



Federal Election Commission  
Washington, DC 20463

July 18, 2014

Heidi K. Abegg, Esq.  
Webster, Chamberlain & Bean LLP  
1747 Pennsylvania Avenue N.W.  
Washington, DC 20006

Re: ADR 714 (RR 14L-04)  
American Principles in Action

Dear Ms. Abegg:

Enclosed is the signed copy of the agreement resolving the referral initiated on **April 11, 2014** by the Federal Election Commission ("FEC/Commission") involving American Principles in Action ("Respondent"). The agreement for **ADR 714 (RR 14L-04)** was approved by the Commission on **July 11, 2014** – the effective date of the agreement.

Note the specific time frames for compliance in **paragraph 7** of the agreement. **Please forward to this office, a statement certifying 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 7, and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on or before August 11, 2014.<sup>1</sup> Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.**

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

<sup>1</sup> Please note, if the Commission refers an unpaid civil penalty to the US Treasury or third party collection agent, additional costs and fees will be assessed.

14-10000101-14





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Case Number: ADR 714  
Source: RR 14L-04  
Case Name: American Principles in Action

## 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 Heidi K. Abegg, Esq., representing American Principles in Action (Respondent). 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 Respondent addressed the issues raised in this referral. 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 Respondent. 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. Respondent voluntarily enters into this agreement with the Commission.
3. The Reports Analysis Division referred Respondent for failing to file two (2) 48-Hour Reports totaling \$74,496.50 to support eight (8) independent expenditures disclosed on the 2012 October Quarterly Report. On October 11, 2012, Respondent filed a 2012 October Quarterly Report disclosing nine (9) independent expenditures totaling \$75,305 in opposition to one (1) federal candidate on the Schedule 5-E. Eight (8) of the independent expenditures were required to be disclosed on two (2) 48-Hour Reports.
4. Every person that is not a political committee and that makes independent expenditures aggregating \$10,000 or more with respect to a given election any time during the calendar year up to and including the 20th day before an election, must report the independent expenditures on FEC Form 5, or by signed statement if the person is not otherwise required to file electronically under 11 C.F.R. §104.18. (See 11 C.F.R. §104.4(f) for aggregation.) The person making the independent expenditures aggregating \$10,000 or more must ensure that the Commission receives the report or statement by 11:59 p.m. Eastern Standard/Daylight Time on the second day following the date on which a communication is publicly distributed or otherwise publicly disseminated. Each time

subsequent independent expenditures relating to the same election aggregate an additional \$10,000 or more, the person making the independent expenditures must ensure that the Commission receives a new 48-Hour Report of the subsequent independent expenditures. Each 48-hour report must contain the information required by paragraph (e)(1) of this section. 11 C.F.R. §109.10(c).

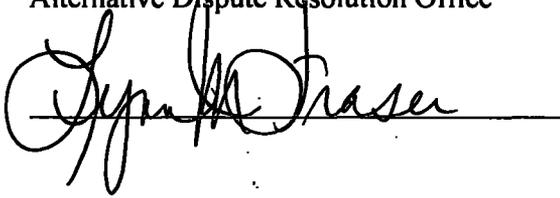
5. The federal regulations require that if a signed report or statement is submitted, the report or statement shall include: (i) The reporting person's name, mailing address, occupation, and the name of his or her employer, if any; (ii) The identification (name and mailing address) of the person to whom the expenditure was made; (iii) The amount, date, and purpose of each expenditure; (iv) A statement that indicates whether such expenditure was in support of, or in opposition to a candidate, together with the candidate's name and office sought; and (v) A verified certification under penalty of perjury as to whether such expenditure was made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate, a candidate's authorized committee, or their agents, or a political party committee or its agents; and (vi) 11 C.F.R. § 109.10(e).
6. Respondent contends, as stated in the Miscellaneous Document Submission ("Form 99") filed on January 13, 2014, that it is difficult "to reconcile why no 48-Hour reports were filed" for eight (8) independent expenditures disclosed on the 2012 October Quarterly Report as required. Respondent states two employees, responsible for filing reports, left shortly after filing the 2012 October Quarterly Report, and recordkeeping was in disarray. Respondent further contends that the organization retained new management, instituted changes to enhance financial procedures and increase oversight, and completed further training of staff.
7. Respondent, in an effort to avoid similar errors in the future, agrees to: (a) certify that counsel has been retained for one year to review all broadcast advertisements and the filing of FEC reports within thirty (30) days of the effective date of this agreement; (b) recertify the continued retention of counsel to review advertisements and the filing of FEC reports for a second year on the anniversary of the effective date of this agreement; i.e., twelve (12) months after the effective date; and (c) pay a civil penalty of \$3,700 within thirty (30) days of the effective date of this agreement.
8. Respondent agrees that all information provided to resolve this matter is true and accurate to the best of their knowledge and that this agreement is signed under penalty of perjury pursuant to 28 U.S.C. § 1746.
9. The parties agree that if Respondent fails to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
10. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondent shall comply with the terms of this agreement as set out in paragraph 7 above, and shall certify compliance with the above settlement terms in

writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.

11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 714 (RR 14L-04), 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

  
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7-11-2014  
Date Signed

FOR THE RESPONDENT:

  
Heidi K. Abegg, Esq.  
Representing American Principles in Action

6/23/14  
Date Signed

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