



Federal Election Commission
Washington, DC 20463

November 16, 2009

Lawrence Noble
Skadden, Arps, Slate, Meager & Flom LLP
1440 New York Ave., NW
Washington, DC 20005

Re: ADR 511 (P-MUR 483)
Christopher Shays for Congress Committee and Christopher Shays, Treasurer

Dear Mr. Noble:

Enclosed is the signed copy of the agreement resolving the *sua sponte* submission January 21, 2009 with the Federal Election Commission by Christopher Shays for Congress Committee and Christopher Shays, Treasurer ("Respondents"). The agreement for ADR 511 (P-MUR 483) was approved by the Commission on November 13, 2009 – the effective date of the agreement.

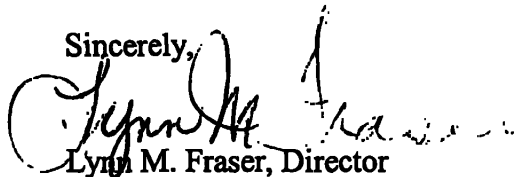
Note the specific time frames for compliance in paragraph 5 of the agreement. **Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 5, and contain the ADR caption and case number.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

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This agreement resolves the matter that was referred by the Commission pursuant to information in the *sua sponte* submission. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Lynn M. Fraser, Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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Federal Election Commission
Washington, DC 20463

Case Number: ADR 511
Source: Pre-MUR 483
Case Name: Christopher Shays
for Congress Committee

NEGOTIATED SETTLEMENT

This matter was initiated by *sua sponte* submission filed by the Christopher Shays for Congress Committee. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Federal Election Commission (Commission) entered into negotiations with Lawrence M. Noble, Esq., representing the Christopher Shays for Congress Committee and Christopher Shays, in his official capacity as Treasurer (the Committee or Respondents). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Committee addressed the issues raised in this submission. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of the Committee. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. The Committee voluntarily enters into this agreement with the Commission.
3. The Committee filed a *sua sponte* submission alleging that a former Committee official apparently misappropriated Committee funds and caused inaccurate reports to be filed with the Commission. The Committee also alleges that while the exact amount of funds misappropriated remains unknown at this time, it appears to be in excess of \$200,000.
4. The Committee contends that its internal controls were substantially consistent with the "safe harbor" provisions provided for in the Commission's *Statement of Policy; Safe Harbor for Misreporting Due to Embezzlement*. In addition, the Committee contends that after discovering the embezzlement, it immediately notified the relevant law enforcement agencies of the misappropriation, and, after notifying the Commission, began filing amended reports for the period beginning January 1, 2007. In conclusion, Respondents contend that, with the exception of the period to date summary information as of January 1, 2007, which cannot be verified, the amended reports correct the reporting errors they discovered that were due to the misappropriation.

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5. Respondents, in an effort to resolve this matter, agree to work with Commission to terminate the Committee's reporting obligation within ninety (90) days of the effective date of this agreement.
6. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge, and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
7. The parties agree that if the Committee fails to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
8. This agreement shall become effective on the date signed by all parties and approved by the Commission. The Committee shall comply with the terms of this agreement as set out in paragraph 6 above.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 511 (Pre-MUR 483), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Lynn M. Fraser, Acting Director
Alternative Dispute Resolution Office



11/13/09
Date Signed

FOR THE COMMITTEE:

Lawrence M. Noble, Esq.
Representing the Christopher Shays For Congress
Committee and Christopher Shays, Treasurer



10/29/09
Date Signed

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