



Federal Election Commission  
Washington, DC 20463

October 12, 2007

Scott Mackenzie  
Mackenzie & Company  
1155 15<sup>th</sup> Street, NW Suite 614  
Washington, DC 20005

Re: ADR # 388  
Americans Against Illegal Immigration PAC and John W. Leuthold, Treasurer

Dear Mr. Mackenzie:

Enclosed is the signed copy of the agreement resolving the referral initiated on April 25, 2007 with the Federal Election Commission ("FEC/Commission") against Americans Against Illegal Immigration PAC and John W. Leuthold, Treasurer ("Respondents"). The agreement for ADR 388 (RAD 07L-13) was approved by the Commission on October 10, 2007 – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 5 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 5 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 5 and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The first payment of \$5,000 is due on November 9, 2007 and the second payment of \$5,000 is due by March 9, 2008. Please put the ADR case number on the civil penalty checks as well, to ensure crediting to the correct case.**

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 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.

Federal Election Commission – Alternative Dispute Resolution Office  
999 E Street, N.W., Washington, D.C 20463  
Telephone 202.694 1670 -Fax: 202 219.0613

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

Sincerely,



Deborah Ruth Kant, Director  
Alternative Dispute Resolution Office  
202-694-1661

Enclosure: Agreement

cc: Angela Dillard, Finance and Accounting Office  
Room 819

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Federal Election Commission  
Washington, DC 20463

Case Number: ADR 388  
Source: RAD 07L-13  
Case Name: Americans  
Against Illegal Discrimination PAC

### NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election 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 Commission entered into negotiations with Scott B. MacKenzie, representing the Americans Against Illegal Immigration PAC, and John W. Leuthold, 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 this submission. 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 guided by "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. Respondents ("the Committee") Respondents filed an amended 2005 Year-end Report on October 12, 2006, disclosing additional receipts totaling \$83,571.85, additional disbursements totaling \$75,764.62, and additional debts totaling \$98,715.26. In an electronic submission responding to a RFAI, the Committee contended that it had difficulty in using the reporting software, and that it lacked familiarity with some aspects of accounting. The Committee explained that it corrected the reporting problem by hiring a professional familiar with filing FEC reports.
4. Treasurers of political committees are required to report all financial activity, including all receipts, disbursements, and debts pursuant to the FECA. 2 U.S.C. § 434(b)(4), (8), 11 C.F.R. §§ 104.3(b)(1)(i)(A), (B), 104.3(d).
5. Respondents, in an effort to avoid similar errors in the future, agree to: (a) hire a reporting specialist; (b) conduct quarterly internal audits for the next two years,

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starting October 15, 2007; (c) certify to the Commission that these audit procedures were completed and verified that financial activity disclosed on reports filed with the Commission are correct and accurate. These certifications shall be submitted annually for the next two years, on February 10, 2008 and February 10, 2009. Respondents further agree to (d) pay a civil penalty of \$10,000. Respondents shall comply with term (a) within thirty (30) days from the date of this agreement; comply with terms (b) and (c) as specified above; and pay the civil penalty in two \$5,000 installments, the first payment due within thirty days from the date of this agreement and the second payment within five months from the first payment.

6. 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.
7. 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.
8. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms within the time frames set forth in paragraph 5.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 388 (RAD 07L-13), and effectively resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

By: Deborah Ruth Kant  
Deborah Ruth Kant, Director  
Alternative Dispute Resolution Office

10/9/07  
Date Signed

FOR THE RESPONDENTS:

Scott MacKenzie  
Scott MacKenzie,  
Representing Americans Against Illegal  
Discrimination, PAC and John Leuthold, Treasurer

9/20/2007  
Date Signed

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