included, but was not limited to, all of the existing contracts, relationships and employees, and included the assumption of only specific liabilities associated with the ongoing operations of those assets, which were acquired through a newly created subsidiary, Athena Innovative Solutions, Inc.

Under the leadership and control of Veritas, Athena will continue to provide a broad array of services to the national security community. Veritas and Athena will retain MZM Inc.'s employees, underscoring their commitment to the high level of service its clients have come to expect. James C. King will serve as the President and Chief Executive Officer for Athena.

About Athena Innovative Solutions, Inc.

Athena is a trusted and respected leader in the national security community providing policy, operational, and technical expertise and solutions to government and industry clients in the fields of intelligence, counterintelligence, counterterrorism, security, and homeland defense.

About Veritas Capital

Veritas Capital is a private equity investment firm headquartered in New York. Founded in 1992 by Robert B. McKeon, Veritas invests primarily in defense and aerospace related companies. Veritas' portfolio of companies include, or have included, DynCorp International, Integrated Defense Technologies, Vertex Aerospace, McNeil Technologies, The Wornick Company, and TRAK Communications, among others. Veritas is dedicated to providing the highest level of critical services and equipment to the defense and federal sectors around the world. For more information, please visit www.veritascapital.com.

[back to news](#)

27092613485

TAB B

27092613486

WILMERHALE

Ronald C. Machen

+1 202 663 6881 (t)

+1 202 663 6363 (f)

ronald.machen@wilmerhale.com

November 2, 2006

Lynn Tran
Federal Election Commission
999 E Street, NW
Washington DC 20463

Dear Ms. Tran:

On October 16, 2006, Ms. Jeannie O'Neil received what appear to be two form notices from the FEC regarding PAC filing procedures. The first was an electronic late filing notification, stating that an October quarterly filing was due the previous day. The second was a General Election Report Notice identifying an October 26, 2006 filing date for the reporting period of October 1, 2006 to October 18, 2006.

I am writing on behalf of my client, Mitchell Wade, to address several points regarding these notices. First, it is our understanding that MZM Inc. PAC was effectively dissolved on February 13, 2006, after ceasing political fundraising and disbursement activity and donating all its remaining funds to the Intrepid Fallen Heroes Fund. At the time of the charitable donation, MZM Inc. PAC had no outstanding debts or obligations, and its sponsoring corporation had disposed of all its assets and dissolved the prior year. Accordingly, on February 13, 2006, MZM Inc. PAC made a good faith attempt to follow FEC procedures and filed a termination notice pursuant to the Federal Election Campaign Act (2 U.S.C. 433(d)(1)) and the associated regulation (11 C.F.R. § 102.3).

I understand that, on February 22, 2006, the FEC formally denied the termination request due to a pending MUR, which appears to have triggered the subsequent filing notices. A denial of a termination request due to a pending MUR appears to be contemplated by informal FEC guidance (FEC, Campaign Guide for Corporations and Labor Organizations at 58 (June 2001)). However, we are unaware of any provision in the Federal Election Campaign Act or any other FEC regulations, which allows for the denial of a termination request upon these grounds, particularly where termination does not frustrate the progress of an ongoing inquiry and settlement discussions. Moreover, we believe that requiring ministerial reports relating to MZM Inc. PAC at this time -- given that MZM Inc. PAC is no longer active and MZM is no longer in existence -- is inefficient and unnecessary. Further, we understand that Ms. O'Neil, who became an employee of Athena Innovative Solutions, Inc. in 2005, left that company on October 20, 2006.

27092613487

WILMERHALE

Lynn Tran
November 2, 2006
Page 2

I sincerely hope that we can agree that filing any PAC forms at this time is unnecessary and look forward to discussing this matter with you at your earliest convenience.

Sincerely yours,

Ronald C. Machen *RM*

Ronald C. Machen

cc: Matt Herrington, Esq.

27092613488

TAB C

27092613489



INTREPID FALLEN HEROES FUND

DONATION FORM

Please fill out this form and mail it to the below address:

Name: MJ Wade

Title: _____

Company: True North Inc

Address: PO Box 787

City, State, Zip: Great Falls, VA 22060

E-mail address (optional): _____

Amount of contribution: 70892.11

The Intrepid Fallen Heroes Fund lists all contributions above \$1,000 on our website, www.fallenheroesfund.org.

If you are donating \$1,000 or more but DO NOT want your name listed on the website, please check here: _____

Please mail this form and your contribution to:

Intrepid Fallen Heroes Fund
Attn: Contributions
One Intrepid Square
West 46th Street and 12th Avenue
New York, New York 10036

The Intrepid Fallen Heroes Fund will provide a written acknowledgement for your contribution by mail.

The Intrepid Fallen Heroes Fund is a 501(c)(3) not-for-profit organization.

Contributions are tax deductible under applicable laws.

The Intrepid Fallen Heroes Fund's tax identification number is 20-0366717.

MZM, INC., PAC
1523 NEW HAMPSHIRE AVE
WASHINGTON, DC 20036

1057

2/13/06 DATE

65-270/550

PAY TO THE ORDER OF Intrepid Fallen Heroes Fund \$ 70892.11

Seventy Thousand Eight Hundred Ninety Two and 11/100

SUNTRUST
SunTrust Bank

FOR Donation

27092613490

SUNTRUST BANK
 P O BOX 622227
 ORLANDO FL 32862-2227

Page 1 of 2
 66/E00/0175/0 /72

01/31/2006



Account Statement



MZM INC PAC
 PAC ACCOUNT
 1523 NEW HAMPSHIRE AVE NW
 WASHINGTON DC 20036-1203

Questions? Please call
 1-800-786-8787

THANK YOU FOR BANKING WITH SUNTRUST. TO LEARN MORE ABOUT HOW SUNTRUST CAN MEET YOUR FINANCIAL SERVICES NEEDS, PLEASE VISIT OUR WEB SITE AT WWW.SUNTRUST.COM

Account Summary	Account Type	Account Number	Statement Period	Taxpayer ID
	BUSINESS CHECKING	[REDACTED]	01/01/2006 - 01/31/2006	[REDACTED]

Description	Amount	Description	Amount
Beginning Balance	\$70,892.71	Average Balance	\$70,892.71
Deposits/Credits	\$.00	Average Collected Balance	\$70,892.71
Checks	\$.00	Number of Days in Statement Period	31
Withdrawals/Debits	\$.00		
Ending Balance	\$70,892.71		

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	01/31	70,892.71	70,892.71			

27092613491

TAB D

27092613492

DISCLOSE -- FEC Financial Disclosure Filing Acknowledgement

This is to acknowledge the receipt and acceptance of your electronic filing via the DISCLOSE protocol.

Your filing was received and accepted by our system at 02/14/2006 - 09:20:42, and was assigned the Filing ID of: FEC-202051

Please make a note of this, as it will be necessary to refer to this information in the future.

Thank you for using DISCLOSE.

Do not reply to this notice. It is sent from an unattended account that cannot receive email.

For your reference, the output of the validation check was as follows:

FEC File Validator Version 5.3.1.0

Developed for the Federal Election Commission
by NIC Technologies, Inc. 1996-2006

=== Identification Section =====

Committee ID: C00369884
Committee Name: MZM INC. PAC
Filing Type: F3XT
From/Through: 20060101 - 20060213

Software/Ver#: FECfile / Ver# 5.3.1.0(f16)

=== Results Section =====

>>>----> FEC data file PASSED validation! <----<<<

=== Summary Page Totals Section =====

Cover/Summary Page Totals for Form: FBX

Line No.	Column A	Column B
6A 2006		70,892.71
6B	70,892.71	
6C	0.00	0.00
6D	70,892.71	70,892.71
7	70,892.71	70,892.71
8	0.00	0.00

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9	0.00	
10	0.00	
11A1	0.00	0.00
11A2	0.00	0.00
11A3	0.00	0.00
11B	0.00	0.00
11C	0.00	0.00
11D	0.00	0.00
12	0.00	0.00
13	0.00	0.00
14	0.00	0.00
15	0.00	0.00
16	0.00	0.00
17	0.00	0.00
18A	0.00	0.00
19	0.00	0.00
20	0.00	0.00
21A1	0.00	0.00
21A2	0.00	0.00
21B	0.00	0.00
21C	0.00	0.00
22	0.00	0.00
23	0.00	0.00
24	0.00	0.00
25	0.00	0.00
26	0.00	0.00
27	0.00	0.00
28A	0.00	0.00
28B	0.00	0.00
28C	0.00	0.00
28D	0.00	0.00
29	70,892.71	70,892.71
31	70,892.71	70,892.71
32	70,892.71	70,892.71
33	0.00	0.00
34	0.00	0.00
35	0.00	0.00
36	0.00	0.00
37	0.00	0.00
38	0.00	0.00
18B	0.00	0.00
18C	0.00	0.00
30A1	0.00	0.00
30A2	0.00	0.00
30B	0.00	0.00
30C	0.00	0.00

