



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2009 FEB 24 A 9:56

SENSITIVE

MEMORANDUM

February 12, 2009

TO: The Commission

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

FROM: John D. Gibson *JG*,
Chief Compliance Officer

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

SUBJECT: ADR 480 Sumter Electric Corporation, Inc. and James P. Duncan,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Develop and follow written solicitation procedures and policies; review the employment status to determine eligibility; and send written notification to employee contributors on an annual basis reminding them of the eligibility requirements.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 480 (MUR 5931). This case was activated by the ADR Office on December 15, 2008.

SUMMARY: Complainant, the International Brotherhood of Electrical Workers, Local 108, alleges that Respondents violated the FECA by improperly soliciting employees to make contributions to the Action Committee for Rural Electrification (ACRE), a separate segregated fund established for certain employees. Specifically, the complaint alleges that certain written communications distributed by Respondents' management and ACRE constituted improper solicitations because they failed to inform employees of the political purpose of the ACRE, that all contributions to the

fund are voluntary, and that employees have a right to refuse to contribute without reprisal. In addition, the complaint alleges that managers held one-on-one meetings with employees who had withdrawn support of ACRE, and that those meetings were inherently coercive.

Respondents contend, after reviewing the solicitation procedures and internal records, that they may have unwittingly solicited non-member employees' contributions to ACRE from employees who were not executive or administrative personnel. Moreover, Respondents acknowledge some employee solicitations may not have contained the complete disclaimer language required by the FECA.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Sumter Electric Corporation, Inc. and James P. Duncan.
2. Approve the appropriate letters.
3. Close the file on this matter.