



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 7, 2010

Patrick K. Greene, Esq.
Stockli Greene Slevin and Peters, LLP
90 State Street
Albany, NY 12207

Re: ADR 523 (PMUR 492)
SEFCU and SEFCU Insurance Agency

Dear Mr. Greene:

Enclosed is the signed copy of the agreement resolving the *sua spontae* submission [date] with the Federal Election Commission (FEC/Commission) by SEFCU and SEFCU Insurance Agency (Respondents). The agreement for ADR 523 (PMUR 492) was approved by the Commission on June 4, 2010, 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 paragraph 5 of 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 *sua spontae* submission 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.

This agreement resolves the issues involved in the *sua spontae* submission. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Krista J. Roche
Assistant Director
Alternative Dispute Resolution Office
202-694-1661

cc: Gwendolyn Holmes, Finance and Accounting Office

Enclosure: Negotiated Settlement

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 523
Source: P-MUR 492
Case Name: SEFCU and
SEFCU Insurance Agency

NEGOTIATED SETTLEMENT

This matter was initiated by *sua sponte* submission filed by the SEFCU, a federally chartered credit union, and its wholly subsidiary SEFCU Asset Management Services LLC d/b/a SEFCU Insurance Agency (SAMS), a for-profit New York limited liability company. 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 Patrick K. Greene, Esq., representing the SEFCU and SAMS (collectively 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 Respondents 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 Respondents. 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. Respondents voluntarily enter into this agreement with the Commission.
3. Respondents filed a *sua sponte* submission admitting that they made two contributions totaling \$4,250 in violation of the FECA. Respondents contributed \$2,500 to the political committee to re-elect the mayor of Albany, New York in June 2009, and contributed \$1,750 to the New York Republican State Committee in July 2008. The contributions were authorized based on a misinterpretation of information from a trade association communication.
4. Respondents acknowledge that under the FECA a credit union is prohibited from making any contribution or expenditure in connection with any election, primary, convention or caucus held to select candidates for local, state or federal offices. 2 U.S.C. § 441b(a), 11 C.F.R. § 114.2(a). Respondents, however, received earlier information that a credit union service organization (CUSO), such as SAMS, could lawfully engage in certain activities that federally-chartered credit unions could not, such as making political contributions. Subsequent to the contributions relevant to this submission, Respondents requested and received additional legal advice to the

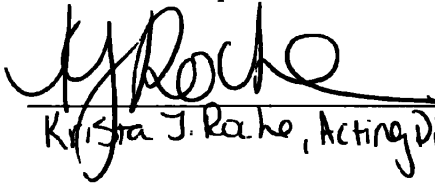
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effect that a limited liability CUSO with a federal credit union as its sole member is subject to the same political contribution prohibition as the parent credit union. In addition, Respondents contend they immediately requested refunds of the contributions from the committees.

- 5. Respondents, in an effort to avoid similar errors in the future, agree to: (a) memorialize and circulate a policy stating the prohibition on contributions in connection with any election within thirty (30) days of the effective date of this agreement; and (b) develop and implement a quarterly training for staff on relevant laws and regulations within thirty (30) 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 Respondents fail 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. Respondents shall comply with the terms of this agreement as set out in paragraph 5 above.
- 9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 523 (P-MUR 492), 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, Director
Alternative Dispute Resolution Office

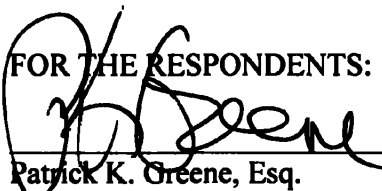


Krista J. Roche, Acting Director

6/4/10

Date Signed

FOR THE RESPONDENTS:



Patrick K. Greene, Esq.
Representing SEFCU and SEFCU Asset Management
Services LLC d/b/a SEFCU Insurance Agency

5/14/10

Date Signed