




FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

December 13, 2004

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman 
Director, ADR Office

SUBJ: Negotiated Settlement: **ADR 182**

Attached for your review is a signed negotiated ADR settlement agreement, **ADR 182** (MUR 5448), respondents Martinez for Senate, Charles W. Puckett, Treasurer and U S Cuba Democracy PAC, Gus Machado, Treasurer ("the Respondents"). This case file was assigned to the ADR office on August 20, 2004.

ADR 182: Complainant alleges that Respondents U.S. Cuba Democracy PAC and Gus Machado, Treasurer ("Respondent CDPAC"), made an in-kind contribution to Martinez for Senate, Charles W. Pluckett, Treasurer ("Respondent Martinez") when it sponsored a luncheon on December 22, 2003 at which candidate Martinez was a speaker. Complaint further alleges that the luncheon was held "in concert or cooperation with or at the request or suggestion" of candidate Martinez. The complaint also alleges that the payment of \$5,106.79 made by Respondent CDPAC to the hotel that hosted the luncheon was an in-kind excessive contribution given that Respondent CDPAC had earlier contributed \$2,000 to the Martinez committee. Respondent Martinez argues that the subject luncheon was an inaugural event for the US Cuba Democracy PAC designed to promote its agenda rather than a fund-raising event for Martinez or any other candidate. Respondent CDPAC contends that the alleged violation was due to an inadvertent mistake on it's April 15, 2004 Quarterly Report, which incorrectly identified the expenditure for the luncheon as an incurred debt and independent expenditure rather than as an operating expense. After being advised of the error, an amended report was filed on April 26, 2004, which correctly identified the debt as an operating expense.

Recommendation:

- 1) We recommend that the Commission approve the attached negotiated agreement **ADR 182** and subsequently close the file on this matter.
- 2) We recommend that the Commission dismiss the complaint against Martinez for Senate and Charles W. Pluckett, Treasurer