

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Joseph DiFazio)

A-Z Auto Sound Systems, Inc.)

MUR 4931

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 Respondents Joseph DiFazio and A-Z Auto Sound Systems, Inc. knowingly and willfully violated 2 U.S.C. §§ 441f and 441b(a).

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 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:

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Actors

1. Respondent Joseph DiFazio ("DiFazio") is President of A-Z Auto Sound Systems, Inc.
2. Respondent A-Z Auto Sound Systems, Inc. ("A-Z") is a corporation within the meaning of 2 U.S.C. § 441b(a). A-Z, which is located in Hartford, Connecticut, is a distributor of Audiovox Corporation ("Audiovox") products.
3. Kim Macdonald ("Macdonald") is an employee of A-Z and is DiFazio's daughter.

Applicable Law

4. The Federal Election Campaign Act of 1971, as amended (the "Act"), makes it unlawful for corporations to make contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office. Corporate officers and directors are also prohibited from consenting to such contributions or expenditures. 2 U.S.C. § 441b(a).
5. It is unlawful for any person to make a contribution in the name of another, or for any person to knowingly permit his or her name to be used to make such a contribution. Moreover, no person may knowingly help or assist any person in making a contribution in the name of another. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(iii).

Events Regarding Violations

6. Between 1995 and 1999, Philip Christopher, the Executive Vice President of Audiovox, asked DiFazio to make 30 contributions to candidates for federal office.

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7. DiFazio, in turn, asked Macdonald to make 12 of the contributions. Macdonald was reimbursed for three of her campaign contributions.
8. On March 7, 1996, Macdonald contributed \$1,000 to Friends of Lee Hamilton.
9. On March 9, 1996, DiFazio gave Macdonald a \$1,000 check drawn on A-Z's corporate account to reimburse her for her \$1,000 contribution to Friends of Lee Hamilton.
10. On April 16, 1996, Macdonald made a \$1,000 contribution to Don Payne for Congress and a \$1,000 contribution to Funderburk for Congress '96.
11. On April 16, 1996, DiFazio, from his personal funds, reimbursed Macdonald for her campaign contributions to Don Payne for Congress and Funderburk for Congress '96.

Violations

V. Respondent Joseph DiFazio violated 2 U.S.C. §§ 441b(a) and 441f by assisting A-Z Auto Sound Systems, Inc. in making a contribution to Friends of Lee Hamilton in Kim Macdonald's name and by consenting to that corporate contribution. Respondent Joseph DiFazio also violated 2 U.S.C. § 441f by making campaign contributions to Don Payne for Congress and Funderburk for Congress '96 in Kim Macdonald's name. Respondent will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f.

VI. Respondent A-Z Auto Sound Systems, Inc. violated 2 U.S.C. §§ 441b(a) and 441f by making a contribution to Friends of Lee Hamilton in Kim Macdonald's name. Respondent will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f.

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VII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Ten Thousand dollars (\$10,000) pursuant to 2 U.S.C. § 437g(a)(5)(B).

VIII. 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.

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

X. 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.

XI. Respondents understand that the recipient campaign committees will be requested to disgorge the above-referenced reimbursed contributions to the United States Treasury. Respondents waive any and all claims they may have to the refund or reimbursement of such contributions.

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XII. 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 H. Norton
General Counsel

BY:


Rhonda J. Vording
Associate General Counsel
for Enforcement

Date

10/21/02

FOR THE RESPONDENTS:


Joseph DiFazio

Date

10/18/02

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