



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Benjamin L. Ginsberg, Esq.  
Patton Boggs, L.L.P.  
2550 M Street, N.W.  
Washington, D.C. 20037

JUN 26 2001

RE: MURs 4568, 4633, 4634 and 4736  
John and Ruth Stauffer

Dear Mr. Ginsberg:

On June 20, 2001, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of John and Ruth Stauffer in settlement of a violation of 2 U.S.C. § 441a(a)(1), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter as it pertains to Mr. and Mrs. Stauffer.

This matter will become public within 30 days after it has been closed with respect to all other respondents involved. Information derived in connection with any conciliation attempt will not become public without the written consent of the respondents and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1596.

Sincerely,

*Marianne Abely*  
Marianne Abely  
Attorney

Enclosure:  
Conciliation Agreement

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 ) MURs 4568, 4633, 4634 and 4736  
John and Ruth Stauffer )

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**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn, and notarized complaint by Micheline Burger. An investigation was conducted, and the Federal Election Commission ("Commission") found probable cause to believe that Respondents John and Ruth Stauffer ("Respondents") violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Sam Brownback for US Senate Committee.

NOW, THEREFORE, the Commission and the Respondents, 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 Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

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

IV. The pertinent facts in this matter are as follows:

1. Sam Brownback for US Senate Committee is a political committee within the meaning of 2 U.S.C. § 431(4).

2. John and Ruth Stauffer are the father-in-law and mother-in-law of Sam Brownback, a candidate for the 1996 Republican nomination to the Senate from the State of Kansas. During 1996, John Stauffer served as a senior advisor on a "kitchen cabinet"

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which advised Sam Brownback on his campaign. Ruth Stauffer volunteered for the Brownback campaign on a daily basis.

3. Triad Management Services Inc. ("Triad") is a corporation that was incorporated on May 28, 1996. Carolyn Malenick is the President of Triad.

4. American Free Enterprise PAC, Citizens Allied for Free Enterprise PAC, Free Congress PAC, Citizens United Political Victory Fund, and Madison Project Inc. Fund are federal political action committees registered with the Commission pursuant to 2 U.S.C. § 433.

5. The Federal Election Campaign Act of 1971, as amended ("the Act"), states that no person shall make a contribution to a candidate and his authorized political committee with respect to any election for Federal office which, in the aggregate, exceeds \$1,000. 2 U.S.C. § 441a(a)(1)(A).

6. Federal Election Commission regulations codified at 11 C.F.R. § 110.1(h), and entitled "Contributions to committees supporting the same candidate," provide that:

A person may contribute to a candidate or his or her authorized committee with respect to a particular election and also contribute to a political committee which has supported, or anticipates supporting the same candidate in the same election, as long as -

(1) The political committee is not the candidate's principal campaign committee or other authorized political committee or a single candidate committee;

(2) The contributor does not give with the knowledge that a substantial portion will be contributed to, or expended on behalf of, that candidate for the same election; and

(3) The contributor does not retain control over the funds.

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7. Prior to June 25, 1996, John and Ruth Stauffer each made a \$1000 contribution directly to the Brownback Committee for the 1996 Kansas Republican primary.

8. On June 25, 1996, John and Ruth Stauffer made contributions of \$2500 each, for a total of \$5000, to Free Congress PAC and Citizens United Political Victory Fund. The Stauffers sent their contribution checks to Triad, which forwarded the checks to these PACs.

9. On July 16, 1996, John and Ruth Stauffer made contributions of \$2500 each, for a total of \$5000, to American Free Enterprise PAC, Citizens Allied for Free Enterprise PAC and The Madison Project Inc. Fund. The Stauffers sent their contribution checks to Triad, which forwarded the checks to the these PACs.

10. As a result of their communications with Triad and Carolyn Malenick, John and Ruth Stauffer contributed to the PACs listed above, and each of the PACs made subsequent contributions to the Sam Brownback for US Senate Committee.

11. Each of the PACs listed above made contributions to the Sam Brownback for US Senate Committee after the Stauffers wrote their PAC contribution checks. In tabular form the contribution pattern appears as follows:

**John and Ruth Stauffer Contributions to PACs and  
PAC Contributions to the Brownback Committee**

<b>Name of PAC</b>	<b>PAC Reports Receipt of Contribution</b>	<b>Amount of Stauffers' Contribution</b>	<b>Date of PAC Contribution to Campaign</b>	<b>Amount of PAC Contribution to Campaign</b>
American Free Enterprise PAC	7/19/96	\$5000	7/12/96 7/29/96	\$1000 \$3500
Citizens United Political Victory Fund	7/05/96	\$5000	7/18/96	\$5000
Free Congress PAC	7/16/96	\$5000	7/16/96	\$4500
The Madison Project	7/29/96	\$5000	7/31/96	\$5000
Citizens Allied for Free Enterprise	7/16/96	\$5000	7/19/96 7/31/96* *(never rec'd by campaign)	\$1000 \$3500* *(never rec'd by campaign)

12. John and Ruth Stauffer contend that any violation of law was inadvertent since they sought guidance and reassurances from Triad and its counsel prior to making any contributions that their contributions would be permissible under the Federal Election Campaign Act and Commission regulations.

V. As a result of the PAC contributions made through Triad, John and Ruth Stauffer made excessive contributions to the Sam Brownback for US Senate Committee, in violation of 2 U.S.C. § 441a(a)(1)(A).

VI. 1. Respondents waive any and all claims they may have to the refund of their excessive contributions to the Brownback Committee. Respondents further agree to advise the Brownback Committee, in writing, of this waiver, and to direct that

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Committee to disgorge excessive contributions in the amount of Nineteen Thousand Dollars (\$19,000) to the U.S. Treasury.

2. Respondents John and Ruth Stauffer will pay a civil penalty to the Federal Election Commission in the amount of Nine Thousand dollars (\$9,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. 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.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. 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:

Lois G. Lerner  
Acting General Counsel

BY: Abigail A. Shaine  
Abigail A. Shaine  
Acting Associate General Counsel

6/26/01  
Date

FOR THE RESPONDENTS:

Benjamin L. Ginsberg, Esq.  
Benjamin L. Ginsberg, Esq.  
William J. McGinley, Esq.  
William J. McGinley, Esq.

6-12-01  
Date

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