

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

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FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

RAD REFERRAL: 98NF-09
DATE ACTIVATED: 9/10/98

STAFF MEMBER: ROBERT M. KNOP

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Kansas City Southern Industries, Inc. Employees
Political Action Committee and
Linas K. Cesonis, as treasurer

RELEVANT STATUTE: 2 U.S.C. § 434(a)(4)(B)

INTERNAL REPORTS CHECKED: Referral Materials
Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Office of the General Counsel received a referral from the Reports Analysis Division ("RAD") on July 23, 1998. The basis for the referral is the failure of the Kansas City Southern Industries, Inc. Employees Political Action Committee and Linas K. Cesonis, as treasurer ("Respondents") to file two (2) Reports of Receipts and Disbursements in a timely manner for the 1998 election cycle. Specifically, the Respondents failed to file timely their 1998 March and April Monthly Reports.

II. FACTUAL AND LEGAL ANALYSIS

Based on the Factual and Legal Analysis, see Attachment 1, this Office recommends that the Federal Election Commission (the "Commission") find reason to believe the Respondents violated 2 U.S.C. § 434(a)(4)(B).

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III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

In addition to recommending that the Commission find reason to believe that the Respondents violated 2 U.S.C. § 434(a)(4)(B), this Office recommends that the Commission offer to enter into conciliation with the Respondents prior to a finding of probable cause to believe. Attached for the Commission's approval is a proposed conciliation agreement (Attachment 2).

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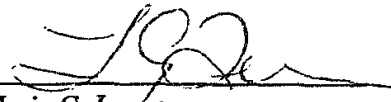
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IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that Kansas City Southern Industries, Inc. Employees Political Action Committee and Linas K. Cesonis, as treasurer, violated 2 U.S.C. § 434(a)(4)(B).
3. Approve the attached Factual and Legal Analysis and conciliation agreement, and the appropriate letter.

Lawrence M. Noble
General Counsel

10/19/98
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachment:

1. Factual and Legal Analysis
2. Proposed agreement

99-04-391-0117