



FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, DC 20463

January 19, 2006

Mr. Larry Light
Vice President Legislative & Political Affairs
Pennsylvania Medical Society PAC
777 East Park Drive
P.O. Box 8820
Harrisburg, PA 17105

Re: ADR 294/RR 05L-46

Dear Mr. Light:

Enclosed is the signed copy of the agreement between the Federal Election Commission and the Pennsylvania Medical Society PAC Federal and you, as Treasurer, resolving the matter that was arose from a referral from the FEC's Reports Analysis Division relating to the Committee's financial records. The agreement, ADR 294/RR 05L-46, was approved by the Federal Election Commission on January 17, 2006 -- the effective date of the agreement.

As you are aware, the settlement agreement will be made part of the record that is released to the public. In addition, as of January 1, 2004, the Commission also will place on the record copies of correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared by this office to assist the Commission 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 effectively resolves the issues raised in the aforementioned referral relating to the Committee's records.

I appreciate your assistance in resolving this matter and helping to bring this case to a mutually satisfactory conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read "Allan D. Silberman", with a long horizontal flourish extending to the right.

Allan D. Silberman,
Director, ADR Office

Enclosure: a/s

26190264126



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number: ADR 294

Source: RR 05L-46

Case Name: Pennsylvania Medical Society
PAC Federal

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. 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 Larry Light on behalf of the Pennsylvania Medical Society PAC Federal and Larry Light, Treasurer (the "Respondents" or the "Committee"). 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 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 Respondents. 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. The Reports Analysis Division ("RAD") determined that Respondents failed to disclose all the Committee's financial activity on its 2003 Year-End Report. Specifically, RAD concluded that Respondents disclosed additional receipts totaling \$197,650.76, representing an 809% increase in financial activity and \$173,304.68 in additional disbursements, representing a 69,322% increase over the amounts listed on the Committee's original 2003 Year End of Report. The latter report, covering the period from July 1, 2003 through December 31, 2003, disclosed \$625.00 for Itemized Contributions from Individuals/Persons Other than Political Committees, \$9,398.50 for Unitemized Contributions from Individuals/Persons Other than Political Committees, \$24,436.37 for Total Federal Receipts, \$0.00 for Transfers to Affiliated Committees and \$0.00 for Other Disbursements. An amended 2003 Year End Report filed on October 14, 2004, disclosed \$95,128.76 for Itemized Contributions from Individuals/Persons Other Than Political Committees, \$112,545.50 for Unitemized Contributions from Individuals/Persons Other Than Committees, \$222,087.13 for Total Federal Receipts, \$50,050.00 to Affiliated Committees and \$123,504.68 for Other Disbursements.

26190264127

4. Treasurers of political committees are required to file reports of receipts and disbursements in accordance with the provisions of the Act and regulations. Each report shall disclose for the reporting period and the calendar year the total amount of all receipts, *inter alia*, contributions from persons other than political committees. Each report also shall disclose the total sum of all contributions to political committees. 2 U.S.C. §§ 434(b)(2) and (7) and 11 C.F.R. § 104.3(a). Each report shall also list, for the reporting period and the calendar year, the total amount of all disbursements, transfers to affiliated committees, contributions made to other political committees and any other disbursements. 2 U.S.C. § 434(b)(4) and 11 C.F.R. § 104.3(b).
5. Respondents acknowledge inadvertent errors in disclosing the Committee's financial activity on the 2003 Year-End Report filed with the Commission. Respondents note that the errors occurred during the transfer of data to FECfile. Respondents explained that the initial problems encountered converting to electronic reporting have been addressed with the adoption of new internal reporting procedures and splitting the Committee's operation into two separate political action committees – one for federal activity and the other for state.
6. Respondents advised that receipt of a Request For Additional Information (RFAI) from the Commission dated November 12, 2004 alerted them to fact that the data contained in earlier reports was incorrect and that the program for importing data was not performing correctly. Thereafter, the Committee filed an amended report to disclose additional receipts and disbursements. In order to avoid a repetition of similar errors in the future, Respondents agree to: 1) establish new procedures to provide for regular and continuous over-sight and review all financial reports prior to submitting them to the Commission; 2) establish and maintain a procedure manual to guide Committee staff in complying with the requirements of the FECA and Commission regulations; 3) select at least two members of the Committee's staff to attend a FEC seminar of Federal Election campaign reporting responsibilities; and 4) pay a civil penalty of \$9,000.
7. 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.
8. 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.
9. This agreement will become effective on the date signed by the parties and approved by the Commission. Respondents shall comply with the terms of this settlement within thirty (30) days from the effective date of this agreement, except for item two (2) in paragraph six (6) above within ninety (90) days from the effective date of the agreement and for item three (3) within twelve (12) months of the effective date of the agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 294/RR 05L-46 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.

26190264128

FOR THE COMMISSION:

Allan D. Silberman,
Director Alternative Dispute Resolution Office


Allan D. Silberman

January 19, 2006
Date

FOR THE RESPONDENTS:


Larry L. Light, Treasurer
Pennsylvania Medical Society PAC Federal

1/19/06
Date

26190264129