



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number. ADR 125

Source. PMUR 411

Case Name. Pappas Telecasting Co's PAC

NEGOTIATED SETTLEMENT

This matter was brought to the attention of the Federal Election Commission ("Commission") by a *sua sponte* submission by Pappas Telecasting Companies, Inc. PAC ("the Respondent" or "Committee"). 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 William B. Canfield III, Esq. representing the 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 the Respondent have addressed 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 of 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 Respondent has voluntarily entered into this agreement with the Commission.
3. On February 14, 2003, the Respondent, a newly organized separate segregated fund (SSF), advised the Commission that it had accepted and subsequently reported, on its 2002 year-end report, a corporate contribution from its connected organization. The \$5,000 contribution received by the Respondent, which had not achieved multicandidate status, was inadvertently drawn from the corporation's accounts rather than the personal funds of the companies' CEO. The same funds, deposited in Respondent's bank account, later were used to finance a \$5,000 contribution to another PAC, the Citizens for a Competitive America (CCA). The corporate contribution, which was the result of "an administrative misunderstanding" and mistakenly characterized as an excessive contribution, was subsequently refunded by CCA and later returned to the contributor, both at Respondent's request.
4. It is unlawful for political committees to knowingly accept or receive any contribution from any corporation, labor organization or national bank. 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2(d).
5. The treasurer shall be responsible for examining all contributions received for

evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limits. 11 C.F.R. § 103.3(b). If a treasurer in exercising his or her responsibilities determined that at the time a contribution was received and deposited, it did not appear to be made by a corporation, labor organization or made in the name of a another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered. 11 C.F.R. 103.3(b)(2).

6. Respondent's *sua sponte* submission notes the remedial action taken to refund the subject contribution -- forty-two days after receipt -- and the listing of these events in the 2002 year-end report. The latter report noted the contribution from corporate funds, the contribution to the CCA PAC and appended correspondence between Respondent, the contributor and the recipient PAC.
7. In order to conclude this matter and avoid similar errors in the future, the Respondent agrees to: 1) adopt and distribute to corporate officers and appropriate personnel a policy statement advising of the FECA's prohibition against corporations contributing to election campaigns and advising any officer or director of the corporation that they are prohibited from consenting to any contribution or expenditure by the corporation to an election campaign; and 2) select appropriate Committee representatives to attend, within twelve months of the effective date of this agreement, a FEC sponsored workshop for political committees.
8. This agreement will become effective on the date signed by all the parties and approved by the Commission.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 125/Pre-MUR 411 and effectively concludes 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 RESPONDENT



Peter C. Pappas, Esq.
Ass't. Treasurer of the Pappas
Telecasting Companies, Inc. PAC



Date

William B. Canfield, Esq.

Date