MD5 checksum:
621d37a7c62b72e32d4bd850c1db3b80

**FEC
FORM 3X**

**REPORT OF RECEIPTS
AND DISBURSEMENTS**
For Other Than An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (In full) **USE FEC MAILING LABEL OR TYPE OR PRINT** Example: If typing, type over the lines

MZM INC. PAC

ADDRESS (number and street) 1523 New Hampshire Avenue, NW

Washington DC 20036

2. FEC IDENTIFICATION NUMBER CITY STATE ZIP CODE

C00369884

3. IS THIS REPORT NEW (N) OR AMENDED (A)

4. TYPE OF REPORT (Choose One)

- April 15 Quarterly Report(Q1)
- July 15 Quarterly Report(Q2)
- October 15 Quarterly Report(Q3)
- January 31 Quarterly Report(YE)
- July 31 Mid-Year Report(Non-election Year Only) (MY)
- Termination Report (TER)

(b) Monthly Report Due On:

<input type="checkbox"/> Feb 20 (M2)	<input type="checkbox"/> May 20 (M5)	<input type="checkbox"/> Aug 20 (M8)	<input type="checkbox"/> Nov 20 (M11) (Non-Election Year Only)
<input type="checkbox"/> Mar 20 (M3)	<input type="checkbox"/> Jun 20 (M6)	<input type="checkbox"/> Sep 20 (M9)	<input type="checkbox"/> Dec 20 (M12) (Non-Election Year Only)
<input type="checkbox"/> Apr 20 (M4)	<input type="checkbox"/> Jul 20 (M7)	<input type="checkbox"/> Oct 20 (M10)	<input type="checkbox"/> Jan 31 (YE)

(c) 12-Day PRE-Election Report for the:

<input type="checkbox"/> Primary (12P)	<input type="checkbox"/> General (12G)	<input type="checkbox"/> Runoff (12R)
<input type="checkbox"/> Convention (12C)	<input type="checkbox"/> Special (12G)	

Election on _____ in the State of _____

(d) 30-Day Post -Election Report for the:

<input type="checkbox"/> General (30G)	<input type="checkbox"/> Runoff (30R)	<input type="checkbox"/> Special (30S)
--	---------------------------------------	--

Election on _____ in the State of _____

5. Covering Period 01 01 2006 through 02 13 2006

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer Ms. Jeanne M. O'Neil

Signature of Treasurer Electronically Filed by Ms. Jeanne M. O'Neil Date 02 13 2006

NOTE : Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C 437g.

27092613495

**SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS**

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name
MZM INC. PAC

Report Covering the Period: From:

M	M
0	1

D	D
0	1

Y	Y	W	Y
2	0	0	6

 To:

M	M
0	2

D	D
1	3

Y	Y	Y	Y
2	0	0	6

	COLUMN A This Period	COLUMN B Calendar Year-to-Date				
6. (a) Cash on Hand January 1 <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>Y</td><td>Y</td></tr><tr><td>2</td><td>0</td></tr></table>	Y	Y	2	0		70892.71
Y	Y					
2	0					
(b) Cash on Hand at Beginning of Reporting Period	70892.71					
(c) Total Receipts (from Line 19)	0.00	0.00				
(d) Subtotal (add lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	70892.71	70892.71				
7. Total Disbursements (from Line 31)	70892.71	70892.71				
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	0.00	0.00				
9. Debts and Obligations owed TO the committee (Itemize all on Schedule C and/or Schedule D)	0.00					
10. Debts and Obligations owed BY the committee (Itemize all on Schedule C and/or Schedule D)	0.00					

This Committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:

Federal Election Commission
999 E street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

27092613496

**DETAILED SUMMARY PAGE
OF RECEIPTS**

FEC Form 3X (Rev. 02/2003)

Page 3

Write or Type Committee Name
MZM INC. PAC

Report Covering the Period: From:

MM	DD	YYYY
01	01	2006

 To:

MM	DD	YYYY
02	13	2006

I. Receipts	COLUMN A Total This Period	COLUMN B Calendar Year-to-date
11. Contributions (other than loans) From:		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (use Schedule A)	0.00	0.00
(ii) Unitemized	0.00	0.00
(iii) TOTAL (add Lines 11(a)(i) and (ii))	0.00	0.00
(b) Political Party Committees	0.00	0.00
(c) Other Political Committees (such as PACs)	0.00	0.00
(d) Total Contributions (add Lines 11(a)(iii),(b) and (c)) (Carry Totals to Line 33, page 5)	0.00	0.00
12. Transfers From Affiliated/Other Party Committees	0.00	0.00
13. All Loans Received	0.00	0.00
14. Loan Repayments Received	0.00	0.00
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.) (Carry Totals to Line 37, page 5)	0.00	0.00
16. Refunds of Contributions Made to Federal candidates and Other Political Committees	0.00	0.00
17. Other Federal Receipts (Dividends, Interest, etc.)	0.00	0.00
18. Transfers from Non-Federal and Levin Funds		
(a) Non-Federal Account (from Schedule H3)	0.00	0.00
(b) Levin Funds (from Schedule H5)	0.00	0.00
(c) Total Transfer (add 18(a) and 18(b)).	0.00	0.00
19. Total Receipts (add Lines 11(d), 12, 13, 14, 15, 16, 17, and 18(c))	0.00	0.00
20. Total Federal Receipts (subtract Line 18(c) from Line 19)	0.00	0.00

27092613497

DETAILED SUMMARY PAGE
of Disbursements

FEC Form 3X (Rev. 02/2003)

Page 4

II. DISBURSEMENTS	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
21. Operating Expenditures:		
(a) Shared Federal/Non-Federal Activity (from Schedule H4)		
(i) Federal Share.....	0.00	0.00
(ii) Non-Federal Share.....	0.00	0.00
(b) Other Federal Operating Expenditures.....	0.00	0.00
(c) Total Operating Expenditures (add 21(a)(i), (a)(ii) and (b)).....	0.00	0.00
22. Transfers to Affiliated/Other Party Committees.....	0.00	0.00
23. Contributions to Federal Candidates/Committees and Other Political Committees.....	0.00	0.00
24. Independent Expenditure (use Schedule E).....	0.00	0.00
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F).....	0.00	0.00
26. Loan Repayments Made.....	0.00	0.00
27. Loans Made.....	0.00	0.00
28. Refunds of Contributions To:		
(a) Individuals/Persons Other Than Political Committees.....	0.00	0.00
(b) Political Party Committees.....	0.00	0.00
(c) Other Political Committees (such as PACs).....	0.00	0.00
(d) Total Contribution Refunds (add Lines 28(a), (b), and (c)).....	0.00	0.00
29. Other Disbursements.....	70892.71	70892.71
30. Federal Election Activity (2 U.S.C 431(20))		
(a) Shared Federal Election Activity (from Schedule H6)		
(i) Federal Share.....	0.00	0.00
(ii) "Levin" Share.....	0.00	0.00
(b) Federal Election Activity Paid Entirely With Federal Funds.....	0.00	0.00
(c) Total Federal Election Activity (add Lines 30(a)(i), 30(a)(ii) and 30(b))....	0.00	0.00
31. Total Disbursements (add Lines 21(c), 22, 23, 24, 25, 26, 27, 28(d), 29 and 30(c))..	70892.71	70892.71
32. Total Federal Disbursements (subtract Line 21(a)(ii) from Line 30(a)(ii) from Line 31).....	70892.71	70892.71

27092613498

DETAILED SUMMARY PAGE
of Disbursements

FEC Form 3X (Rev. 02/2003)

Page 5

III. Net Contributions/Operating Expenditures	COLUMN A Total This Period	COLUMN B Calendar Year-to-Date
33. Total Contributions (other than loans) from Line 11(d), page 3)	0.00	0.00
34. Total Contribution Refunds (from Line 28(d))	0.00	0.00
35. Net Contributions (other than loans) (subtract Line 34 from Line 33)	0.00	0.00
36. Total Federal Operating Expenditures (add Line 21(a)(1) and Line 21(b)).....	0.00	0.00
37. Offsets to Operating Expenditures (from Line 15, page 3)	0.00	0.00
38. Net Operating Expenditures (subtract Line 37 from Line 36)	0.00	0.00

27092613499

**SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)						PAGE 6 / 6				
	<input type="checkbox"/> 21b	<input type="checkbox"/> 22	<input type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25	<input type="checkbox"/> 26	<input checked="" type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c	<input checked="" type="checkbox"/> 29

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (In Full)
MZM INC. PAC

Full Name (Last, First, Middle Initial) A. INTREPID FALLEN HEROES FUND		Transaction ID: SB29.4493	
Mailing Address ONE INTREPID SQUARE W 46TH ST & 12TH AVE		Date of Disbursement MM / DD / YYYY 02 / 13 / 2006	
City NEW YORK	State NY	Zip Code 10036	Amount of Each Disbursement this Period 70892.71
Purpose of Disbursement CONTRIBUTION/DONATION		Category/ Type	
Candidate Name			
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼		
State: District:			

SUBTOTAL of Disbursements This Page (optional)	70892.71
TOTAL This Period (last page this line number only)	70892.71

27092613500

2007 MAR 15 A 8:38

Date: March 14, 2007

**REFERRAL TO OFFICE OF ADMINISTRATIVE REVIEW
CHALLENGE RECEIVED**

AF#: 1563

Committee Name: MZM Inc. PAC

Committee ID#: C00369884

Committee Address (if different than in RTB letter): N/A

Treasurer Name (if different than in RTB finding): N/A

Attachments:

Copy of RTB Circulation Report, dated February 1, 2007 and RTB
Certification, dated February 6, 2007: Y

Attachment #: # 1

Certified Return Receipt (to be forwarded at later date if not yet received)(Y/N):Y or N

Attachment #: # 2

Original Correspondence Received by RAD in Response to RTB Letter (Y/N): N

Attachment #: N/A

RAD Staff Declaration (Y/N): Y

-2006 October Quarterly Report Prior Notice, dated September 21, 2006.

