



Federal Election Commission
Washington, DC 20463

Case Number: ADR 699
Source: P-MUR 521
Case Name: LoBiondo for Congress

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. 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 Commission entered into negotiations with William J. McGinley, Esq., representing LoBiondo for Congress and Nancy H. Watkins, in her 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 Respondents addressed the issues raised in this *sua sponte* 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 alleging that a former treasurer, Andrew McCrosson, Jr., misappropriated Committee funds during his tenure (1995-2010). In the submission the Committee explains that Mr. McCrosson made unauthorized disbursements to himself totaling approximately \$458,000 and overstated the Committee's cash-on-hand by \$541,853.39 in an effort to conceal the embezzlement. The Committee amended reports under the guidance of the Reports Analysis Division and filed a Miscellaneous Electronic Submission (Form 99) dated January 6, 2012 to explain the amendments.
4. Treasurers of political committees are required to report all financial activity, including all receipts, disbursements, and debts, pursuant to the FECA, 2 U.S.C. §§ 434(b)(2), (4), and (8), 11 C.F.R. §§ 104.3(a), (b), and (d).

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