



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

February 7, 2005

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

SUBJ: Negotiated Settlement: ADR 194

Attached for your review is a signed negotiated ADR settlement agreement, ADR 194 (PMUR 422), USProtect Corporation (the "Respondent"). This matter was opened on July 1, 2004 and assigned by the Commission to the ADR Office ("ADRO") on September 17, 2004.

ADR 194/PMUR 422: On a *sua sponte* submission, the Respondent advised that the Corporation reimbursed four of its employees for contributions made to three federal election campaigns. The submission reported that three senior level employees attended a fundraising event in January 2004 where they contributed \$500 each to the campaign committee of Tom Davis. In April 2004, two of the three previously mentioned employees plus an additional one attended another fundraiser and contributed \$500 each to the campaign committee for Hal Rogers. The following month one of the previously mentioned employees attended and contributed \$500 to the campaign committee of Christopher Cox. The Corporation, a federal government contractor, subsequently reimbursed each employee along with their cost of travel and deductions for federal and state taxes. Counsel for the Corporation contends that the reimbursements were made without recognition that the action represented a violation of law. Counsel further advised that the Corporation, as soon as the violation was brought to their attention, took immediate steps to remedy the situation including establishing procedures to ensure future compliance. In addition, Counsel advised that each of the employees repaid the reimbursements paid them.

ADR Director's Recommendation: Approve the attached negotiated agreement, ADR 194, and subsequently close the file on this matter.