-Non-Filer Letter, dated November 2, 2006.

-RTB Letter, dated February 8, 2007, with incorrect general election date.

-RTB Letter, dated February 8, 2007, with correct general election date.

Attachment #: 4

Other RAD Information: (Y/N): N

Attachment#: N/A

27092613501

27092613502

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Jeanne O'Neil
 M2M Inc. PAC
 1523 New Hampshire Ave NW
 Washington, DC
 20036

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
 _____ 2/16/07

C. Signature
 X *Pamela Simpson* Agent
 Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number 7006 0810 0005 9266 5856

DECLARATION OF PATRICIA CARMONA

1. I am the Chief of the Compliance Branch for the Reports Analysis Division of the Federal Election Commission ("Commission"). In my capacity as Chief of the Compliance Branch, I oversee the initial processing of the Administrative Fine Program. I make this declaration based on my personal knowledge and, if called upon as a witness, could and would testify competently to the following matters.
2. I hereby certify that documents identified herein are true and accurate copies of the following sent by the Commission to MZM Inc. PAC:
 - A) Prior Notice, dated September 21, 2006 , referencing the 2006 October Quarterly Report;
 - B) Non-Filer Letter, dated November 2, 2006, referencing the 2006 October Quarterly Report;
 - C) Reason-to-Believe Letter, dated February 8, 2007, referencing the 2006 October Quarterly Report with incorrect general election date.
 - D) Reason-to-Believe Letter, dated February 8, 2007, referencing the 2006 October Quarterly Report with correct general election date.
3. I hereby certify that I have searched the Commission's public records and find that MZM Inc. PAC has not yet filed the 2006 October Quarterly Report with the Commission.
4. Pursuant to 28 U.S.C. 1746, I declare under penalty of perjury that the foregoing is true and correct and that all relevant telecoms for the matter have been provided. This declaration was executed at Washington, D.C. on the 14th day of March, 2007.



Patricia Carmona
Chief, Compliance Branch
Reports Analysis Division
Federal Election Commission

27092613503

QUARTERLY REPORT NOTICE

FEDERAL ELECTION COMMISSION

PARTIES AND PACS

September 21, 2006

REPORTING DATES

REPORT	REPORTING PERIOD ¹	REG./CERT. & OVERNIGHT MAILING DATE	FILING DATE
October Quarterly	07/01/06 - 09/30/06	10/15/06	10/15/06 ²

WHO MUST FILE

All Party Committees and PACs (Nonconnected Committees and Separate Segregated Funds) filing on a quarterly basis must file an October Quarterly Report by October 15, 2006. Committees must continue to file reports until the Commission notifies them in writing that their termination report has been accepted.

Certain party committees are required to file monthly reports (quarterly reporting is no longer an option for these committees). For more information, see the January 2006 Record, which can be found on the FEC web site at www.fec.gov/pages/record.shtml.

METHOD OF FILING

Quarterly Reports sent by registered or certified mail must be postmarked by the mailing date (please note that a certificate of mailing is not an acceptable method). Committees should keep the mailing receipt with its postmark as proof of filing.

If using overnight mail, the delivery service must receive the report by the mailing date. "Overnight mail" includes Priority or Express Mail having a delivery confirmation, or an overnight delivery service with an on-line tracking system and scheduled for next business day delivery. Quarterly Reports filed by any other means must be received by the Commission (or Secretary of the Senate for committees supporting only Senate candidates) by the filing date.

PRE-ELECTION REPORTING

Committees that make contributions or expenditures (including independent expenditures) in connection with an election must also file a Pre-Election Report, if the activity was not previously reported. For the pre-election reporting guidelines, see the January 2006 Record, which can be found on the FEC web site at www.fec.gov/pages/record.shtml.

¹These dates indicate the beginning and the end of the reporting period. A reporting period always begins the day after the closing date of the last report filed. If the committee is new and has not previously filed a report, the first report must cover all activity that occurred before the committee registered.

²Notice that the filing date falls on a weekend. Filing deadlines are not extended when they fall on nonworking days.

(over)

27092613504

QUARTERLY FILING SCHEDULE FOR REMAINDER OF 2006

REPORT	REPORTING PERIOD ¹	REG./CERT. & OVERNIGHT MAILING DATE	FILING DATE
Pre-General ³	10/01/06 - 10/18/06	10/23/06	10/26/06
Post-General	10/19/06 - 11/27/06	12/07/06	12/07/06
Year-End	11/28/06 - 12/31/06	01/31/07	01/31/07

48- AND 24-HOUR REPORTS OF INDEPENDENT EXPENDITURES

Any PAC or Party Committee that makes independent expenditures in connection with a federal election may also have to file 48-hour or 24-hour reports. The 48-hour reporting requirement will be triggered each time the committee makes independent expenditures aggregating \$10,000 or more between January 1st and the 20th day before the election. The 24-hour reporting requirement will be triggered each time the committee makes independent expenditures in connection with a federal election aggregating \$1,000 or more after the 20th day, but more than 24 hours, before the day of the election. See 11 CFR 104.4.

These reports are *not* required when a Party Committee or PAC makes a contribution directly to a candidate. Visit our website, www.fec.gov/info/charts_ie_dates.shtml, for a state-by-state chart of 48- and 24-hour reporting periods.

COMPLIANCE

- Treasurers of political committees are responsible for both the timeliness and the accuracy of all reports. They may be subject to monetary penalties if reports are inaccurate or are not filed on time.
- Under the Administrative Fine Program, political committees and their treasurers who fail to file their reports on time may be subject to civil money penalties up to \$16,000 (or more for repeat late- and non-filers). For additional information, see the enclosed handout entitled, "Administrative Fine Program" and visit the FEC web site at www.fec.gov/af.shtml.
- In addition, political committees that file illegible reports or use non-FEC forms (except for FEC-approved, computer-generated forms) will be required to refile their reports.
- Electronic filers who instead file on paper or submit an electronic report (either by direct transmission or on 3.5" diskette) that does not pass the validation test will be considered non-filers and may be subject to enforcement actions (including administrative fines).

ELECTRONIC FILING

Political committees that receive contributions or make expenditures in excess of \$50,000 in a calendar year, or that have reason to expect to do so, must submit their reports electronically. For additional information, review the enclosed handout entitled "Electronic Filing," call the FEC's Electronic Filing office at (800) 424-9530 or (202) 694-1642, and visit our web site at www.fec.gov/elecfil/electron.shtml.

CHANGE IN FILING FREQUENCY

Committees able to change their reporting schedule (for example, from quarterly to monthly) who wish to do so must notify the Commission in writing when they file their next report due under their current reporting schedule. Electronic filers must file this request electronically. Committees may change their filing frequency no more than once per calendar year.

¹See footnote #1, on reverse side.

³Required only if committee makes contributions or expenditures in connection with election during the reporting period.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 2, 2006

RQ-7

Ms. Jeanne O'neil, Treasurer
M2M Inc. Pac
1523 New Hampshire Avenue Nw
Washington, DC 20036

IDENTIFICATION NUMBER: C00369884

Reference: October Quarterly Report 7/1/2006 - 9/30/2006

Dear Treasurer:

It has come to the attention of the Federal Election Commission that you may have failed to file the above referenced report of receipts and expenditures as required by the Federal Election Campaign Act, as amended. You were previously notified of the due date for this report.

It is important that you file this report immediately with the Federal Election Commission, 999 E Street, N.W., Washington, D.C., 20463. A copy of the report or relevant portions must also be filed with the Secretary of the State or equivalent State Officer unless the State is exempt from the federal requirement to receive and maintain paper copies. You can verify the Commission's receipt of any documents submitted by your committee on the FEC website at www.fec.gov.

The failure to timely file this report may result in civil money penalties, an audit or legal enforcement action. The civil money penalty calculation for late reports does not include a grace period and begins on the day following the due date for the report. Due to heightened security screening measures, delivery of mail by the US Postal Service may be delayed. The Commission recommends that you submit your report via overnight delivery or courier service.

If you have any questions regarding this matter, please contact Kimberly Doughty at our toll free number (800)424-9530. Our direct local number is (202)694-1130.

Sincerely,

A handwritten signature in cursive script, appearing to read "John D. Gibson".

