



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 057
Source: AR 01-09
Case Name: Democratic Party of Illinois

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. 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 Commission entered into negotiations with Michael J. Kasper, Esq. and Dennis G. Kenny, CPA, representing the Democratic Party of Illinois ("respondent"). 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 respondent 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 respondent. 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. Respondent voluntarily enters into this agreement with the Commission.
3. An audit of respondent identified twenty-four (24) apparent corporate contributions, amounting to thirty eight thousand eight hundred dollars (\$38,800), received from twenty-two (22) entities verified as corporations. There was no documentation in the files to reflect the permissibility of these contributions. The FECA prohibits, in part, any corporation from making a contribution or expenditure in connection with any federal election, or in connection with any election at which a Representative or Senator in Congress is to be voted for, or in connection with any primary election held to select candidates for the foregoing offices, and for any candidate, political committee or other person to knowingly accept or receive any contribution prohibited by this section. 2 U.S.C. § 441b(a).

4. Respondent acknowledges that it could not demonstrate compliance with the FECA, because it did not possess the necessary documentation to reflect that each contribution was from permissible individual funds and not corporate funds. Rather than request that each contributor produce details of a firm's draw account and individual employees' W-2 statements, respondent produced documentation reflecting that all of the contributions at issue were refunded to the contributors, or disgorged to the U.S. Treasury.
5. Respondent, in an effort to resolve this matter, agrees to pay a civil penalty of one thousand five hundred dollars (\$1,500.00).
6. The parties agree that if respondent fails 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.
7. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondent shall comply with the terms of the settlement within thirty (30) days from the effective date of this agreement.
8. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 057 (AR 01-09), 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

12-28-01
Date Signed

FOR THE RESPONDENT:


Michael J. Kasper, Esq.
Treasurer, Democratic Party of Illinois

12-5-01
Date Signed