



FEDERAL ELECTION COMMISSION  
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2008 MAR 14 P 12: 08

**SENSITIVE**

**MEMORANDUM**

March 14, 2008

TO: The Commission

THROUGH: Patrina M. Clark *pmc*  
Staff Director

FROM: John D. Gibson *JDG*  
Chief Compliance Officer  
  
Deborah Ruth Kant *DRK*  
Director, ADR Office

SUBJECT: ADR 424 Lewis for Congress Committee and Dr. Robert Percy, Treasurer,  
Recommendation to Approve Settlement Agreement

**RESOLUTION TERMS:** Issue a new compliance manual; attend FEC training; and civil penalty of \$8,000 (amount in dispute \$276,614.66)

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 424 (RR 07L-39). This case was received by the ADR Office on October 17, 2007, and was assigned to the ADR Office on November 7, 2007.

**SUMMARY:** Treasurers of political committees are required to report all financial activity, including all receipts. 2 U.S.C. §§ 434(a) 434(b)(2), 11 C.F.R. § 104.3(a). In this case, Respondents (or "the Committee") failed to disclose In this case, Respondents (or "the Committee") failed to disclose \$276,614.66 in additional receipts on its 2006 30 Day Post-General Report (a 191% increase in financial activity). The Committee filed the original report on December 7, 2007, and filed the amended report disclosing the increase in activity on April 15, 2007. Respondents explained that increase resulted from capital gains on a sale of stock during the reporting period. According to the Committee, a transfer of funds to the National Republican Congressional Committee of \$335,000 triggered the sale. The Committee further explained that it did not learn of the amount of the capital gain until 2007 when the Committee received a 1099B tax form reflecting this gain.

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**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of Lewis for Congress Committee and Dr. Robert Percy, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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