John D. Gibson
Assistant Staff Director
Reports Analysis Division (RAD)

26039263658592613506

MAR-20-2007 09:32

OAR

202 208 1574 P.03

STATEMENT OF DESIGNATION OF COUNSEL

AF #: _____

NAME OF COUNSEL: Matthew Herrington

FIRM: Stephoe + Johnson LLP

ADDRESS: 1380 Connecticut Ave NW
Washington DC 20007

TELEPHONE: 202 429-8164

FAX: 202 429-3902

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission in the matter of the aforementioned Administrative Fine.

3.20.07
Date

[Signature]
Signature

RESPONDENT'S NAME: Jeanne O'Neil

COMMITTEE NAME: _____

ADDRESS: _____

TELEPHONE: HOME: () _____

BUSINESS: () _____

27092613507

STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

Matthew J. Herrington
202.429.8164
mherrington@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel 202.429.3000
Fax 202.429.3902
steptoe.com

August 10, 2007

Via Hand

Jill Sugerman
Federal Elections Commission
999 E Street NW
Washington, DC 20463

Re: **MZM Inc. PAC**

Dear Ms. Sugerman,

As you know we represent Jeanne O'Neill, who served as Treasurer of the MZM Inc. PAC. Our position, as you know is that the PAC has terminated and Ms. O'Neill is no longer Treasurer. We understand the Commission's position to be that during the pendency of a MUR related to this PAC and Ms. O'Neill, the putative terminations and resignations were ineffective. Further to our discussions, and without prejudice to either side's legal position on the matter, we have agreed to submit the enclosed FEC Form 3X reports. I attach at Tab 2 a communication we received from counsel to Mitchell Wade which sets out the factual basis for the representations in the reports. I attach at Tab 2 FEC Form 3X reports for the periods 7/1/06 - 9/30/06, 10/1/06 - 11/27/06, 11/28/06 - 12/31/06, and 1/1/07 - 6/30/07. Finally, I attach at Tab 3 A communications recently received from the Commission which reflects that the MUR related to the MZM Inc. PAC and Ms. O'Neill in her role as Treasurer thereof has been closed.

Thank you for your consideration and practicality in wrestling with these issues. Please contact me should you have any questions.

Very truly yours,



Matthew J. Herrington

RECEIVED
FEC MAIL
OPERATIONS CENTER
2007 AUG 10 P 4:42

2709261926072



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUL 26 2007

Matthew J. Herrington, Esq.
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036

RE: MUR 5666
MZM, Inc. PAC
and Jeanne O'Neil, in her official
capacity as treasurer

Dear Mr. Herrington:

On June 19, 2006, you were notified that the Federal Election Commission found reason to believe that your clients, MZM, Inc. PAC and Jeanne O'Neil, in her official capacity as treasurer, knowingly and willfully violated 2 U.S.C. §§ 441b and 441c. After considering the circumstances of the matter, the Commission determined on July 24, 2007, to take no further action as to MZM, Inc. PAC and Jeanne O'Neil, in her official capacity as treasurer, and closed the file as it pertains to them.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Tran", with a long horizontal flourish extending to the right.

Lynn Tran
Attorney

27092613509

WILMERHALE

Ronald C. Machen

+1 202 663 6881 (t)

+1 202 663 6363 (f)

ronald.machen@wilmerhale.com

July 30, 2007

Matt Herrington, Esq.
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington DC 20036

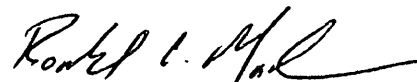
RE: FEC AF Nos. 1563, 1673, and 1721

Dear Mr. Herrington:

I am writing on behalf of my client, Mitchell Wade, to provide factual background in connection with Ms. Jeanne O'Neil's challenges to the FEC's findings in the above-referenced matters. As you know, the FEC found reason to believe that MZM Inc. PAC violated 2 U.S.C. § 434(a) by failing to file timely PAC reports.

I am attaching an Intrepid Fallen Heroes Fund donation form, MZM Inc. PAC check no. 1057, and MZM Inc. PAC's SunTrust account statements dated January 31, 2006, and February 28, 2006. These documents reflect that, on February 13, 2006, MZM Inc. PAC donated all of its remaining funds to the Intrepid Fallen Heroes Fund. The attached statement of February 28, 2006 shows that the account had a zero balance after this charitable donation. At the time of the donation, MZM Inc. PAC had no outstanding debts or obligations. No other MZM Inc. PAC accounts have been opened for political activity. In fact, MZM Inc. PAC was effectively dissolved on February 13, 2006, after ceasing political fundraising and disbursement activity.

Sincerely yours,



Ronald C. Machen

Enclosures

27092613510

INTRPID FALLON HEROES FUND

DONATION FORM

Please fill out this form and mail it to the below address:

Name: MJ WOOD
 Title: _____
 Company: True North Inc
 Address: P.O. Box 787
 City, State, Zip: Great Falls, VA 22066
 Email address (optional): _____
 Amount of contribution: 70892.11

The Intrepid Fallen Heroes Fund lists all contributions above \$1,000 on our website, www.inhfh.org.

If you are donating \$1,000 or more but DO NOT want your name listed on the website, please check here: _____

Please mail this form and your contribution to:

Intrepid Fallen Heroes Fund
 Attn: Contributors
 One Intrepid Square
 West 45th Street and 12th Avenue
 New York, New York 10036

The Intrepid Fallen Heroes Fund will provide a written acknowledgment for your contribution by mail.

The Intrepid Fallen Heroes Fund is a 501(c)(3) not-for-profit organization.

Contributions are tax deductible under applicable law.

The Intrepid Fallen Heroes Fund's tax identification number is 20-0568717.

27092613511

LIZM, INC., PAC 1323 NEW HAMPSHIRE AVE WASHINGTON, DC 20005	1057
2/10/06	6507092
43888 Intrepid Fallen Heroes Fund	\$ 70892.11
Seventy Thousand Eight Hundred Ninety Two	
SUNTRUST SunTrust Bank	
in Deposit	



SUNTRUST BANK
 P O BOX 622227
 ORLANDO FL 32862-2227

Page 1 of 2
 66/E00/0175/0 /72
 01/31/2006

Account Statement



HZH INC PAC
 PAC ACCOUNT
 1523 NEW HAMPSHIRE AVE NW
 WASHINGTON DC 20036-1203

Questions? Please call
 1-800-786-8787

THANK YOU FOR BANKING WITH SUNTRUST. TO LEARN MORE ABOUT HOW SUNTRUST CAN MEET YOUR FINANCIAL SERVICES NEEDS, PLEASE VISIT OUR WEB SITE AT WWW.SUNTRUST.COM

Account Summary	Account Type	Account Number	Statement Period	Taxpayer ID
	BUSINESS CHECKING	[REDACTED]	01/01/2006 - 01/31/2006	[REDACTED]

Description	Amount	Description	Amount
Beginning Balance	\$70,892.71	Average Balance	\$70,892.71
Deposits/Credits	\$0.00	Average Collected Balance	\$70,892.71
Checks	\$0.00	Number of Days in Statement Period	31
Withdrawals/Debits	\$0.00		
Ending Balance	\$70,892.71		

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	01/31	70,892.71	70,892.71			

27092613512

SUNTRUST BANK
 P O BOX 622227
 ORLANDO FL 32862-2227

PAGE 1 OF 1
 36/E08/0175/0 772
 02/28/2006

2/28/06

ACCOUNT STATEMENT

MZN INC PAC
 PAC ACCOUNT
 1525 NEW HAMPSHIRE AVE NW
 WASHINGTON DC 20036-1203

QUESTIONS? PLEASE CALL
 1-800-786-8787

OUR HOME EQUITY LOANS PROVIDE YOU WITH THE OPTIONS YOU NEED. WE OFFER FIXED RATES, A VARIETY OF REPAYMENT TERMS, LOW CLOSING COSTS, AND FIXED MONTHLY PAYMENTS. ASK US ABOUT OUR SPECIAL PROMOTIONAL RATES. CALL 800.SUNTRUST. SUNTRUST BANK. EQUAL HOUSING LENDER. MEMBER FDIC.

