



FEDERAL ELECTION COMMISSION

Washington, DC 20463

JAN 08 2002

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Lawrence H. Norton
General Counsel

Richard B. Bader
Associate General Counsel

Stephen E. Hershkowitz
Assistant General Counsel

Erin K. Monaghan
Attorney

Greg J. Mueller
Attorney

RE: MURs 4568, 4633, 4634, and 4736: Proposed Conciliation Agreement in the Matter of Robert Riley, Jr., Bob Riley for Congress Committee, and Hughel Goodgame, as treasurer.

The General Counsel recommends that the Commission accept the attached Conciliation Agreement from Robert Riley, Jr., the Bob Riley for Congress Committee, and Hughel Goodgame, as treasurer ("Respondents"). See Attachment 1. The agreement describes the factual record and findings made by the Commission and requires the Respondents to pay a \$10,000 civil penalty and comply in the future with the contribution limits in 2 U.S.C. 441a.

BACKGROUND

this matter was then transferred to the litigation division pursuant

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to the contingent suit authorization by the Commission on March 27, 2001.

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The agreement describes the factual record and findings made by the Commission that Riley, Jr.: directly contributed the legal maximum to his father's campaign in 1996; consulted with Triad regarding potential political contributions to the Riley Committee from political action committees ("PACs"); and made five contributions of \$1,000 each to five PACs suggested to him by Triad. These PACs in turn, within a short period of time, contributed \$4,500 to the Riley Committee. The agreement describes Triad's ongoing relationships with the PACs involved in this matter as the source of the information Riley, Jr. had when he made his five contributions at issue.

The agreement recites that Riley, Jr. and various PAC representatives testified there was no agreement among Riley, Jr., Triad, or any of the PACs involved; that Riley, Jr. testified that he did not have knowledge that the PACs he contributed to would contribute to the Riley Committee; and that there was no earmarking of any of the monies from Riley, Jr. instructing that those contributions be forwarded to the Riley Committee. However, the Respondents acknowledge that if Riley, Jr. knew the PACs would contribute a substantial portion of his contributions to the Riley Committee, then Respondents would have violated 11 C.F.R. 110.1(h).

Respondents do not explicitly deny the Commission's findings, but state that they are entering into this agreement "as final settlement of this matter and for the purposes of settling this matter without incurring the time and expense of defending a civil litigation action." Thus, the agreement does not contain the usual admission clause.

The agreement includes a provision that states that the file in this matter will remain open until MURs 4568, 4633, 4634, and 4736 are closed in accordance with 11 C.F.R. 111.20 and that during this time Respondents may supplement the record. This provision merely states what has long been the practice of the Commission in this regard and describes how this matter would have been handled irrespective of this provision.

Respondents agree to pay \$10,000 pursuant to 2 U.S.C. 437g(a)(5) (the FECA civil penalty provision) within 10 days of the Commission's acceptance of this agreement, and agree to comply in the future with the contribution limits in 2 U.S.C. 441a.²

DISCUSSION

The agreement calls for Respondents to pay \$10,000.

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The agreement also contains an additional provision requiring the Respondents to comply with the contribution limits in 2 U.S.C. 441a. This provision, which is not typically part of Commission conciliation agreements, provides an added deterrent to future violations because such violations could not only be the basis for an investigation, but would give the Commission grounds to file a prompt action in federal court for violation of the Conciliation Agreement.

Although the agreement recites Respondents' testimony and does not contain the usual admission clause, we believe that the significant civil penalty, statement of the factual record along with the Commission's findings, and the language concerning compliance with the relevant law addressing any future violations make this a satisfactory agreement.

RECOMMENDATION:

Accept the Conciliation Offer of Robert Riley Jr., the Bob Riley for Congress Committee, and Hughel Goodgame, as treasurer, dated December 19, 2001.
Attachment 1.