



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 048
Source: MUR 5174
Case Name: Lazio 2000, Inc. and
Anthony J. Picirillo, Treasurer

NEGOTIATED SETTLEMENT

This matter was initiated by a signed, sworn and notarized complaint filed by Dug Garrett. 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 Michael M. Moriarty, Esq. and Thomas Manisero, Esq., representing Lazio 2000, Inc. and Anthony J. Picirillo as Treasurer (collectively "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 the issues raised in this complaint. 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 failed to pay in full for services provided by Custom Air Services ("CAS") to respondents during the 2000 campaign. He further alleges that the 30 Day Post General Report filed by respondents contains inaccurate statements listing the debt owed to CAS as being in dispute in the "Balance on Close" column. In a supplement to the original complaint, complainant states that the Year End Report filed by respondents reflects a payment of \$85,000 to CAS, with an accompanied footnote noting that the payment "Represents a previously disputed debt. Both parties have agreed upon the revised

amount owed." Complainant asserts that entry is false, that no payment was made to CAS during the period covered by the report and that CAS never agreed to any revised amount of debt owed it by respondents.

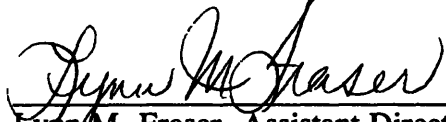
4. The FECA requires each treasurer of a political committee to file reports of receipts and disbursements in accordance with the schedule set out in the statute. 2 U.S.C. § 434(a). Treasurers are also required to report the amount and nature of outstanding debts and obligations owed by or to such political committee; and where such debts and obligations are settled for less than their reported amount or value, a statement as to the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefor. 2 U.S.C. § 434(b)(8), *see also* 11 C.F.R. § 104.3(d).
5. Debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. 11 C.F.R. § 104.11. Political committees must report disputed debts in accordance with 11 C.F.R. § 104.3(d) and § 104.11 if the creditor provided something of value to the committee. Until the dispute is resolved, the committee shall disclose on the appropriate reports the amounts paid to the creditor, any amount the political committee admits it owes and the amount the creditor claims is owed. 11 C.F.R. § 116.10.
6. Respondents acknowledge that CAS provided services to respondents during the 2000 campaign. Respondents paid \$97,938.40 on November 3, 2000 on the outstanding debt. Respondents claim that since some of the charges included in the invoice for \$276,390.50 from CAS were not supported by appropriate documentation and the invoices included inappropriate and inaccurate charges, the debt was reported as being in dispute as required by the FECA on the 30 Day Post General Report filed December 7, 2000. There was a bona fide disagreement as to the amount owed by respondents, and thus it was listed as disputed.
7. As to the allegations raised in the supplemental complaint, respondents contend that in an attempt to resolve the dispute with CAS, a discounted lump sum settlement was offered to complainant of approximately \$.50 on the dollar for \$171,000 upon execution of a full release and satisfaction. Respondents contend that \$171,000 was the remaining debt that was properly documented. Respondents prepared a check in the amount of \$85,000 for CAS in December 2000, however, a Temporary Restraining Order froze the committee's accounts, and until a hearing was held in early January 2001 no checks to creditors could be released. When the TRO was lifted, respondents delivered the \$85,000 check and received a release and revised invoice from CAS.

8. Following review of the complaint, respondents' reply, as well as the documents submitted and reports filed with the Commission, the ADR Office finds nothing to substantiate a violation of the FECA as alleged in the complaint that is the subject of this case. Accordingly, the Commission concurs by dismissing this matter.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 048 (MUR 5174), 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.

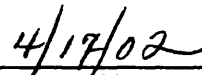
FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:

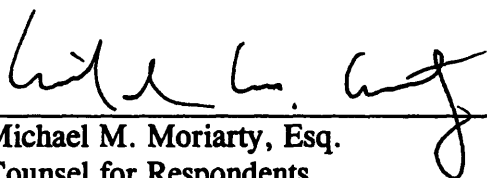


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office

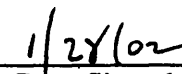


Date Signed

FOR THE RESPONDENTS:



Michael M. Moriarty, Esq.
Counsel for Respondents



Date Signed