ACCOUNT TYPE	ACCOUNT NUMBER	STATEMENT PERIOD	TAXPAYER ID
BUSINESS CHECKING	[REDACTED]	02/01/2006 - 02/28/2006	[REDACTED]
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
BEGINNING BALANCE	\$70,892.71	AVERAGE BALANCE	\$65,828.94
DEPOSITS/CREDITS	\$0.00	AVERAGE COLLECTED BALANCE	\$65,828.94
CHECKS	\$70,892.71	NUMBER OF DAYS IN STATEMENT PERIOD	28
WITHDRAWALS/DEBITS	\$0.00		
ENDING BALANCE	\$0.00		

CHECK NUMBER	AMOUNT PAID	DATE PAID	CHECKS		CHECK NUMBER	AMOUNT PAID	DATE PAID	SR	BATCH
			SR	BATCH					
1057	70,892.71	02/27	20	51809463					

CHECKS: 1

DATE	BALANCE	BALANCE ACTIVITY HISTORY		BALANCE	COLLECTED BALANCE
		COLLECTED	DATE		
02/01	70,892.71	70,892.71	02/27	.00	.00

MEMBER FDIC

27092613513

**SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS**

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name

MZC Inc PAC

Report Covering the Period: From:

07 / 01 / 2006

To:

09 / 30 / 2006

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. (a) Cash on Hand January 1,		70,892.70
(b) Cash on Hand at Beginning of Reporting Period.....	0	
(c) Total Receipts (from Line 19)	0	0
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	0	70,892.70
7. Total Disbursements (from Line 31)	0	70,892.70
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	0	0
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	0	

This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

27092613515

**SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS**

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name

ANZM Inc PAC

Report Covering the Period: From:

11 / 28 / 2006

To:

12 / 31 / 2006

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. (a) Cash on Hand January 1, 2006		70,892.71
(b) Cash on Hand at Beginning of Reporting Period	0	
(c) Total Receipts (from Line 19)	0	0
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	0	70,892.71
7. Total Disbursements (from Line 31)	0	70,892.71
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	0	0
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	0	

This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

27092613517

**FEC
FORM 3X**

**REPORT OF RECEIPTS
AND DISBURSEMENTS**
For Other Than An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (in full) **TYPE OR PRINT** Example: If typing, type over the lines. 12FE4M5

MZM Inc. PAC

ADDRESS (number and street) **C/O STEPTOE + JOHNSON LLP**
1730 CONNECTICUT AVE NW
WASHINGTON DC 20016

Check if different than previously reported. (ACC)

2. FEC IDENTIFICATION NUMBER **C 00369884**

CITY STATE ZIP CODE

3. IS THIS REPORT NEW (N) OR AMENDED (A)

4. TYPE OF REPORT (Choose One)

(a) Quarterly Reports:

April 15 Quarterly Report (Q1)
 July 15 Quarterly Report (Q2)
 October 15 Quarterly Report (Q3)
 January 31 Year-End Report (YE)
 July 31 Mid-Year Report (Non-election Year Only) (MY)
 Termination Report (TER)

(b) Monthly Report Due On:

<input type="checkbox"/> Feb 20 (M2)	<input type="checkbox"/> May 20 (M5)	<input type="checkbox"/> Aug 20 (M8)	<input type="checkbox"/> Nov 20 (M11) (Non-Election Year Only)
<input type="checkbox"/> Mar 20 (M3)	<input type="checkbox"/> Jun 20 (M6)	<input type="checkbox"/> Sep 20 (M9)	<input type="checkbox"/> Dec 20 (M12) (Non-Election Year Only)
<input type="checkbox"/> Apr 20 (M4)	<input type="checkbox"/> Jul 20 (M7)	<input type="checkbox"/> Oct 20 (M10)	<input type="checkbox"/> Jan 31 (YE)

(c) 12-Day PRE-Election Report for the:

<input type="checkbox"/> Primary (12P)	<input type="checkbox"/> General (12G)	<input type="checkbox"/> Runoff (12R)
<input type="checkbox"/> Convention (12C)	<input type="checkbox"/> Special (12S)	

Election on _____ in the State of _____

(d) 30-Day POST-Election Report for the:

<input type="checkbox"/> General (30G)	<input type="checkbox"/> Runoff (30R)	<input type="checkbox"/> Special (30S)
--	---------------------------------------	--

Election on _____ in the State of _____

5. Covering Period **10 01 2006** through **11 27 2006**

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer **Jessie M. O'Neil**

Signature of Treasurer **by her counsel, M. Ferguson** Date **08 09 2007**

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

27092613518

**SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS**

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name

MZM Inc. PAC

Report Covering the Period:

From:

10 / 01 / 2006

To:

11 / 27 / 2006

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. (a) Cash on Hand January 1, 2006	0	70,892.71
(b) Cash on Hand at Beginning of Reporting Period.....	0	
(c) Total Receipts (from Line 19).....	0	0
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B).....	0	70,892.71
7. Total Disbursements (from Line 31).....	0	70,892.71
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d)).....	0	0
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D).....	0	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D).....	0	

This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

27092613519

**FEC
FORM 3X**

**REPORT OF RECEIPTS
AND DISBURSEMENTS**
For Other Than An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (in full)

TYPE OR PRINT ▼

Example: If typing, type over the lines.

12FE4M5

M2M Inc. PAC

ADDRESS (number and street)

c/o STEPTOE + JOHNSON LLP
1330 CONNECTICUT AVE NW
WASHINGTON DC 20016

Check if different than previously reported. (ACC)

2. FEC IDENTIFICATION NUMBER ▼

CITY ▲

STATE ▲

ZIP CODE ▲

000309884

3. IS THIS REPORT

NEW (N) OR

AMENDED (A)

4. TYPE OF REPORT (Choose One)

(a) Quarterly Reports:

- April 15 Quarterly Report (Q1)
- July 15 Quarterly Report (Q2)
- October 15 Quarterly Report (Q3)
- January 31 Year-End Report (YE)
- July 31 Mid-Year Report (Non-election Year Only) (MY)
- Termination Report (TER)

(b) Monthly Report Due On:

- | | | | |
|--------------------------------------|--------------------------------------|---------------------------------------|--|
| <input type="checkbox"/> Feb 20 (M2) | <input type="checkbox"/> May 20 (M5) | <input type="checkbox"/> Aug 20 (M8) | <input type="checkbox"/> Nov 20 (M11) (Non-Election Year Only) |
| <input type="checkbox"/> Mar 20 (M3) | <input type="checkbox"/> Jun 20 (M6) | <input type="checkbox"/> Sep 20 (M9) | <input type="checkbox"/> Dec 20 (M12) (Non-Election Year Only) |
| <input type="checkbox"/> Apr 20 (M4) | <input type="checkbox"/> Jul 20 (M7) | <input type="checkbox"/> Oct 20 (M10) | <input type="checkbox"/> Jan 31 (YE) |

(c) 12-Day PRE-Election Report for the:

- | | | |
|---|--|---------------------------------------|
| <input type="checkbox"/> Primary (12P) | <input type="checkbox"/> General (12G) | <input type="checkbox"/> Runoff (12R) |
| <input type="checkbox"/> Convention (12C) | <input type="checkbox"/> Special (12S) | |

Election on

MM / DD / YYYY

in the State of

(d) 30-Day POST-Election Report for the:

- | | | |
|--|---------------------------------------|--|
| <input type="checkbox"/> General (30G) | <input type="checkbox"/> Runoff (30R) | <input type="checkbox"/> Special (30S) |
|--|---------------------------------------|--|

Election on

MM / DD / YYYY

in the State of

5. Covering Period

01 01 2007

through

06 30 2007

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

James M. O'Neil

Signature of Treasurer

by her counsel, M. Heston

Date

08 08 2007

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

Office Use Only								
-----------------	--	--	--	--	--	--	--	--

FEC FORM 3X
Rev. 12/2004

27092613520

**SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS**

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name

MJM Inc. PAC

Report Covering the Period:

From:

01 / 01 / 2007

To:

06 / 30 / 2007

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. (a) Cash on Hand January 1, <u>2007</u>	0	0
(b) Cash on Hand at Beginning of Reporting Period.....	0	
(c) Total Receipts (from Line 19)	0	0
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	0	0
7. Total Disbursements (from Line 31)	0	0
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	0	0
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	0	

This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:

Federal Election Commission
999 E Street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

27092613521



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SECRETARIAT

2007 SEP -4 P 2:45

August 31, 2007

MEMORANDUM

To: The Commission

Through: Patrina M. Clark *PM*
Staff Director

From: John D. Gibson *JDG*
Chief Compliance Officer

Shawn Woodhead Wertz *SW*
Reviewing Officer
Office of Administrative Review

Jill I. Sugarman *JS*
Reviewing Analyst

Subject: AF# 1563 - MZM Inc. PAC and Jeanne O'Neil, as Treasurer
(C00369884)

SENSITIVE

The respondents' challenge for this case was due prior to the April 30, 2007 effective date of the revised administrative fine regulations. The Reviewing Officer's recommendation, therefore, is analyzed under the old rules. The respondents' other two challenges, AF# 1673 and AF# 1721, fall under the new rules and the Reviewing Officer's recommendations in those cases are analyzed under these new rules.

The respondents were also respondents in MUR 5666. On July 24, 2007, the Commission voted to take no further action and close the file as it pertains to them.

The attached Reviewing Officer recommendation, and the Reviewing Officer recommendations for AF# 1673 and AF# 1721, are being circulated on an informational basis. Copies were also sent to the respondents in accordance with 11 C.F.R. § 111.36(f). The respondents may file with the Commission Secretary written responses within 10 days of transmittal of the recommendations.

After the 10 day period, the Reviewing Officer recommendations and the respondents' written responses, if any, will be circulated to the Commission to make final determinations.

