



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

October 4, 2011

TO: The Commission

THROUGH: Alec Palmer *[Signature]*
Staff Director

FROM: Patricia Carmona *[Signature]*
Chief Compliance Officer

Lynn M. Fraser *[Signature]*
Director, ADR Office

SUBJECT: ADR 582 OneAmerica Votes and Washington Community Action Network
Withdraw Recommendation to Approve Settlement Agreement Circulated
September 14, 2011, and ReCirculate Revised Recommendation to Approve
Settlement Agreement

RESOLUTION TERMS: Consult with campaign finance specialists to ascertain their legal obligations prior to any future election-related communication referring to a candidate for office; designate a compliance specialist at each organization to be responsible for compliance with applicable federal election laws and, in order to make it possible for that compliance officer to accomplish that duty, provide all necessary training, resources, and support from other staff and consultants responsible for accounting systems and administration; develop and implement a compliance training program and provide it to the executive director of each organization and the managers of any program likely to engage in communications referring to a candidate for office with a summary of the types of communications that might trigger reporting or other obligations under applicable federal election laws to help those officers and employees identify situations in which the compliance officer or counsel should be consulted.

Recommendation to Approve
Settlement Agreement
ADR 582 (Pre-MUR 510)
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Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 582 (Pre-MUR 510). The ADR Office received this referral on July 6, 2011.

SUMMARY: In this case, OneAmerica Votes and Washington Community Action Network, two organizations under section 501(c)(4) of the Internal Revenue Code, (Respondent OneAmerica Votes and Respondent Washington CAN) filed *sua sponte* submissions on November 23, 2010 admitting they made independent expenditures in support of federal candidates, and failed to file the required notices of those expenditures. In addition, both organizations stated they failed to comply fully with disclaimer requirements on the literature they produced. These two *sua sponte* submissions were consolidated in Pre-MUR 510.

Specifically Respondent OneAmerica Votes admitted that it made independent expenditures totaling \$23,512.30 for various mailings, canvassing efforts, and telephone banks in support of several federal candidates in Washington State prior to the 2010 General Election, but it failed to file timely reports of those expenditures in accordance with 2 U.S.C. § 434(c) and (g), and failed to comply fully with disclaimer requirements on the literature it produced in accordance with 2 U.S.C. § 441(d).

In addition, in a separate *sua sponte* submission, Respondent Washington CAN admitted that it made independent expenditures totaling \$8,965.90 for a canvassing effort that was in support of U.S. Senate candidate Patty Murray (including distribution of literature paid for by Respondent OneAmerica Votes) prior to the 2010 General Election, but it failed to file timely reports of those expenditures in accordance with 2 U.S.C. § 434(c) and (g), and failed to comply fully with disclaimer requirements on the literature it produced in accordance with 2 U.S.C. § 441(d).

Respondents contend that they are small, community based organizations with limited resources that were making independent expenditures for the first time in the wake of recent court rulings clarifying their constitutional right to engage in such activities. Respondents contend that subsequent to their *sua sponte* filings, they cooperated fully with Commission staff and provided all information requested to correct the record. Respondents filed complete reports of their independent expenditures and amended those reports to comply with directions from Commission staff regarding how the expenditures should be reported to be in compliance with the FECA.

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