



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number ADR 107

Source RR 02-05

Case Name: Sean Mahoney for Congress

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following a review of the record and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA"), and to resolve this matter, the Commission entered into negotiations with Sean Mahoney on behalf of Sean Mahoney for Congress ("the Committee") and James McKay, assistant treasurer ("the 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 the Respondents have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance with the FECA on the part of the Respondent. The Commission's use of ADR procedures 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. The Respondents have voluntarily entered into this agreement with the Commission.
3. Respondents' July 2002 Quarterly Report disclosed a loan for \$200,000 from the candidate's personal funds. No due date or interest rate for the loan was provided. In August 2002, Respondents' 12 Day Pre-Primary Report disclosed another loan from the candidate's personal funds for \$130,000. The due date for that loan was missing from the aforementioned Report. Requests for Additional Information ("RFAI") were sent to the Committee requesting the missing information. The RFAs were followed with calls to the treasurer urging that the Committee amend their reports to the Commission and provide the missing loan information.
4. Each treasurer of a political committee is obliged to file reports of receipts and disbursements. Each report shall disclose the total amount of all receipts including, for an authorized committee, the loans made by or guaranteed by the candidate and all other loans. 2 U.S.C. §§ 434(a)(1) and 434(b)(2)(G) and (H). In addition, when a candidate or political committee obtains a loan from a lending institution, it shall disclose in the next due report, among other terms, the date and amount of the loan and the interest rate and repayment schedule of the loan. 11 C.F.R. § 104.3(d)(1)(i) and (ii).

5. Respondents, in an effort to resolve these matters and avoid similar errors in the future, agree to: 1) amend reports previously filed with the Commission to provide the missing information on the aforementioned two loans and to put in place procedures to avoid similar reporting errors; and 2) select an appropriate representative of the Committee to attend, within twelve (12) months of the effective date of this agreement, a FEC sponsored workshop on Federal election campaign laws and regulations.
6. The parties agree that if the 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.
6. This agreement will become effective on the date signed by all the parties and approved by the Commission. The Respondent shall comply with the terms specified in item one of paragraph five within thirty (30) days from the effective date of this agreement.
7. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 107/RR 02-05 and effectively resolves this matter. No other statement, promise or Agreement, either written or oral, made by either party, not included in herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silberman,
Director Alternative Dispute Resolution Office




Allan D. Silberman

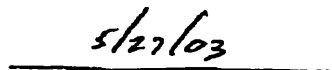


Date

FOR THE RESPONDENTS:



Sean Mahoney for Sean Mahoney
for Congress and James McKay,
Assistant Treasurer



Date