Attachment

27092613522



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 31, 2007

**REVIEWING OFFICER RECOMMENDATION
OFFICE OF ADMINISTRATIVE REVIEW ("OAR")**

AF# 1563 – MZM Inc. PAC and Jeanne O'Neil, as Treasurer (C00369884)

On February 6, 2007, the Commission found reason to believe ("RTB") that the respondents violated 2 U.S.C. § 434(a) for failing to file the 2006 October Quarterly Report, an election sensitive report, and made a preliminary determination that the civil money penalty was \$1,400 based on the schedule of penalties at 11 C.F.R. § 111.43. They were notified by the Reports Analysis Division ("RAD") on February 8, 2007, of the Commission's RTB finding and civil money penalty.

Respondents' Response

On March 14 and 20, 2007, the Commission received the written response, supporting documentation, and designation of counsel statement ("challenge") from the Treasurer's counsel, Matthew J. Herrington, who raises two issues:

- First, Ms. O'Neil was a bookkeeper and low-level employee whose status with MZM Inc. was terminated in September 2005 when the company was sold to Athena Innovative Solutions, Inc. ("Athena"). Counsel asserts that Athena never had any affiliation with MZM Inc. PAC. When Ms. O'Neil left Athena in October 2006, she had no "affiliation whatsoever" with the Committee or MZM Inc. and believed that the Committee had been dissolved; and
- Second, the amount of the civil money penalty is incorrect. Since the RTB letter refers to a general election held on November 2, 2004, the 2006 October Quarterly Report should not be considered an "election sensitive" filing. Contrary to the \$35,740 in estimated activity cited in the letter, there was no financial activity during the reporting period.

Included in the challenge at Tab B is a March 9, 2007 letter from Ronald C. Machen, who represents Mitchell Wade, the former President and CEO of MZM Inc. In addition to the arguments made by Mr. Herrington with respect to the Treasurer's status, the sale of MZM Inc., and how the RTB civil money penalty was calculated, Mr. Machen asserts that they made a good faith attempt to terminate the Committee in February 2006, but the Commission denied the request due to the pending MUR. Mr. Machen contends that the Committee could not file the report because it did not exist when the report was due and there was no Treasurer which constitutes extraordinary circumstances. Mr. Machen's letter references four exhibits, one of which is a letter dated November 2, 2006 addressed to Lynn Tran of the Office of General Counsel ("OGC") in which Mr. Machen argues that the Committee should be relieved of its filing obligations.

Additional attachments and Exhibits include copies of the RTB letter, Veritas Capital press release dated September 30, 2005, Committee check made out to the Intrepid Fallen Heroes Fund dated February 13, 2006, the Committee's Suntrust Account Statement (Page 1) for January 2006, and the Termination Report dated February 13, 2006 along with the corresponding electronic filing confirmation receipt.

27092613523

On March 12, 2007, the Commission received from Mr. Machen his March 9 letter and four Exhibits.

Analysis of Challenge

The Federal Election Campaign Act ("Act") requires that quarterly reports be filed by the treasurer of a political action committee no later than the 15th day after the last day of each calendar quarter in a calendar year in which a regularly scheduled general election is held. 2 U.S.C. § 434(a)(4)(A)(i) and 11 C.F.R. § 104.5(c)(1)(i)(A). Reports electronically filed must be received and validated at or before 11:59 p.m., Eastern Standard/Daylight Time on the prescribed filing date to be timely filed. 11 C.F.R. § 104.5(e). The October Quarterly Report is an election sensitive report and is considered not filed if it is not filed prior to four days before the General Election. 11 C.F.R. § 111.43(d) and (e)(2). The treasurer shall be personally responsible for the timely filing of reports. 11 C.F.R. § 104.14(d).

Although the respondents filed a Termination Report on February 14, 2006 which disclosed no debts and a \$0 cash-on-hand balance, OGC denied their request in a letter dated February 22. That letter explained that because of the pending MUR, they must continue to file reports until the MUR is closed for the Committee. It appears that the respondents understood this because the Treasurer submitted the next two required filings, the 2006 April and July Quarterly Reports, on April 10 and July 5, 2006, respectively. While counsel asserts that the Treasurer had no connection to the Committee in October 2006, there is no record that she or anyone else involved with the Committee filed an amended Statement of Organization as required by 2 U.S.C. § 433(c) prior to October 15. Thus, she was the Treasurer of record at the time of the filing deadline and was required to file the October Quarterly Report electronically and on time.

Moreover, Mr. Machen states in the letter to Lynn Tran that the Treasurer received the electronic late filing notice from the Commission's Electronic Filing Office on October 16. From that point, she had four days to file the report before leaving Athena on October 20 but, for whatever reason, she did not file it.

Counsel asserts that the report is not "election sensitive" because the initial RTB letter refers to the General Election held on November 2, 2004. However, a second RTB letter sent to them dated February 8 correctly refers to the General Election held on November 7, 2006. Accordingly, the 2006 October Quarterly Report is an election sensitive report for purposes of calculating the civil money penalty.

Counsel also argues that the level of activity cited in the RTB letter is incorrect. Because no report had been received at the time of the RTB finding, the Commission estimated the level of activity for the October Quarterly reporting period to be \$35,740, resulting in a \$1,400 civil money penalty. 11 C.F.R. § 111.43(b)(2).

The Reviewing Analyst called counsel in an effort to get the respondents to file the outstanding report. In response to those calls, counsel submitted additional documentation on August 10, 2007 in which he restates their position that the Committee has terminated and Ms. O'Neil is no longer the Treasurer, and the Commission's position that the pending MUR negated the Committee's termination and Ms. O'Neil's resignation. He states that "without prejudice to either side's legal position on the matter, we have agreed to submit the ... report []."

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Other attachments include copies of a letter dated July 26, 2007 to counsel from Ms. Tran, letter dated July 30, 2007 to counsel from Mr. Machen, Committee check made out to the Intrepid Fallen Heroes Fund dated February 13, 2006, the Committee's Suntrust Account Statement (Page 1) for January 2006, the Committee's Suntrust Account Statement (Page 1) for February 2006 showing a disbursement of \$70,892.71, and paper copies of reports covering activity for the period from July 1, 2006 through June 30, 2007. The enclosed paper copy of the report covering the October Quarterly reporting period discloses \$0 in receipts and \$0 in disbursements. Since the schedule of penalties at 11 C.F.R. § 111.43(b)(2) only provides for civil money penalties if the level of activity is \$1.00 or more, no civil money penalty should be assessed in this matter.

The challenge fails to address any of the three valid excuses enumerated at 11 C.F.R. § 111.35(b). These are: (i) the existence of factual errors; and/or (ii) the improper calculation of the civil money penalty; and/or (iii) the existence of extraordinary circumstances that were beyond their control and that were for a duration of at least 48 hours and that prevented them from filing the report in a timely manner. The other issue raised in the challenge (the Treasurer was a low level employee of MZM Inc.) also fails to meet the requirements of 11 C.F.R. § 111.35(b).

Therefore, the Reviewing Officer recommends that the Commission make a final determination that the respondents violated 2 U.S.C. § 434(a) and assess a civil money penalty of \$0 (reduced from the RTB civil money penalty of \$1,400).

OAR Recommendations

- (1) Make a final determination in AF# 1563 that MZM Inc. PAC and Jeanne O'Neil, as Treasurer, violated 2 U.S.C. § 434(a) and, based on the actual level of activity disclosed on the paper copy of the report covering the October Quarterly reporting period (\$0), assess a civil money penalty of \$0 (reduced from the RTB civil money of \$1,400); and
- (2) Send the appropriate letter.

Reviewing Analyst: Jill I. Sugarman

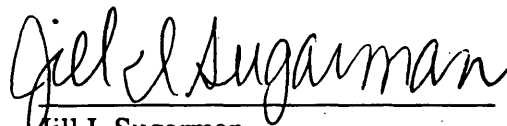
Attachments

- Attachment 1 – Challenge Received from Respondents and Counsel for MZM Inc.
- Attachment 2 – Additional Documentation Received from Respondents
- Attachment 3 – Declaration from RAD
- Attachment 4 – Declaration from OAR

27092613525

DECLARATION OF JILL I. SUGARMAN

1. I am the Reviewing Analyst in the Office of Administrative Review for the Federal Election Commission ("Commission"). In my capacity as Reviewing Analyst, I conduct research with respect to all challenges submitted in accordance with the Administrative Fine program.
2. The 2006 October Quarterly Report is due October 15, 2006. If electronically filed, it must be received and validated by the Commission at or before 11:59 p.m., Eastern Standard/Daylight Time on October 15 to be timely filed.
3. It is the practice of the Office of General Counsel to send a letter denying a request to terminate when committees and treasurers are involved in an ongoing enforcement matter and file a termination report. It is also the practice of this Office to tell committees and treasurers in this letter that they must continue to file reports until the matter is closed for them.
4. I hereby certify that I have searched the Commission's public records and that the documents identified herein are true and accurate copies of:
 - (a) Page 1 of the Summary Page of the Termination, April Quarterly, and July Quarterly Reports filed electronically by MZM Inc. PAC and Jeanne O'Neil, as Treasurer. According to Commission records, the reports were received on February 14, April 10 and July 5, 2006, respectively; and
 - (b) Pages 1 and 2 of the Summary Page and the Envelope Replacement Page for the paper copy of the report submitted via hand delivery for MZM Inc. PAC and Jeanne O'Neil, as Treasurer. According to Commission records, the paper copy covers the period from July 1 through September 30, 2006, and was received on August 10, 2007. The Signature of Treasurer line is signed "by her counsel." Lines 6(c) and 7 list \$0 in total receipts and \$0 in total disbursements, respectively, for this reporting period.
5. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed at Washington on the 31st of August, 2007.



