



**Federal Election Commission
Washington, DC 20463**

March 30, 2015

Robert D. Lenhard, Esq.
Covington & Burling LLP
1201 Pennsylvania Ave, NW
Washington, DC 20004-2401

Re: ADR 741 (RR 14L-23)
CE Action Committee and Rita Copeland, Treasurer

Dear Mr. Lenhard:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on June 17, 2014 by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on March 26, 2015, the effective date of the agreement.

Note the specific time frames for compliance in Paragraph 6 of the agreement. Please forward to this office, a statement confirming 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 6, 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 April 25, 2015.¹ 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 Negotiated Settlement 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 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.

¹ 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.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. 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

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office



**Federal Election Commission
Washington, DC 20463**

**Case Number: 741
Source: RR 14L-23
Case Name: CE Action Committee**

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 Robert D. Lenhard, Esq. representing the CE Action Committee and Rita Copeland, 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 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 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 52 U.S.C. § 30109 (formerly 2 U.S.C. § 437g).
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division referred Respondents for failing to timely file four (4) 48-Hour Reports totaling \$62,865.81 to support fourteen (14) independent expenditures made in March and April 2013, which were disclosed on the Amended 2013 12 Day Pre-Special Report, received September 27, 2013. In addition, on June 19, 2013, the Committee amended its 2013 12-Day Pre-Special Report, originally filed on April 18, 2013, to disclose additional debts totaling \$124,842.93.
4. Treasurers of political committees are required to disclose all financial activity, including the amount and nature of outstanding debts and obligations owed by or to the political committee. 52 U.S.C. § 30104(b)(8) (formerly 2 U.S.C. § 434(b)(8)), 11 C.F.R. § 104.3(d). A person, including a political committee, that makes or contracts to make independent expenditures aggregating \$10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the

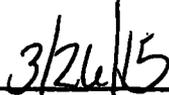
expenditures within 48 hours. 52 U.S.C. § 30104(g) (2)(A) (formerly 2 U.S.C. § 434(g) (2)(A)).

5. On September 27, 2013, the Committee filed a Miscellaneous Electronic Submission (Form 99) to explain the omissions. The Committee stated it had recently been formed at the time the original 2013 12 Day Pre-Special was filed. The Committee contended that it received invoices for debts and independent expenditures from its political consultants after the original report was filed. The Committee stated that after these errors and omissions, it adopted a better system for tracking work performed by consultants to facilitate timely reporting of accrued expenses and 48-Hour Reports. In response to the referral, the Committee further explained that it filed several independent expenditure reports prior to the election, thus alerting the public that it was actively spending in the election. The Committee contends that it voluntarily and promptly corrected the public record when it became aware of the existence of these debts and expenses from its vendors. The Committee also stated that it has brought in new personnel to assist with reporting and compliance. The Committee has not been involved in any other elections and now wishes to terminate operations.
6. Respondents, in an effort to resolve this matter, agree to pay a civil penalty of \$2,853.64, equal to the entirety of the funds remaining in the Committee's accounts as of December 31, 2014, within thirty (30) days of the effective date of this agreement. As Respondents wish to terminate their political committee status, they will certify the closure of the Committee's federal account(s) and work with Commission staff to terminate their political committee status and reporting obligations with the Commission within sixty (60) days of the effective date of this agreement.
7. 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.
8. The parties agree that if Respondents fail 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.
9. 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 6 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.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 741 (RR 14L-23), 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:

Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office





Date Signed

FOR THE RESPONDENTS:



Robert D. Lenhard, Esq.
Representing CE Action Committee and
Rita Copeland, Treasurer



Date Signed

CONFIDENTIAL