



Federal Election Commission
Washington, DC 20463

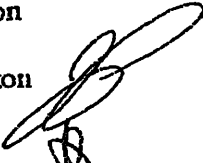
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FEDERAL ELECTION
COMMISSION
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MEMORANDUM

SENSITIVE

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director 

FROM: Allan D. Silberman
Director, ADR Office 

BY: Lynn M. Fraser 
Assistant Director, ADR Office

SUBJECT: Negotiated Settlement ADR 047

DATE: October 4, 2001

Attached for your review is a signed agreement resolving ADR 047 (MUR 5172) involving respondents American Animal Husbandry Coalition Political Action Committee and Sharon McFarlane, Treasurer. This case originated from a signed complaint and was assigned by the Commission to the ADR Office on July 24, 2001.

ADR 047: Complainant alleged that respondents solicited members, sponsored or cosponsored activities to raise funds which were not reported and/or not reported accurately, and continued to solicit funds for political activities after filing a notice of termination with the Commission. After reviewing the documents, reports and response of respondents, it appears that this committee does not qualify as a political committee as set out in 2 U.S.C. § 431(4)(A). Respondents made two contributions to campaigns for Federal office in 2000 aggregating \$800, which they reported. They made no contributions to campaigns for Federal office in 1999; the year they registered with the Commission. The committee's stated purpose is to stop the further erosion of individual rights to use animals for domestic use, recreation and research by lobbying legislators. While they continue to solicit members and to raise funds, the funds are for administrative costs, including the retention of lobbyists. The reports reflected that some figures were put on the wrong line of the reports, but after a review of the report and discussions with RAD and respondents, it appears all funds were disclosed. The questionable amounts were from the sales of tee-shirts, sales at organization events, and membership dues. Respondents did not see an appropriate line to place receipts from that type of source, so they wrote it in on line 17 for other Federal receipts such as dividends or interest. The committee will work with the RAD analyst to ensure accurate amended reports are filed so the committee can be terminated.

Recommendation: We recommend that the Commission approve the negotiated settlement resolving ADR 047, and that we subsequently close the file on this matter.

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 047

Source: MLR 5172

Case Name: American Animal Husbandry Coalition
Political Action Committee and Sharon McFarlane, Treasurer

NEGOTIATED SETTLEMENT

This matter was initiated by a signed, sworn and notarized complaint filed by John P. Goodwin. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Federal Election Commission ("Commission") entered into negotiations with Sharon McFarlane, Treasurer, representing the American Animal Husbandry Coalition Political Action Committee and Sharon McFarlane, Treasurer ("respondents"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed all the issues raised in this matter. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. Complainant alleges that respondents solicited members, and sponsored or cosponsored activities to raise funds which were not reported and/or not reported accurately to the Commission. Complainant also alleges that respondents continued to raise funds for political activities after filing a notice of termination with the Commission.
4. The FECA defines a political committee as any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000, or which makes expenditures aggregating in excess of \$1,000 during a calendar year for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(4)(A). The term expenditure does not include the communication by a membership organization to its members, if such membership organization is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office. 2 U.S.C. § 431(9)(B). The FECA further requires that political committees file reports of receipts and disbursements with the Commission. 2 U.S.C. § 434(a).

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5. Respondents contend that they began reporting to the FEC when they thought they reached the threshold of reportable contributions and expenditures. They further assert that they continue to solicit funds, but those funds are membership dues and donations for administration of the organization. Respondents maintain that they made two contributions to federal campaigns in 2000 aggregating \$800, which they reported. They have not made any contributions to a federal election, nor do they intend to make any, since filing for termination. The stated primary purpose of the committee is to stop the further erosion of individual rights to use animals for domestic use, recreation and research. Respondents state that funds raised go to administrative costs, including the retention of lobbyists.
6. Respondents acknowledge that they wrote some of the figures for funds received on the wrong lines when filing reports with the Commission, and, in an effort to resolve the matter, agree to (a) work with Reports Analysis Division staff to amend reports as necessary to ensure they accurately reflect the activity of the committee; and, (b) take necessary steps to terminate the committee.
7. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance
8. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of the settlement within thirty (30) days from the effective date of this agreement.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 047 (MUR 5172) and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

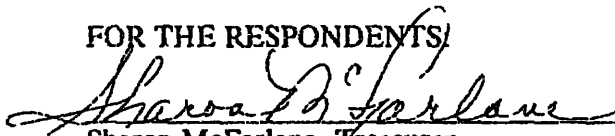
Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:

Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office

Date Signed

FOR THE RESPONDENTS:


Sharon McFarlane, Treasurer
American Animal Husbandry Coalition
Political Action Committee

8/28/01
Date Signed

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

SENSITIVE

DATE & TIME OF TRANSMITTAL: Wednesday, October 10, 2001 11:00

BALLOT DEADLINE: Monday, October 15, 2001 4:00

COMMISSIONER: MASON, McDONALD, SANDSTROM, SMITH, THOMAS, WOLD

SUBJECT: **Negotiated Settlement ADR 047 (MUR 5172). Memorandum from the ADR Director dated October 4, 2001.**

() I approve the recommendation(s)

() I object to the recommendation(s)

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

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