



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 15, 2000

Donna M. Gilbane, Esq.
Northeast Utilities Service Company
Legal Department
P.O. Box 270
Hartford, CT 06141

RE: MUR: 4949

Dear Ms. Gilbane:

On March 3, 2000, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 434(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. If you have any questions, please contact me at (202) 694-1596.

Sincerely,

Marianne Abely
Marianne Abely
Attorney

Enclosure
Conciliation Agreement

20.04.398.0511

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	MUR 4949
Northeast Utilities Employees')	
Political Action Committee and)	
Jennifer L. Diggins, as treasurer)	

CONCILIATION AGREEMENT

This matter was initiated after the filing of a *sua sponte* submission by the Northeast Utilities Service Company ("Company") on behalf of the organization's separate segregated fund ("SSF"), the Northeast Utilities Employees' Political Action Committee ("NUEPAC" or "Committee"). The submission was dated August 6, 1998. The Federal Election Commission ("Commission") found reason to believe that NUEPAC and its treasurer, Jennifer L. Diggins, ("Respondents") violated 2 U.S.C. § 434(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. The Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. The Respondents enters voluntarily into this agreement with the Commission.

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

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1. The Northeast Utilities Service Company, which is the Committee's connected organization, is a registered electric utility holding company under the Public Utility Holding Company Act of 1935.

2. NUEPAC is a political committee within the meaning of 2 U.S.C. § 431(4)(B). The Company established NUEPAC as a separate segregated fund ("SSF") by filing a Statement of Organization with the FEC on August 24, 1978. At the time in question, the Committee was called the Northeast Utilities Political Action Committee.

3. According to the Statement of Organization filed with the FEC, NUEPAC intended to support candidates for election to both Federal and State office. In 1978 the Committee opened a single bank account to manage its Federal and State electoral activities.

4. Jennifer L. Diggins is the treasurer for NUEPAC. During the time in question, James J. Finnucan, was serving as the Committee's treasurer.

5. The Federal Election Campaign Act of 1971, as amended, ("FECA" or the "Act") requires that treasurers of political committees file periodic reports of receipts and disbursements. 2 U.S.C. § 434(a)(1).

6. According to the Act, those organizations that qualify as political committees that finance political activity in connection with both federal and non-federal elections may establish a political committee that shall receive only contributions subject to the prohibitions and limitations of the Act, regardless of whether such contributions are for use in connection with federal or non-federal elections. Those committees that choose to manage both federal and non-federal activities from a single account must comply with all the requirements of the Act. 11 C.F.R. § 102.5(a)(1)(ii). In particular these SSFs must, just like all other political committees, file periodic reports with the FEC disclosing all receipts and disbursements.

2 U.S.C. § 434(b), 11 C.F.R. § 114.5(e)(3). Because section 434(b) requires the disclosure of "receipts" and "disbursements", and not merely "contributions" and "expenditures", these organizations must report to the Commission all of their non-federal, as well as their federal, activity.

7. During the time in question, 1995 through the time period encompassed by the 1998 April Quarterly Report, NUEPAC was separately disclosing its non-federal activities to the Secretary of State's Office in Connecticut and its federal activities to the Commission.

8. An internal audit conducted by the Company in 1998 alerted the organization to the fact that NUEPAC's practice of separately disclosing its non-federal activities exclusively to the Secretary of State's Office in Connecticut and its federal activities to the Commission was not in compliance with FEC reporting regulations.

9. The Respondents began to disclose all non-federal and federal electoral activity with the filing of the Committee's 1998 July Quarterly Report.

10. NUEPAC's failure to report non-federal receipts and disbursements in its quarterly FEC financial reports was disclosed to the Commission by a *sua sponte* submission dated August 6, 1998.

11. From 1995 until the filing of the 1998 July Quarterly Report the Respondents failed to disclose \$225,113.33 in non-federal funds to the FEC. Specifically, the Respondents failed to disclose \$118,480.88 in receipts and \$106,632.45 in disbursements to state candidate committees and party organizations during this time period. The specific FEC reports in which the Respondents failed to disclose non-federal receipts and disbursements are as follows:

-1995 Mid-Year Report

- 5150 " 863 " 10 " 02
- 1995 Year End Report
 - 1996 April Quarterly Report
 - 1996 July Quarterly Report
 - 1996 October Quarterly Report
 - 1996 12 Day Pre-General Report
 - 1996 30 Day Post Election Report
 - 1996 Year End Report
 - 1997 Mid-Year Report
 - 1997 Year End Report
 - 1998 April Quarterly Report

12. The Respondents contend that any violation of the law was inadvertent and that NUEPAC did not intentionally violate 2 U.S.C. § 434(b).

V. The Respondents failure to report non-federal receipts and disbursements in the FEC disclosure reports spanning the 1995 Mid-Year Report through the 1998 April Quarterly Report constituted a violation of 2 U.S.C. § 434(b).

VI. The Respondents will pay a civil penalty to the Federal Election Commission in the amount of Fifteen Thousand Dollars (\$15,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Respondents will file with the Federal Election Commission corrections to all those disclosure reports that have been found to be in violation of the Act.

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.

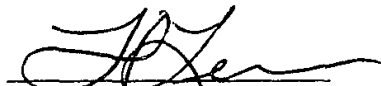
X. The Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. 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

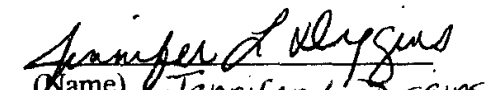
3/15/00

FOR THE RESPONDENTS:


(Name) DONNA M. GILBANE
(Position) SENIOR COUNSEL

Date

February 3, 2000


(Name) Jennifer L. Diggins
(Position) Treasurer

Date

February 8, 2000

9150-866-40-02
20-04-398-0516