Federal Election Commission
Washington, DC 20463

April 7, 2017

Lawrence H. Norton, Esq.
William A. Powers, Esq.
Venable LLP
575 Seventh Street NW
Washington, DC 20004

Re: ADR 810 (RAD 16L-14)
Independence USA PAC and Diane Gubelli, Treasurer

Dear Mr. Norton and Mr. Powers:

Enclosed is the signed copy of the agreement resolving the referral initiated on August 26, 2016 by the Federal Election Commission ("FEC/Commission") involving the Independence USA PAC and Diane Gubelli, Treasurer ("Respondents"). The agreement for **ADR 810 (RAD 16L-14) was approved by the Commission on April 5, 2017**– 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 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 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 May 5, 2017.[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 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

[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.

alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

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,

Lynn M. Fraser, Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

cc: Gwen Holmes and Nida Awan, Finance and Accounting Office
Room 819

FEDERAL ELECTION COMMISSION – ALTERNATIVE DISPUTE RESOLUTION OFFICE
999 E STREET, N.W., WASHINGTON, D.C. 20463
TELEPHONE: 202.694.1670 FAX: 202.219.0613

Federal Election Commission
Washington, DC 20463

Case Number: ADR 810
Source: RAD 16L-14
Case Name: *Independence USA PAC*

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 Lawrence H. Norton, Esq. and William A. Powers, Esq., representing the Independence USA PAC and Diane Gubelli, Treasurer (Respondents or the Committee). 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.

2. Respondents voluntarily enter into this agreement with the Commission.

3. The Reports Analysis Division (RAD) referred Respondents for failing to disclose all financial transactions on its 2015 November Monthly Report. Respondents amended their 2015 November Monthly Report to disclose additional in-kind contributions received totaling $189,800, which were not disclosed in the original report.

4. Treasurers of political committees are required to report all financial activity, including all receipts, pursuant to the FECA. 52 U.S.C. §§ 30104(a)(1), 30104(b)(2), 11 C.F.R. §§ 104.1, 104.3(a).

5. The Committee contends that it amended its 2015 November Monthly Report to disclose a third-party payment to a vendor in connection with the dissemination of non-federal issue ads. These ads did not refer or relate to a federal office holder or candidate, a political party, or a federal election. In addition, assuming that the subject amendment was required, it was filed only 28 days after the original monthly report. No federal election occurred in the intervening period, or for that matter, any time between September 2015 and the end of the year.

6. Respondents, in an effort to resolve this matter, agree to: (a) certify that a representative of the Committee participated in an FEC conference, webinar, or other program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this agreement; (b) file an additional Miscellaneous Form 99 to clarify the circumstances relating to this transaction within sixty (60) days of the effective date of this agreement; and (c) pay a civil penalty of $3,300 within thirty (30) 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 <u>each</u> term becomes due.

10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 810 (RAD 16L-14), 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

Lynn M Fraser ____________________ 4/5/2017
Date Signed

FOR THE RESPONDENT:

Lawrence H. Norton ____________________ 3/10/17
Date Signed

Lawrence H. Norton, Esq.
Representing Independence USA PAC and
Diane Gubelli, Treasurer