



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

2010 MAY 21 P 2: 00

**SENSITIVE**

**MEMORANDUM**

May 21, 2010

TO: The Commission

THROUGH: Alec Palmer *AP*  
Acting Staff Director

FROM: Patricia Carmona *PC*  
Chief Compliance Officer

Lynn M. Fraser *LPC*  
Director, ADR Office

SUBJECT: ADR 523 SEFCU and SEFCU Insurance Agency  
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Respondents will memorialize and circulate a policy stating the prohibition on contributions in connection with any election and will develop and implement a quarterly training for staff on relevant laws and regulations.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 523 (PMUR 492). The ADR Office received this referral on November 9, 2009.

**Summary of Case:** The *sua sponte* submission by SEFCU, a federally chartered credit union, and its wholly owned subsidiary, SEFCU Asset Management Services LLC d/b/a/ SEFCU Insurance Agency (collectively Respondents) served to notify the Federal Election Commission (FEC or Commission) of inadvertent potential violations of the Federal Election Campaign Act of 1971, as amended (FECA) by Respondents. The submission admits to making two contributions totaling \$4,250 to a political committee organized to re-elect the Mayor of Albany, New York and to the New York Republican State Committee in violation of 2 U.S.C. § 441b(a) and 11 C.F.R. §114.2(a). SEFCU stated that it first learned that the subsidiary was prohibited from making contributions for any election while conducting a due diligence review for an acquisition. Upon learning of the prohibition under the FECA, Respondents filed the *sua sponte* submission with the

Recommendation to Approve  
Settlement Agreement  
ADR 523 (PMUR 492)  
Page 1

10190290861

Commission and notified the two recipients that the contributions violated the FECA and possibly state election law. Respondents also requested a refund of the contributions.

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of SEFCU and SEFCU Insurance Agency.
2. Approve the appropriate letters.
3. Close the file on this matter.

10190290862