



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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MEMORANDUM

SENSITIVE

March 9, 2009

TO: The Commission

THROUGH: Joseph F. Stoltz *JFS*
Acting Staff Director

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

Lynn M. Fraser *LMF*
Acting Director, ADR Office

SUBJECT: ADR 473 Allegheny Energy Inc. Federal Political Action Committee and Mike Kriner, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Send a representative to a FEC seminar; develop and maintain a process to respond to RFAs; develop and maintain a compliance manual; and appoint a compliance specialist.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 473 (RAD 08L-35)**. This case was received by the ADR Office on November 13, 2008, and was activated by the ADR Office on November 25, 2008.

SUMMARY: The Reports Analysis Division referred the Allegheny Energy Inc. Federal Political Action Committee and Mike Kriner, Treasurer (Respondents or the Committee) for cumulative errors during the 2006 election cycle. The errors involved mathematical discrepancies, late filed reports, and impermissible contributions. The Committee, in response to Commission inquiries, explained they paid civil penalties for the late filed reports, and filed amended reports which corrected what appeared to be impermissible contributions. The contributions in question were incorrectly reported and, were, in fact, permissible. In addition, the Committee implemented new financial procedures to ensure compliance.

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RECOMMENDATIONS:

1. Approve the attached settlement agreement of Allegheny Energy Inc. Federal Political Action Committee and Mike Kriner, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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