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1776 K STREET NW  
WASHINGTON, DC 20006  
PHONE 202.719.7000  
FAX 202.719.7049

7925 JONES BRANCH DRIVE  
MCLEAN, VA 22102  
PHONE 703.905.2800  
FAX 703.905.2820

[www.wileyrein.com](http://www.wileyrein.com)

April 7, 2009

Jan Witold Baran  
202.719.7330  
[jbaran@wileyrein.com](mailto:jbaran@wileyrein.com)

**BY HAND DELIVERY**

Ms. Lynn M. Fraser  
Acting Director  
Alternative Dispute Resolution Office  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: ADR 480 (MUR 5931)

Dear Ms. Fraser:

Per the terms of the Negotiated Settlement, Respondent Sumter Electric Cooperative has prepared the attached statement confirming compliance with the items identified in Paragraph 9 of the agreement.

We have appreciated the opportunity to work with you to resolve this matter. It is our understanding that the attached statement concludes Respondents' obligations in connection with ADR 480 (MUR 5931). If you would please confirm that fact, we will pass that information along to our clients. My e-mail address is [jbaran@wileyrein.com](mailto:jbaran@wileyrein.com).

Sincerely,

✓Jan Witold Baran



Sumter  
Electric  
Cooperative,  
Inc.

April 2, 2009

Lynn M. Fraser, Acting Director  
Federal Election Commission  
Alternative Dispute Resolution Office  
999 E. Street, N.W.  
Washington, D.C. 20463

Re: Sumter Electric Cooperative and James P. Duncan  
Case Number – ADR 480 (MUR 5931)

Dear Ms. Fraser,

In response to the Federal Election Commission's request, this statement is being submitted, confirming SECO's compliance with each of the representations in paragraph 9 of the "Negotiated Settlement" entered into on March 11, 2009 in the above referenced case.

*With respect to the aforementioned paragraph 9, item (a): "develop and follow written solicitation procedures and policies in compliance with the FECA":*

- a. SECO currently follows the guidelines for solicitation outlined in the ACRE "Power of Alliance" pamphlet, which follows the FECA guidelines, and has done so since November 2007. This includes limiting the scope of any solicitations to members of SECO's restricted class.
- b. SECO's solicitation form for membership as a contributing member of ACRE clearly states the required verbiage on the form – to include the following: the decision to contribute to ACRE is voluntary and any contributions will be used for political purposes; it is the employee's responsibility to notify payroll to cease ACRE payroll contributions if they move to a non-member address or if they change to a non-exempt employment status; and that employees have the right to refuse to join ACRE and that NRECA will not favor or disadvantage anyone based on their decision to not join. Contributions to ACRE are not tax deductible.

*With respect to the aforementioned paragraph 9, item (b): "review the employment status and, where necessary, the address of new SECO employees to determine whether they are eligible to be solicited":*

In November 2007 SECO updated all ineligible employees with written notification and those same ineligible employees' payroll deductions for ACRE contributions were discontinued.

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The power of members. © 2007 Touchstone Energy Cooperatives, Inc.

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PO Box 301 330 South US Highway 301 Sumterville, FL 33585-0301 (352) 793-3801	50 West Ardice Avenue Eustis, FL 32726-6243 (352) 357-5600	850 North Howey Road Groveland, FL 34736-2234 (352) 429-2195	610 US Highway 41 South Inverness, FL 34450-6030 (352) 726-3944	4872 SW 60th Avenue Ocala, FL 34474-3116 (352) 237-4107
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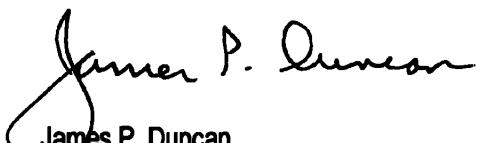
Since November 2007 - SECO has maintained a database of employees who are eligible to join ACRE.

- a. All of SECO's executive and administrative personnel, as defined in the FEC's regulations, are eligible to sign up for ACRE, so those names automatically go into the database.
- b. As for employees who do not qualify as executive and administrative personnel (e.g., non-exempt employees) – in 2007 these employees' home addresses were checked as a baseline to see if they were served by Sumter Electric Co-op. If so, they were added to the eligible list. When there was any uncertainty, the employee was contacted and asked if they resided at an address served by an electric cooperative.
- c. Maintenance of this database is ongoing. When an employee notifies SECO of an address change we do additional research to determine eligibility status. When new employees come on board, if they are eligible due to their status as executive and administrative personnel, their names go on the list. For those that are not eligible, home addresses are checked to make a determination of eligibility.
- d. We are continually updating this list of who is eligible to join ACRE and who is not. As employees change home addresses or take other positions in the co-op, their eligibility may be affected. This makes the eligible list of employees a moving target that often changes on a daily basis, however, every effort is made to insure that the list is as accurate as possible. These efforts include the annual notification discussed in the next section.

*With respect to the aforementioned paragraph 9, item (c): "send written notification to current employees/ACRE contributors on an annual basis reminding them of the eligibility requirements and the employee's responsibility to notify SECO of any changes in their eligibility":*

- a. Since November 2007, after the initial corrections were made, SECO determined that once a year a letter shall be sent to all current employees/ACRE contributors in which SECO clearly outlines the eligibility requirements for contributing and the employee's obligation to inform SECO of any changes in their eligibility. The last letter was sent out in November 2008, and it is SECO's intent that this same type of notification will be continued on a yearly basis.

If there is anything additional that you require, please call upon me at any time.



James P. Duncan

Chief Executive Officer and General Manager

Sumter Electric Cooperative, Inc.