Jill I. Sugarman
Reviewing Analyst
Office of Administrative Review
Federal Election Commission

27092613526

**FEC
FORM 3X**

**REPORT OF RECEIPTS
AND DISBURSEMENTS**
For Other Than An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (in full) **USE FEC MAILING LABEL OR TYPE OR PRINT** Example: If typing, type over the lines

MZM INC. PAC

ADDRESS (number and street) 1523 New Hampshire Avenue, NW
 Check if different than previously reported. (ACC) Washington DC 20036

2. FEC IDENTIFICATION NUMBER C00069884
 CITY A STATE A ZIP CODE A
 3. IS THIS REPORT NEW (N) OR AMENDED (A)

4. TYPE OF REPORT (Choose One)	(b) Monthly Report Due On:	Feb 20 (M2)	May 20 (M5)	Aug 20 (M8)	Nov 20 (M11) (Non-Election Year Only)
(a) Quarterly Reports:	Mar 20 (M3)	Jun 20 (M6)	Sep 20 (M9)	Dec 20 (M12) (Non-Election Year Only)	
April 15 Quarterly Report (Q1)	Apr 20 (M4)	Jul 20 (M7)	Oct 20 (M10)	Jan 31 (YE)	
July 15 Quarterly Report (Q2)	(c) 12-Day PRE-Election Report for the:	Primary (12P)	General (12G)	Runoff (12R)	
October 15 Quarterly Report (Q3)	Convention (12C)	Special (12G)			
January 31 Quarterly Report (YE)	Election on				in the State of
July 31 Mid-Year Report (Non-election Year Only) (MY)	(d) 30-Day Post-Election Report for the:	General (30G)	Runoff (30R)	Special (30B)	
<input checked="" type="checkbox"/> Termination Report (TER)	Election on				in the State of

5. Covering Period 01 01 2006 through 02 13 2006

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer Ms. Jeanne M. O'Neil

Signature of Treasurer Electronically Filed by Ms. Jeanne M. O'Neil Date 02 13 2006

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. 437g.

27092613527



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

VIA FIRST CLASS MAIL

FEB 22 2006

Brian M. Heberlig, Esq.
Steptoe & Johnson, LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036

RE: MUR 5666
MZM Inc. PAC

Dear Mr. Heberling:

On February 13, 2006, MZM Inc. PAC ("the Committee") and the Jeanne O'Neil, as treasurer, requested that the Federal Election Commission ("the Commission") permit the Committee to terminate pursuant to 2 U.S.C. § 433(d) and 11 C.F.R. § 102.3. Because of the above-referenced ongoing enforcement matter involving the Committee, this request has been denied. Therefore, you are reminded that the Committee must continue to file all the required reports with the Commission until such time as the enforcement matter has been closed as to the Committee.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Y. Tran".

Lynn Y. Tran
Attorney

cc: Reports Analysis Division

27092613528

FEC FORM 3X

REPORT OF RECEIPTS AND DISBURSEMENTS For Other Than An Authorized Committee

Office Use Only

1. NAME OF COMMITTEE (In full) USE FEC MAILING LABEL OR TYPE OR PRINT Example: If typing, type over the lines

MZM INC. PAC

ADDRESS (number and street) 1523 New Hampshire Avenue, NW Washington DC 20036

2. FEC IDENTIFICATION NUMBER C00369884 CITY STATE ZIPCODE

Table with 4 columns: TYPE OF REPORT, (b) Monthly Report Due On, (c) 12-Day PRE-Election Report for the, (d) 30-Day Post-Election Report for the. Includes options for Quarterly, 12-Day, and 30-Day reports.

5. Covering Period 02 14 2006 through 03 31 2006

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete. Type or Print Name of Treasurer Ms. Jeanne M. O'Neil

Signature of Treasurer Electronically Filed by Ms. Jeanne M. O'Neil Date 04 10 2006

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C 437g.

27092613529

**FEC
FORM 3X**

**REPORT OF RECEIPTS
AND DISBURSEMENTS**
For Other Than An Authorized Committee

RECEIVED
FEC MAIL
OPERATIONS CENTER

2007 AUG 10 P 4:42
Office Use Only

1. NAME OF COMMITTEE (In full)

TYPE OR PRINT ▼

Example: If typing, type over the lines.

12FE4M5

MZM INC. PAC

ADDRESS (number and street)

410 STEPTOE + JOHNSON LLP

1330 CONNECTICUT AVE NW

WASHINGTON

DC

20016

Check if different than previously reported. (ACC)

2. FEC IDENTIFICATION NUMBER ▼

CITY ▲

STATE ▲

ZIP CODE ▲

C00369884

3. IS THIS REPORT

NEW (N)

OR

AMENDED (A)

4. TYPE OF REPORT (Choose One)

(a) Quarterly Reports:

- April 15 Quarterly Report (Q1)
- July 15 Quarterly Report (Q2)
- October 15 Quarterly Report (Q3)
- January 31 Year-End Report (YE)
- July 31 Mid-Year Report (Non-election Year Only) (MY)
- Termination Report (TER)

(b) Monthly Report Due On:

- Feb 20 (M2)
- Mar 20 (M3)
- Apr 20 (M4)
- May 20 (M5)
- Jun 20 (M6)
- Jul 20 (M7)
- Aug 20 (M8)
- Sep 20 (M9)
- Oct 20 (M10)
- Nov 20 (M11) (Non-Election Year Only)
- Dec 20 (M12) (Non-Election Year Only)
- Jan 31 (YE)

(c) 12-Day PRE-Election Report for the:

- Primary (12P)
- Convention (12C)
- General (12G)
- Special (12S)
- Runoff (12R)

Election on [] in the State of []

(d) 30-Day POST-Election Report for the:

- General (30G)
- Runoff (30R)
- Special (30S)

Election on [] in the State of []

5. Covering Period

07 01 2006

through

09 30 2006

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer

Jeanie M. O'Neill

Signature of Treasurer

Jeanie M. O'Neill

Date

08 08 2007

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

Office Use Only

FEC FORM 3X
Rev. 12/2004

270395100992613551

**SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS**

FEC Form 3X (Rev. 02/2003)

Page 2

Write or Type Committee Name

NZCA Inc PAC

Report Covering the Period: From:

07 01 2006

To:

09 30 2006

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. (a) Cash on Hand January 1,	<input type="text"/>	<i>70,892.70</i>
(b) Cash on Hand at Beginning of Reporting Period.....	<input type="text"/> 0	
(c) Total Receipts (from Line 19)	<input type="text"/> 0	<input type="text"/> 0
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	<input type="text"/> 0	<i>70,892.70</i>
7. Total Disbursements (from Line 31)	<input type="text"/> 0	<i>70,892.70</i>
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	<input type="text"/> 0	<input type="text"/> 0
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	<input type="text"/> 0	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	<input type="text"/> 0	



This committee has qualified as a multicandidate committee. (see FEC FORM 1M)

For further information contact:


Federal Election Commission
999 E Street, NW
Washington, DC 20463

Toll Free 800-424-9530
Local 202-694-1100

2703951020092613532

Federal Election Commission
ENVELOPE REPLACEMENT PAGE FOR INCOMING DOCUMENTS
 The FEC added this page to the end of this filing to indicate how it was received.

<input checked="" type="checkbox"/> Hand Delivered	Date of Receipt 8/10/07
<input type="checkbox"/> USPS First Class Mail	Postmarked
<input type="checkbox"/> USPS Registered/Certified	Postmarked (R/C)
<input type="checkbox"/> USPS Priority Mail	Postmarked
Delivery Confirmation™ or Signature Confirmation™ Label <input type="checkbox"/>	
<input type="checkbox"/> USPS Express Mail	Postmarked
<input type="checkbox"/> Postmark Illegible	
<input type="checkbox"/> No Postmark	
<input type="checkbox"/> Overnight Delivery Service (Specify):	Shipping Date
Next Business Day Delivery <input type="checkbox"/>	
<input type="checkbox"/> Received from House Records & Registration Office	Date of Receipt
<input type="checkbox"/> Received from Senate Public Records Office	Date of Receipt
<input type="checkbox"/> Received from Electronic Filing Office	Date of Receipt
<input type="checkbox"/> Other (Specify):	Date of Receipt or Postmarked


 PREPARER
 (3/2005)

8/14/07
 DATE PREPARED

27039510107092613533



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

VIA OVERNIGHT DELIVERY

September 6, 2007

Matthew J. Herrington, Esq.
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036
C00369884
AF# 1563, AF# 1673 and AF# 1721

Dear Mr. Herrington:

On February 6, April 10 and May 15, 2007, the Federal Election Commission ("Commission") found reason to believe ("RTB") that MZM Inc. PAC and Jeanne O'Neil, as Treasurer ("respondents"), violated 2 U.S.C. § 434(a) for failing to file the 2006 October Quarterly Report, 2006 30 Day Post-General Report and 2006 Year-End Report. The Commission also made a preliminary determination that the civil money penalties, based on the schedule of penalties at 11 C.F.R. § 111.43, were \$1,400 for the October Quarterly Report, \$900 for the 30 Day Post-General Report, and \$900 for the Year-End Report.

