



FEDERAL ELECTION
COMMISSION
STAFF MEMORANDUM

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SENSITIVE

Federal Election Commission
Washington, DC 20463

MEMORANDUM

October 21, 2014

TO: The Commission

THROUGH: Alec Palmer *PP*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Lynn M. Fraser *JK*
Director, ADR Office

SUBJECT: ADR 720 American Iron and Steel Institute Political Action Committee (Steel PAC) and Thomas J. Gibson, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Certify that a comprehensive compliance policy statement has been developed and implemented; certify that a compliance specialist has been designated; certify that a representative of the Committee participated in an FEC conference; and pay a civil penalty of \$5,200.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 720 (RAD 14L-16). The ADR Office received this referral on May 22, 2014.

SUMMARY: In this case, the Reports Analysis Division (RAD) referred Respondents for receiving misdeposited funds totaling \$47,997.87 during the 2012 calendar year and \$21,793.17 during the 2013 calendar year. These funds were originally intended for the Committee's connected organization, the American Iron and Steel Institute, and were not remedied within the permissible timeframes. In total, the Committee did not timely refund or transfer-out misdeposits of \$69,791.04 during the 2011-2012 and 2013-2014 election cycles.

Respondents contend that on October 24, 2013 the Committee filed a Miscellaneous Electronic Submission (Form 99) stating, among other things, that the misdeposit of funds intended for the connected organization, the American Iron

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and Steel Institute, was inadvertent. The Committee asserted that the identified receipts were the result of errors by an online credit card payment processor and/or the credit card company engaged by the connected organization to handle credit card payments as a result of a request from a restricted class member to make a contribution to the Committee via credit card. Respondents further contend that the misdeposited amounts were refunded in full on Respondents' own initiative to the American Iron and Steel Institute. In addition, at no point, were any of the misdeposited funds contributed to a candidate for federal election, and none were directed to another federal PAC. The Committee also contends that it takes its obligations under the Commission's regulations very seriously, and that it was always Respondents' intention to comply with all applicable laws and regulations. Finally, Respondents assert that, on its own initiative, the American Iron and Steel Institute has undertaken a review of the Committee's by-laws and has assigned new personnel with regulatory compliance experience to work closely with the PAC.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of the American Iron and Steel Institute Political Action Committee (Steel PAC) and Thomas J. Gibson, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.