



**Federal Election Commission
Washington, DC 20463**

September 19, 2005

Lawrence J. Tabas, Esq.
Obermayer Rebmann Maxwell & Hippel LLP
One Penn Center 19th Floor
1617 John F. Kennedy Boulevard
Philadelphia, PA 19103-1895

**Re: ADR 223, ADR 256, AF 1130, AF 1325, AF 1386
National Italian American PAC and Anthony N. Mallace, Treasurer**

Dear Mr. Tabas:

Enclosed is the signed copy of the agreement resolving the referrals initiated on December 21, 2004, May 13, 2005, June 15, 2004, April 4, 2005 and April 28, 2005 respectively at the Federal Election Commission ("FEC/Commission") against the National Italian American PAC and Anthony N. Mallace, Treasurer ("Respondents"). The agreement for ADR 223 (RR 04L-20), ADR 256 (AR 05-01), AF 1130, AF 1325 and AF 1386 was approved by the Commission on September 15, 2005 – the effective date of the agreement.

Note that paragraph 10 of the agreement specifies that Respondents shall comply with the term (a) of this settlement within 30 days, term (b) of this settlement within 12 months, term (c) of this settlement within 90 days, and term (d) of this settlement within 60 days of the effective date of the agreement. Please forward to this office, a statement confirming Respondents' compliance with the terms listed in paragraph 7 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 7.

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 referrals, 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.

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This agreement resolves the matters that were 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 assistance in effectively resolving these matters and bringing these cases to a mutually acceptable conclusion.

Sincerely,

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

Enclosure: Agreement (resolving ADR 223, ADR 256, AF 1130, AF 1325, AF 1386)



**Federal Election Commission
Washington, DC 20463**

Case Number. ADR 223
Source RR 04L-20
Case Number 256
Source: AR 05-01
AF 1130
AF 1325
AF 1386

Case Name National Italian American PAC

NEGOTIATED SETTLEMENT

These matters were initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of these matters, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve these matters, the Commission entered into negotiations with Lawrence J. Tabas, Esq. representing the National Italian American PAC (the "Committee") and Anthony N. Mallace, the Committee's Treasurer (collectively "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 these consolidated referrals. The parties agree to resolve these matters 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. The Reports Analysis Division ("RAD") referred Respondents (ADR 223) for failing to provide a purpose, or adequate purpose, and/or complete address on thirty-two (32) disbursements. Of those expenditures, Respondents failed to properly itemize twenty-eight (28) disbursements. The Audit Division ("Audit") referred Respondents (ADR 256) when an audit of 2001-2002 financial records identified two individuals who's aggregate contributions, including loans, exceeded the contribution limits by \$15,350. In addition to these two referrals, the Office of Administrative Review ("OAR") referred three Administrative Fines matters for failing to file the 2004 April Quarterly Report (AF

1130), the 2004 30 Day Post General Report (AF 1325), and the 2004 Year End Report (AF 1386).

4. Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of the FECA. All political committees other than authorized committees of a candidate shall file quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter: except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year; a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election; a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year. 2 U.S.C. § 434(a)(4), 11 C.F.R. §§ 104.1-104.5
5. No person shall make contributions to any political committee, excluding authorized candidate committees and political party committees, that exceed, in the aggregate, \$5,000 in any calendar year. 2 U.S.C. § 441a(a)(1)(C), 11 C.F.R. § 110.1(d). No political committee shall knowingly accept any contribution prohibited by the FECA. 2 U.S.C. § 441a(f), 11 C.F.R. § 110.9. The term contribution includes any loans, guarantees, endorsements, and any other form of security. The term contribution excludes a bank loan. A loan that exceeds the contribution limitations shall be unlawful whether or not it is repaid. A loan is a contribution at the time it is made and is a contribution to the extent that it remains unpaid. 11 C.F.R. § 100.7(a)(1)(i)(A)-(B). (January 1, 2002 edition)
6. Respondents acknowledge that inadvertent violations of the FECA occurred due to the inexperience of a volunteer staff. On learning of the reporting violations and prohibited contributions/loans, the Committee initiated actions to correct the errors and pay the loans and refund the excessive contributions. Respondents contend, and the Audit staff confirms, furthermore, that the Committee fully cooperated with the Commission during the audit process, and disclosed all documents requested and answered all questions.
7. Respondents, in an effort to avoid similar errors in the future, agree to: (a) employ an election law compliance officer within thirty (30) days of the effective date of this agreement; (b) send the Treasurer and compliance officer to a FEC seminar appropriate for PACs within twelve (12) months of the effective date of this agreement; (c) work with a RAD analyst to ensure that all required reports are filed within ninety (90) days of the effective date of this agreement; and (d) pay a civil penalty. The Commission determined that an appropriate civil penalty to resolve these five matters is \$35,000. Respondents agree that this civil penalty is appropriate to resolve these matters. However, due to the

terms and conditions Respondents consent to, the Commission agrees to depart substantially from the civil penalty that the Commission determines is justified to resolve these matters. Respondents will pay \$10,000 of the civil penalty within sixty (60) days of the effective date of this agreement. In the event that the terms of this agreement are violated, or the Respondents fail to comply with the requirements of the FECA, including the implementing regulations, during the twenty-four (24) months following the effective date of this agreement, the unpaid balance of the civil penalty of \$35,000 shall be due immediately to the Commission.

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 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.
10. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms outlined in paragraph 7 above within the time frames indicated; i.e., term (a) within thirty (30) days; term (b) within twelve (12) months; term (c) within ninety (90) days; and term (d) within sixty (60) days of the effective date of this agreement.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 223 (RR 04L-20), ADR 256 (AR 05-01), AF 1130, AF 1325 and AF 1386, and effectively resolves these five matters. 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



Date Signed

FOR THE RESPONDENTS:

By:



Anthony Mallace, Treasurer
National Italian American PAC
and Anthony Mallace, Treasurer



Date Signed