After reviewing the written responses submitted by you, and any supplemental information submitted by Commission staff, the Reviewing Officer has recommended that the Commission make final determinations in these matters. Copies of the Reviewing Officer's recommendations are attached.

You may file with the Commission Secretary a written response to the recommendations within 10 days of the date of this letter. Your written response should be sent to the Commission Secretary, 999 E Street, NW, Washington, DC 20463. As a result of the anthrax threat in the Washington, DC area, US Postal Service mail delivery to federal agencies, including the Commission, has been interrupted. Until regular mail delivery resumes, you may also file your written response with the Commission Secretary via facsimile (202-208-3333) or by courier at the same address (if you use an overnight delivery service, please use zip code 20004 instead of zip code 20463). Please include the AF numbers in your response. Your response may not raise any arguments not raised in the original written responses or not directly responsive to the Reviewing Officer's recommendation. 11 C.F.R. § 111.36(f). The Commission will then make final determinations in these matters.

Please contact me at the toll free number 800-424-9530 (press 0, then press 1660) or 202-694-1660 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Jill I. Sugarman". The signature is written in a cursive, flowing style.

Jill I. Sugarman
Reviewing Analyst
Office of Administrative Review

Attachment

27092613534



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

September 17, 2007 2007 SEP 18 A 9:09

MEMORANDUM

SENSITIVE

To: The Commission

Through: Patrina M. Clark *for pmc*
Staff Director

From: John D. Gibson *JDG*
Chief Compliance Officer

Shawn Woodhead Wert *SW*
Reviewing Officer
Office of Administrative Review

By: Jill I. Sugarman *JIS*
Reviewing Analyst

Subject: Final Determination Recommendation in AF# 1563 – MZM Inc. PAC and Jeanne O’Neil, as Treasurer (C00369884)

27092613535

On February 6, 2007, the Commission found reason to believe that the respondents violated 2 U.S.C. § 434(a) for failing to file the 2006 October Quarterly Report, an election sensitive report. Because they had not filed the report, the Commission made a preliminary determination, using the estimated level of activity, that the civil money penalty was \$1,400 based on the schedule of penalties at 11 C.F.R. § 111.43.

On March 14 and 20, 2007, the Commission received the respondents’ written response (“challenge”). On August 10, 2007, the respondents submitted a paper copy of the report covering the October Quarterly reporting period which discloses \$0 in total receipts and \$0 in total disbursements. As of this date, the report has not been filed electronically.

Since the paper copy indicates that the Committee had no activity during the 2006 October Quarterly reporting period and the schedule of penalties at 11 C.F.R. § 111.43(b)(2) only provides for civil money penalties if the level of activity is \$1.00 or more, no civil money penalty should be assessed.

After reviewing the challenge, the Reviewing Officer’s recommendation dated August 31, 2007 was forwarded to the Commission. The Reviewing Officer recommended that the Commission make a final determination that they violated 2 U.S.C. § 434(a) and assess a civil money penalty of \$0 because they submitted no evidence that the RTB finding was based on factual errors, that the civil money penalty was improperly calculated at RTB, or that extraordinary circumstances existed which prevented them from filing the report on time.

A copy of the Reviewing Officer's recommendation was simultaneously forwarded to the respondents. Within 10 days of transmittal of the recommendation, the respondents may file a written response with the Commission Secretary which may not raise any arguments not raised in the respondents' challenge or not directly responsive to the Reviewing Officer's recommendation. 11 C.F.R. § 111.36(f). As of this date, a written response has not been received.

OAR Recommendations

- (1) Make a final determination in AF# 1563 that MZM Inc. PAC and Jeanne O'Neil, as Treasurer, violated 2 U.S.C. § 434(a) and based on the actual level of activity disclosed on the paper copy of the report covering the October Quarterly reporting period (\$0), assess a civil money penalty of \$0 (reduced from the RTB civil money penalty of \$1,400); and
- (2) Send the appropriate letter.

27092613536



FEDERAL ELECTION COMMISSION
Washington, DC 20463

SENSITIVE

DATE & TIME OF TRANSMITTAL: Tuesday, September 18, 2007 11:00

BALLOT DEADLINE: Friday, September 21, 2007 4:00

COMMISSIONER: LENHARD, MASON, von SPAKOVSKY, WALTHER, WEINTRAUB

SUBJECT: **Final Determination Recommendation in
AF 1563 – MZM Inc. PAC and Jeanne O’Neil,
as Treasurer (C00369884) Memorandum from the
Chief Compliance Officer and the Reviewing Officer
dated September 17, 2007**

- I approve the recommendation(s)
- I object to the recommendation(s)
- I am recused from voting
- No vote by ballot

COMMENTS: _____

DATE: _____

SIGNATURE: _____

A definite vote is required. All ballots must be signed and dated. Please return **ONLY THE BALLOT** to the Commission Secretary. Please return ballot no later than date and time shown above.

FROM THE OFFICE OF THE SECRETARY OF THE COMMISSION

27092613537

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Final Determination Recommendation:) AF 1563
MZM Inc. PAC and Jeanne O'Neil, as)
Treasurer (C00369884))

CERTIFICATION

I, Mary W. Dove, Secretary of the Federal Election Commission, do hereby certify that on September 21, 2007, the Commission decided by a vote of 5-0 to take the following actions in AF 1563:

1. Make a final determination in AF 1563 that MZM Inc. PAC and Jeanne O'Neil, as Treasurer, violated 2 U.S.C. § 434(a) and based on the actual level of activity disclosed on the paper copy of the report covering the October Quarterly reporting period (\$0), assess a civil money penalty of \$0 (reduced from the RTB civil money penalty of \$1,400).
2. Send the appropriate letter.

Commissioners Lenhard, Mason, von Spakovsky, Walther and Weintraub voted affirmatively for the decision.

Attest:

September 24, 2007
Date

Mary W. Dove
Mary W. Dove
Secretary of the Commission

27092613538



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 25, 2007

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Matthew J. Herrington, Esq.
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036

ID# C00369884
AF# 1563

Dear Mr. Herrington:

On February 6, 2007, the Federal Election Commission ("the Commission") found reason to believe ("RTB") that MZM Inc. PAC and Jeanne O'Neil, as Treasurer, violated 2 U.S.C. § 434(a) for failing to file the 2006 October Quarterly Report, an election sensitive report. By letter dated February 8, 2007, the Commission sent you notification of the RTB finding that included a civil money penalty calculated at RTB of \$1,400 in accordance with the schedule of penalties at 11 C.F.R. § 111.43. On March 14 and 20, 2007, the Office of Administrative Review received the written response from you challenging the RTB civil money penalty.

The Reviewing Officer reviewed the Commission's RTB finding with its supporting documentation and your written response. Based on this review, the Reviewing Officer recommended that the Commission make a final determination that MZM Inc. PAC and Jeanne O'Neil, as Treasurer, violated 2 U.S.C. § 434(a) and, based on the actual level of activity disclosed on the paper copy of the report submitted August 10, 2007 (\$0), assess a civil money penalty of \$0 in accordance with 11 C.F.R. § 111.43. The basis for the Reviewing Officer's recommendation was included in the Final Determination Report, a copy of which was sent to you on September 6, 2007.

On September 21, 2007, the Commission adopted the Reviewing Officer's recommendation and made a final determination that MZM Inc. PAC and Jeanne O'Neil, as Treasurer, violated 2 U.S.C. § 434(a), and assessed a civil money penalty of \$0 (reduced from the RTB civil money penalty of \$1,400).

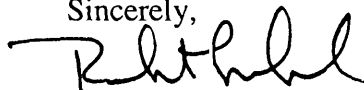
The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. The file will be made a part of the public record pursuant to 11 C.F.R. § 111.42(b). Although the file must be placed on the public record within 30

27092613539

days from the date of the Commission's notification, this could occur at any time following certification of the Commission's vote.

If you have any questions regarding this matter, please contact Jill Sugarman on our toll free number (800)424-9530 (press 0, then ext. 1660) or (202)694-1660.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Lenhard". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

Robert D. Lenhard
Chairman

27092613540



FEDERAL ELECTION COMMISSION
Washington DC 20463

THIS IS THE END OF ADMINISTRATIVE FINE CASE # 1563

DATE SCANNED 11-29-07

SCANNER NO. 2

SCAN OPERATOR JMP

27092613541