

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

MUR 4931

Audiovox Corporation)

Aris Constantinides)

Thomas Doherty)

Neil Levine)

Daniel McGuire)

James Papadopoulos)

Gloria Pisano)

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OFFICE OF GENERAL
COUNSEL
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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission" or "FEC"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the above-captioned Respondents violated the Federal Election Campaign Act of 1971, as amended (the "Act").

The Commission has neither considered nor made findings as to whether there is probable cause to believe that Respondents' violations in this matter were knowing and willful.

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.

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

Actors

1. Audiovox Corporation ("Audiovox") is a corporation within the meaning of 2 U.S.C. § 441b(a). Audiovox markets and supplies, world-wide, a diverse line of aftermarket products, which include cellular telephones and accessories, automotive sound equipment and accessories, and consumer electronics.
2. Audiovox Communications Corporation ("ACC") is a subsidiary of Audiovox.
3. Quintex Mobile Communications Corporation ("Quintex") is a subsidiary of ACC.
4. Philip Christopher is the Executive Vice President of Audiovox and the President of ACC.
5. Former employee William Funovits was, in or around 1995 and until October 1, 2000, the Vice President of Quintex for the Pittsburgh region.
6. Former employee James Maxim was, from 1995 until May 1, 2000, the Vice President of Quintex for the Mid-Atlantic region.
7. Frederick Beiswenger was, at all relevant times, the Controller for Quintex's Mid-Atlantic region and was supervised by James Maxim.
8. Aris Constantinides is President of Quintex (New York).
9. Gloria Pisano is the Quintex Assistant Vice President for the New York region and is supervised by Aris Constantinides.
10. Neil Levine is ACC's Vice President of Finance.
11. Thomas Doherty is ACC's Controller.
12. Daniel McGuire is ACC's Regional Manager for CDMA Technology.

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13. Former employee Francis McNierney was, until April 1998, ACC's Vice President of OEM.
14. James Papadopoulos is ACC's Vice President of Engineering.
15. Robert Rossano was President of Autosound Delaware Valley, Inc. ("Autosound Delaware Valley"), a distributor of Audiovox products located in Pennsauken, New Jersey.
16. Howard Honigbaum is President of Auto Sound Company, Inc. ("Auto Sound"), a distributor of Audiovox products located in Brockton, Massachusetts.
17. Gary Tabackman is President of GLM Security and Sound, Inc. ("GLM"), a distributor of Audiovox products located in Valley Stream, New York.

Applicable Law

18. 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).
19. 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).

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Factual Background

20. Mr. Christopher invited, among others, the following employees and distributors to make campaign contributions to various candidates for federal office.
21. During December of 1995, former employee William Funovits contributed \$1,000 to the Committee to Elect Gary Ackerman and \$1,000 to Torricelli for U.S. Senate. Mr. Funovits submitted expense reports to obtain reimbursement from Quintex for both campaign contributions.
22. During December of 1995, former employee James Maxim contributed \$1,000 to the Committee to Elect Gary Ackerman and \$1,000 to Torricelli for U.S. Senate. Mr. Maxim told the FEC that he believed the solicitations were business requests and admitted that he used funds from a Quintex petty cash account to reimburse himself for those contributions.
23. During May of 1996, Mr. Maxim and his wife, Cathy Maxim, and Mr. Beiswenger and his wife, Nancy Beiswenger, each contributed \$1,000 to Hoke for Congress. Mr. Maxim used funds from the Quintex petty cash account to reimburse himself, his wife, Mr. Beiswenger and his wife for their campaign contributions.
24. During 1996, Mr. Maxim also reimbursed himself and his wife with Audiovox funds from the Quintex petty cash account for their contributions, totaling \$2,500, to Clatworthy U.S. Senate '96 Fund.
25. In June of 1997, Mr. Maxim and Mr. Beiswenger each contributed \$1,000 to Citizens for Biden. Mr. Maxim used funds from the Quintex petty cash account

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to reimburse himself and Mr. Beiswenger for those campaign contributions as well.

26. In June of 1997, Daniel McGuire contributed \$1,000, and James Papadopoulos contributed \$500, to Citizens for Biden.
27. In July of 1997, Thomas Doherty, Neil Levine, Francis McNierney and Daniel McGuire each contributed \$500 to Friends of Senator D'Amato.
28. Mr. Doherty submitted an expense report to obtain reimbursement for his campaign contribution. Mr. Doherty also prepared expense reports to obtain reimbursements for Mr. McGuire and Mr. Papadopoulos. Mr. Doherty and Mr. Papadopoulos have stated that they did not know the reimbursements violated the Act.
29. Mr. McGuire claims he did not seek reimbursement for his campaign contributions. However, the FEC has information that Mr. McGuire received ACC funds that were intended to reimburse him for both of his contributions.
30. Former employee Mr. McNierney prepared and submitted his own expense report to obtain reimbursement for his campaign contribution.
31. The FEC has information that Mr. Levine also submitted an expense report to obtain reimbursement for his campaign contribution. For purposes of this settlement only, Mr. Levine does not contest the FEC's information.
32. Quintex, as part of its normal business practice, had a corporate petty cash account for its New York office. Because Gloria Pisano was responsible for signing checks for that account, her name appeared on the checks along with the company's address. On eight occasions during 1996 and 1997, Aris

