

BEFORE THE FEDERAL ELECTION COMMISSION

Dec 3 4 22 PM '98

In the Matter of )

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Kansas City Southern Industries, Inc. )

MUR 4832

Employees Political Action Committee and )

Linas K. Cesonis, as treasurer )

**SENSITIVE**

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On October 23, 1998, the Commission found reason to believe that the Kansas City Southern Industries, Inc. Employees Political Action Committee (the "Committee") and Linas K. Cesonis, as treasurer (collectively, the "Respondents") violated 2 U.S.C. § 434(a)(4)(B) by failing to file timely three Reports of Receipts and Disbursements for the 1998 election cycle. The Commission also determined to offer to enter into preprobable cause conciliation with the Respondents and approved an agreement. Attached is a signed conciliation agreement. Attachment 1. The civil penalty has not yet been received. This Office recommends that the Commission accept the attached agreement and that it close the file in this matter.

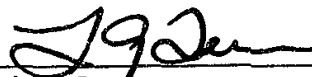
II. DISCUSSION OF CONCILIATION

### III. RECOMMENDATIONS

1. Accept the attached agreement with the Kansas City Southern Industries, Inc. Employees Political Action Committee and Linas K. Cesonis, as treasurer.
2. Approve the appropriate letter.
3. Close the file.

Lawrence M. Noble  
General Counsel

12/3/98  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

Staff Assigned: Robert M. Knop

#### Attachments

1. Signed conciliation agreement
2. Letter from counsel, dated November 13, 1998