



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 15, 1998

Phillip S. Brown, Esq.
Chairman
Kansas City Southern Industries, Inc.
Employees Political Action Committee
114 West Eleventh Street
Kansas City, MO 64105-1804

RE: MUR 4832
Kansas City Southern Industries, Inc.
Employees Political Action Committee and
Linas K. Cesonis, as treasurer

Dear Mr. Brown:

On December 10, 1998, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 434(a)(4)(B), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent 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.

Enclosed you will find a copy of the fully executed conciliation agreement for your files.

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Phillip S. Brown, Esq.
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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) 694-1650.

Sincerely,



Robert M. Knop
Staff Member

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR: 4832
Kansas City Southern Industries, Inc. Employees)
Political Action Committee and)
Linas K. Cesonis, as treasurer)

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 reason to believe that Kansas City Southern Industries, Inc. Employees Political Action Committee and Linas K. Cesonis, as treasurer ("Respondents") violated 2 U.S.C. § 434(a)(4)(B).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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. Kansas City Southern Industries, Inc. Employees Political Action Committee is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Linas K. Cesonis is the treasurer of Kansas City Southern Industries, Inc. Employees Political Action Committee.

3. Pursuant to 2 U.S.C. § 434(a)(4)(B), Respondents' 1998 March Monthly Report was due on March 20, 1998. Respondents filed their 1998 March Monthly Report on June 16, 1998, eighty-eight (88) days late, disclosing receipts totaling \$139.69 and disbursements totaling \$3,000.

4. Pursuant to 2 U.S.C. § 434(a)(4)(B), Respondents' 1998 April Monthly Report was due on April 20, 1998. Respondents filed their 1998 April Monthly Report on June 16, 1998, fifty-seven (57) days late, disclosing receipts totaling \$15,265 and disbursements totaling \$5,250.

5. Pursuant to 2 U.S.C. § 434(a)(4)(B), Respondents' 1998 May Monthly Report was due on May 20, 1998. Respondents filed their 1998 May Monthly Report on June 16, 1998, twenty-seven (27) days late, disclosing receipts totaling \$15,049.46 and disbursements totaling \$9,500.

6. Respondents contend that the 1998 March, April, and May Monthly Reports were not filed timely because they were concentrating on an audit to reconcile the Committee's reports with its bank account.

V. Respondents failed to file timely their 1998 March, April, and May Monthly Reports, in violation of 2 U.S.C. § 434(a)(4)(B).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of eight hundred and fifty dollars (\$850), 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

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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 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:

Lawrence M. Noble
General Counsel

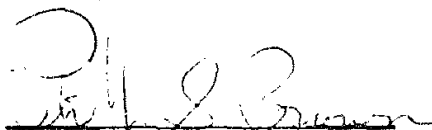
BY:


Lois G. Lerner
Associate General Counsel

Date

12-15-98

FOR THE RESPONDENTS:


(Name)
(Position) Chairman

Date

11/24/98