



THE FEDERAL ELECTION COMMISSION  
Washington, DC 20463

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**SENSITIVE**

MEMORANDUM

June 21, 2007

TO: The Commission

THROUGH: Patrina M. Clark *PMC*  
Staff Director

FROM: John D. Gibson *JDG*  
Acting Chief Compliance Officer

Deborah Ruth Kant *DRK*  
Director, ADR Office

SUBJECT: ADR 381 Mazak Corporation, William King, and Brian Papke  
President, Recommendation to Approve Settlement Agreement and Dismiss  
Respondent King

**RESOLUTION TERMS:** Issue corporate policy on political activity and contributions; annual audit for contributions and special compensation; provide training on permissible and prohibited contributions for corporate officials; and pay a civil penalty of \$350 (amount in dispute -- \$2500).

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 381 (P-MUR 447)**. This case was received by the ADR Office on March 3, 2007, and was assigned to the ADR Office on April 27, 2007.

**SUMMARY:** Two of the three Respondents, Mazak Corporation, and its President, Brian Papke, filed this *sua sponte* submission, stating that they violated the FECA's ban on corporate contributions and contributions made in the name of another. Specifically, Respondents allege that Brian Papke made seven contributions in 2001 and 2002 to various candidate committees and one political action committee. According to Respondents, Respondent Papke's employer, Mazak, reimbursed Papke for \$2500 via a one-time special incentive check issued in September of 2002 in recognition of Papke's political and non-

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political activities. Respondents contend that this check was authorized by Respondent William King, the former controller of the company. Respondents Mazak and Papke explained that they reviewed the contributions during the 2001-2002 election cycle and these contributions totaled \$3500.<sup>1</sup> These Respondents state that they discovered this improper reimbursement during an internal review of King and thereafter hired outside consultants to conduct a more comprehensive review of compensation and expense reimbursement to Mazak's executives. Respondent Papke states that he was not aware that the law forbids corporate contributions. Once he became aware, Respondent Papke further states, he reimbursed Mazak for the \$2500. The third Respondent, William King, did not file a response.

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of Mazak Corporation, and Brian Papke, President.
2. Dismiss the matter as to William King.
3. Approve the appropriate letters.
4. Close the file on this matter.

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