



THE FEDERAL ELECTION COMMISSION
Washington, DC 20463

SECRET

2007 AUG 15 P 1:54

MEMORANDUM

August 15, 2007

TO: The Commission

THROUGH: Patrina M. Clark *PMC*
Staff Director

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

Deborah Ruth Kantor *DRK*
Director, ADR Office

BY: Lynn M. Fraser *LMF*
Assistant Director, ADR Office

SENSITIVE

SUBJECT: ADR 367 and ADR 400 Stop Union Political Abuse and Linda Chavez,
Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Complete an internal audit from January 1, 2006-present,
develop a compliance manual and pay a civil penalty of
\$5,000 (amount in dispute \$72,485 in independent
expenditures and \$68,500 in increased activity)

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 367 (RAD 06L-32)** and **ADR 400 (RR 07L-16)**. ADR 367 was received on November 27, 2006, and was assigned to the ADR Office on February 16, 2007. ADR 400 was received on May 22, 2007, and was assigned to the ADR Office on June 20, 2007.

SUMMARY: In ADR 367 RAD referred Stop Union Political Abuse and Linda Chavez, Treasurer ("Respondents" or the "Committee") for failing to timely file three (3) 48-Hour Notices. The Notices should have been filed for eight (8) independent expenditures totaling \$39,117.37 made between January 1st and the 20th day before the 2006 Senate Primary Election held in the State of New York on September 12, 2006.

Recommendation to Approve
Settlement Agreement
ADR 367 (RAD 06L-32)
ADR 400 (RR 07L-16)
Page 1

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In ADR 400, RAD referred Respondents for failing to timely file two (2) 48-Hour Notices totaling \$33,368.14 to support five (5) independent expenditures made between January 1st and the 20th day before the 2006 Primary Election in the State of New York on September 12, 2006. RAD also referred Respondents for failing to disclose a complete report of the Committee's receipts on its 2004 30 Day Post-General Report. Respondents filed their original 2004 30 Day Post-General Report on December 2, 2005. Respondents filed an amended 2004 30 Day Post-General Report on November 6, 2006 that disclosed additional receipts of \$68,550.23.

Respondents contend that misunderstanding of what constitutes an independent expenditure, as well as miscommunications between Committee staff and the vendor preparing the reports, led to many of the errors or omissions.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Stop Union Political Abuse and Linda Chavez, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.