

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of

American Eco Corp.

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MUR 4530

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that American Eco Corp. ("Respondent") violated 2 U.S.C. § 441e(a).

NOW, THEREFORE, the Commission and the Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.
- II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondent enters voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:
  1. American Eco Corp. is a Canadian corporation, with a number of U.S. subsidiaries.
  2. Michael McGinnis ("McGinnis") is the President and CEO of American Eco Corp.

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3. Mark White ("White") is a former governor of Texas and was, at the time relevant to this matter, Chair of Respondent's Board of Directors.
  4. Ben Barnes ("Barnes") is a former Lt. Governor of Texas and an acquaintance of McGinnis.
  5. Foreign nationals are prohibited from contributing money, or anything of value, to a candidate for any political office, including Federal, State, or local office, either directly or through any other person, pursuant to 2 U.S.C. § 441e(a) and 11 C.F.R. § 110.4(a).
  6. The Democratic National Committee ("DNC") invited White to a "Texas Presidential Gala". White conveyed the invitation to McGinnis, who decided to make a contribution in support of the Gala. The \$10,000 contribution, made on June 21, 1996, was drawn on Respondent's account.
  7. Barnes solicited McGinnis to make a contribution to the California Democratic Party. Respondent contributed \$40,000 to the California Democratic Party on October 7, 1996. The contribution was drawn on Respondent's account.

V. Respondent, a foreign national, made contributions to the DNC and the California Democratic Party totaling \$50,000. Consequently, Respondent's contributions violated 2.U.S.C. § 441e(a).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Forty Thousand dollars (\$40,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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- VII. The Respondent undertakes and agrees that at the Commission's written request, on reasonable notice and without service of a subpoena, the Respondent will produce documents to the Commission staff, make its employees available for depositions and interviews by the Commission staff, and its employees shall testify truthfully at any Commission deposition and at any judicial proceeding during the pendency of this and related matters under review and at any judicial proceedings brought by the Commission as a result of its investigation in this and related matters under review.
- VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.
- X. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.
- XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

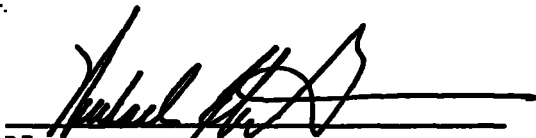
**FOR THE COMMISSION:**



Lawrence M. Noble  
General Counsel

2/4/00  
Date

**FOR THE RESPONDENT:**



Name Michael E. McGinnis  
Position President & CEO

12/15/99  
Date