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Constantinides requested Ms. Pisano to write checks from that account that were used to make campaign contributions. Mr. Constantinides used the checks to attend political fundraising events with Quintex vendors. The campaign committees for the following candidates for federal office received those contribution checks:

Check Date	Check No.	Candidate	Amount
02/05/96	923	Ileana Ros-Lehtinen	\$200
04/01/96	953	Nita Lowey	\$100
10/23/96	1060	Joseph Kennedy, Jr.	\$200
11/01/96	1061	Michael Forbes	\$250
11/01/96	1062	Benjamin Gilman	\$100
03/17/97	1136	Gary Ackerman	\$200
05/12/97	1177	Joseph Biden	\$200
07/07/97	1205	Alfonse D'Amato	\$300

33. Mr. Constantinides and Ms. Pisano have stated that they did not, at that time, know their actions violated the Act.
34. During April of 1996, Robert Rossano contributed \$1,000 to the Clinton/Gore '96 Primary Committee. In May of 1996, Mr. Rossano contributed \$1,000 to Hoke for Congress.
35. Mr. Christopher authorized payments to Auto Sound, GLM, and Autosound Delaware Valley. The FEC has evidence that they in turn used those funds to reimburse Howard Honigbaum, Gary Tabackman, and Robert Rossano, respectively, for their campaign contributions.

Violations

- V. Respondent Audiovox acknowledges that the use of corporate funds by some employees of its subsidiaries in 1995, 1996, and 1997 to make campaign contributions in the names of

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others violated 2 U.S.C. §§ 441f and 441b(a). Respondent will cease and desist from violating 2 U.S.C. §§ 441f and 441b(a).

VI. Respondent Aris Constantinides violated 2 U.S.C. §§ 441f and 441b(a) by using Quintex funds to make eight campaign contributions in Gloria Pisano's name. Respondent will cease and desist from violating 2 U.S.C. §§ 441f and 441b(a).

VII. Respondent Gloria Pisano violated 2 U.S.C. §§ 441f and 441b(a) by permitting Quintex to make eight campaign contributions in her name. Respondent will cease and desist from violating 2 U.S.C. §§ 441f and 441b(a).

VIII. Respondent Thomas Doherty violated 2 U.S.C. §§ 441f and 441b(a) by using ACC funds to make campaign contributions in his name and in the names of Daniel McGuire and James Papadopoulos. Respondent will cease and desist from violating 2 U.S.C. §§ 441f and 441b(a).

IX. Respondent James Papadopoulos violated 2 U.S.C. §§ 441f and 441b(a) by permitting ACC to make a campaign contribution in his name. Respondent will cease and desist from violating 2 U.S.C. §§ 441f and 441b(a).

X. Respondent Daniel McGuire acknowledges that by accepting ACC funds, he permitted ACC to make two campaign contributions in his name, in violation of 2 U.S.C. §§ 441f and 441b(a). Respondent will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f.

XI. Respondent Neil Levine acknowledges for purposes of this agreement only, that by accepting ACC funds, he permitted ACC to make a campaign contribution in his name in violation of 2 U.S.C. §§ 441f and 441b(a). Respondent will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f.

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Civil Penalty

XII. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Six Hundred Twenty Thousand dollars (\$620,000.00) pursuant to 2 U.S.C. § 437g(a)(5) and 11 C.F.R. § 111.24(a).

Other Provisions

XIII. Respondent Audiovox has adopted a policy to educate its subsidiaries and current and future employees about the prohibitions on making corporate contributions to political candidates and reimbursing individuals for their campaign contributions. Respondent will continue to take such measures to prevent such violations in the future.

XIV. Respondents understand that the recipient campaign committees will be requested to disgorge the above-referenced reimbursed contributions in violation of the Act. Respondents waive any and all claims they may have to the refund or reimbursement of such contributions and will provide the Commission with a letter directing each recipient committee that any such disgorgement will be to the United States Treasury.

XV. 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.

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

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XVII. 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.

XVIII. 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:

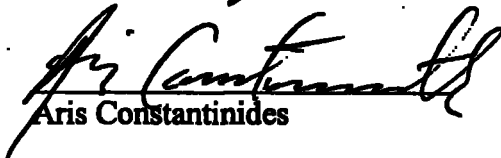

Rhonda J. Vosdinger
Associate General Counsel
for Enforcement

2/17/03
Date

FOR THE RESPONDENTS:


Audiovox Corporation

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Date

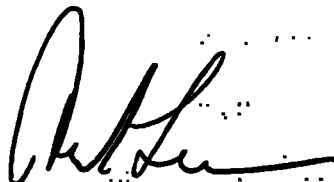

Aris Constantinides

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Thomas Doherty

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Date

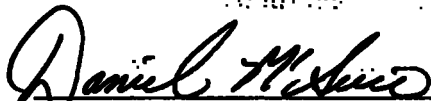
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Neil Levine

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Date



Daniel McGuire

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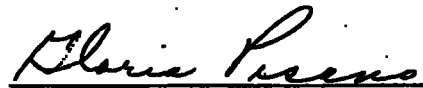
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James Papadopoulos

3/26/03

Date



Gloria Pisano

3/26/03

Date

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