



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number ADR 194

Source PMUR 422

Case Name US Protect Corporation

NEGOTIATED SETTLEMENT

This matter was brought to the attention of the Federal Election Commission ("the Commission") on a *sua sponte* submission by USProtect Corporation (the "Respondents"). 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" or "Act"), and to resolve this matter, the Commission entered into negotiations with William H. Minor, Esq. on behalf of 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. On July 1, 2004, Counsel for Respondents advised the Commission that four of Respondents' senior executives had made a number of contributions to three congressional campaigns committees. The *sua sponte* submission reported that the contributions, seven in total, made while attending trade association sponsored fundraisers, were all reimbursed by the corporation, a small privately held company. Contributions of \$500 each were made to the campaign committees of Congressmen Tom Davis, Harold Rogers and Christopher Cox. Upon learning that the contributions, totaling \$3,500, represented violation of Federal campaign finance law, the four executives reimbursed the corporation. The Corporation, a provider of physical security services for Federal agencies and contractors, contends that they reimbursed their employees for the cost of the contributions plus travel and the deductions for federal and state taxes without knowledge of the FECA and the restrictions placed on contributions to Federal election campaigns.
4. It is unlawful for any corporation to make a contribution or expenditure in connection with any election at which a Senator or Representative in Congress is to be voted for or in connection with any primary election to select candidates for any of the foregoing offices or any officer or any director of any corporation to consent to any contribution or

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expenditure by the corporation. 2 U.S.C. § 441b(a), 11 C.F.R. §§ 114.2(b) and 114.2(e). No person shall make a contribution in the name of another person or knowingly permit his or her name to be used to effect such a contribution. 2 U.S.C. § 441f and 11 C.F.R. § 110.4.

5. It is unlawful for any person who enters into any contract with the United States or any department or agency thereof either for the rendition of personal services, etc., to make any contribution of money or other things of value, or to promise expressly or impliedly to make any such contributions to any political party, committee, or candidate for public office or to any person for any political purpose. 2 U.S.C. § 441c(a)(1) and 11 C.F.R. § 115.2(a).
6. Respondents advised that upon learning of the violations they took steps to remedy the situation, prevent a repetition and established internal procedures to ensure future compliance with the law. The latter step involved the promulgation and posting of a company policy prohibiting corporate contributions to federal election campaigns.
7. In order to resolve this matter and avoid similar problems in the future, Respondents agree to: 1) notify the three subject campaign committees that were recipients of the prohibited contributions that the contributions need to be disgorged and forwarded to the US Treasury; 2) identify a senior corporate employee to be responsible for ensuring compliance with the FECA; 3) select an appropriate representative to attend, within twelve months following the effective date of this agreement, a FEC seminar on Federal election campaign reporting responsibilities; 4) modify the company's policy prohibiting corporate contributions to election campaigns to encompass corporate officers and directors; and 5) pay a civil penalty of \$6,000.
8. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
9. The parties agree that if the Respondents fail 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 and/or forward any outstanding civil penalty to the US Treasury for collection.
10. This agreement will become effective on the date signed by all the parties and approved by the Commission. Respondents shall comply with the terms of settlement within thirty (30) days of the effective date of this agreement, except for item three (3) in paragraph seven (7) that shall be complied with within twelve months of the effective date of the agreement.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 194/PMUR 422 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.

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FOR THE COMMISSION:

Allan D. Silberman,
Director Alternative Dispute Resolution Office


Allan D. Silberman

Feb. 18, 2005
Date

FOR THE RESPONDENTS:


William H. Minor, Esq.
on behalf of USProtect Corporation

January 28, 2005
Date

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