



**Federal Election Commission  
Washington, DC 20463**

March 31, 2005

Jill Holtzman Vogel, Esq.  
Holtzman Vogel PLLC  
49 Culpeper Street  
Warrenton, VA 20186

Re: ADR 204  
Volunteer PAC and Dawn Perkerson, Treasurer

Dear Ms. Vogel:

Enclosed is the signed copy of the agreement resolving the Audit referral initiated on October 25, 2004 with the Federal Election Commission ("FEC/Commission") against Volunteer PAC and Dawn Perkerson, Treasurer ("Respondents"). The agreement for ADR 204 (AR 04-08) was approved by the Commission on March 24, 2005 – the effective date of the agreement.

Note that paragraph 12 of the agreement specifies that Respondents shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement. Please forward to this office, a statement confirming Respondents' compliance with the terms listed in paragraph 9 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 9.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

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assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

Lynn M. Fraser, Assistant Director  
Alternative Dispute Resolution Office  
202-694-1665

Enclosure: Agreement

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Federal Election Commission  
Washington, DC 20463

Case Number: ADR 204  
Source: AR 04-08  
Case Name: Volunteer PAC

### NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Federal Election Commission ("Commission") entered into negotiations with Jill Holtsman Vogel, Esq., representing the Volunteer PAC and Dawn Perkerson, Treasurer ("the Committee" or "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 Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") 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. Respondents voluntarily enter into this agreement with the Commission.
3. An audit of the financial documents for the Committee for the 2002 election cycle found that there was a failure to report earmarked contributions, over-funding of federal election activity from a non-federal account, and inadequate disclosure of contributions to federal candidates. In the first finding, the audit revealed that Respondents collected thirteen (13) groups of contributions totaling \$183,000 for twelve Republican Senate candidates and transferred these funds directly to the candidates. Respondents did not report the receipt of these funds or the transfer of these contributions. On the second finding, the audit of expenditures disclosed that the non-federal account had over-funded its share of allocable expenses by \$166,047. In the third finding, the audit revealed that the Committee failed to

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adequately disclose seventy-four (74) contributions totaling \$281,000 to federal candidates.

4. Contributions earmarked or otherwise directed through an intermediary or conduit to a Federal candidate, shall be treated as contributions from the contributor to the candidate. The intermediary or conduit shall report the original source and the intended recipient of such contributions to the Commission and to the intended recipient. 2 U.S.C. § 441a(a)(8), 11 C.F.R. § 110.6(c).
5. A committee that finances political activity in connection with both federal and non-federal elections must establish two accounts and allocate shared expenses – those that simultaneously support federal and non-federal activity – between the two accounts. Alternatively, the committee may conduct both federal and non-federal activity from one bank account, considered a federal account that may contain only those funds that are permissible under the federal election law. 11 C.F.R. §§ 102.5(a)(1)(i), 102.5(a)(3). Committees that allocate federal/non-federal expenses must report each disbursement it makes from its federal account to pay for a shared federal/non-federal expense on a Schedule H4. 11 C.F.R. § 104.10(b)(4).
6. Nonconnected committees must allocate all of their costs for generic voter drives that urge the public to register to vote, to vote, or to support candidates of a particular party or candidates associated with a particular issue without mentioning a specific candidate. 11 C.F.R. § 106.6(b)(2)(iii). In addition, nonconnected committees shall allocate administrative expenses and costs of generic voter drives based on the ratio of federal expenditures to total federal and non-federal expenditures. The federal and non-federal expenditures used in this calculation are limited to expenditures made in direct support of candidates. 11 C.F.R. § 106.6(c)(1).
7. When making contributions to federal candidates, a committee must report the amount, date of contribution, candidate name and address, office sought, and election designation. 2 U.S.C. § 434(b)(5)(A), 11 C.F.R. § 104.3(b)(3)(v).
8. Respondents acknowledge that a violation of the FECA occurred and on learning of the errors and need for additional information, complied with the recommendations of the Audit Division on all issues. Specifically, Respondents filed amended disclosure reports on which they included memo entries on Schedules A and B for the earmarked contributions and corrected the identified disclosure omissions on the contributions to federal candidates. In addition, Respondents provided evidence of the reimbursement of \$166,067 to the non-federal account, filed amended disclosure reports to reflect that reimbursement, and then distributed those funds to non-federal entities. The Committee then closed the non-federal account, and, in the future, the Committee will only accept contributions that qualify under the FECA. Respondents set up a new postal box

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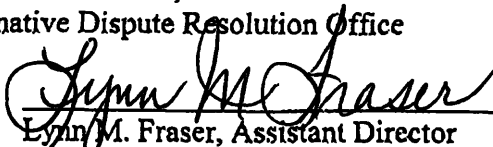
used only for communications from the Commission to ensure timely receipt. Respondents also contracted with a campaign finance consultant to assist with compliance with the FECA.

- 9. Respondents, in an effort to avoid similar errors in the future, agree to: (a) send the treasurer and the campaign consultant to an FEC seminar within fifteen (15) months of the effective date of this agreement; (b) develop a compliance manual for committee staff; and (c) pay a civil penalty of \$10,000.
- 10. Respondents confirm 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.
- 11. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
- 12. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms (b) and (c) of paragraph 9 above within thirty (30) days from the effective date of this agreement. Respondents shall comply with the term (a) of paragraph 9 above within fifteen (15) months from the effective date of this agreement.
- 13. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 204 (AR 04-08), 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.

FOR THE COMMISSION:


Allan D. Silberman, Director  
Alternative Dispute Resolution Office

By:

  
 \_\_\_\_\_  
 Lynn M. Fraser, Assistant Director  
 Alternative Dispute Resolution Office

03-24-05  
 Date Signed

FOR THE RESPONDENTS:

  
 \_\_\_\_\_  
 Jill Holtzman Vogel, Esq.  
 Counsel for Volunteer PAC and Dawn Perkerson, Treasurer

3-14-05  
 Date Signed