

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of

Terence Murphy

)  
)  
)  
)  
)

MUR 5041

**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 Terence Murphy ("Respondent") violated 2 U.S.C. §§ 441b(a) and 441f.

NOW, THEREFORE, the Commission and Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Wuesthoff is a nonprofit 295-bed acute care hospital incorporated in the State of Florida.

22-04-405-3940

2. At all relevant times, Robert Carman was President and Chief Executive Officer of Wuesthoff.

3. From November 21, 1995 through May 19, 1999, Terence Murphy was Senior Vice President and Chief Operating Officer of Wuesthoff.

4. Terence Murphy was reimbursed with Wuesthoff's corporate funds for a total of \$7,000 in contributions that he made on different occasions during the period 1992 through 1998;

5. The corporate contributions to the federal committees were made in Mr. Murphy's name.

6. The available information demonstrates that Mr. Murphy, a senior officer of the corporation, consented to and participated in Wuesthoff's violation of the Act by accepting funds from the corporation to make the federal contributions and allowing his name to be used for that purpose. While Mr. Murphy was aware that Wuesthoff could not make direct campaign contributions, he contends he did not know that the reimbursement scheme devised by Robert Carman violated a specific federal election law.

7. The contributions Mr. Murphy made were at the order and direction of Robert Carman, President of Wuesthoff. When Mr. Murphy became aware in October of 1998 that the contributions may violate federal law, he brought the matter to the attention of Carman and Wuesthoff's in-house counsel.

646E "504" 40" 22

8. The Act prohibits corporations from making contributions or expenditures in connection with a federal election. 2 U.S.C. § 441b(a). Section 441b(a) of the Act also prohibits any officer or any director of any corporation from consenting to any contribution or expenditure by the corporation.

9. Further, Section 441f of the Act prohibits any person from making a contribution in the name of another person or from permitting his or her name to be used to effect such a contribution. The Commission regulations at 11 C.F.R. § 110.4(b)(1)(iii) also make it unlawful for any person to knowingly help or assist any person making a contribution in the name of another.

V. 1. Respondent Terence Murphy violated 2 U.S.C. § 441b(a) by consenting to Wuesthoff's corporate contributions.

2. Respondent Terence Murphy violated 2 U.S.C. § 441f by allowing his name to be used in Wuesthoff's making of the corporate contributions.

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Eight Thousand Five Hundred dollars (\$8,500), pursuant to 2 U.S.C.

§ 437g(a)(5)(A), such penalty to be paid as follows:

- a. One initial payment of \$4,000 to be submitted within 30 days of the execution date of this agreement;
- b. A second payment of \$2,000 to be paid within 60 days of such date;
- c. A third payment of \$2,000 to be paid within 90 days of such date;

0565-504-10-22

d. A final payment of \$500 to be paid within 120 days of such date;

e. In the event that any installment payment is not received by the Commission by the due dates outlined above, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to Respondents. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

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

X. Respondent understands that the recipient campaign committees will be requested to disgorge the above-referenced reimbursed contributions to the United States Treasury. Respondent waives any and all claims he may have to the refund or reimbursement of such contributions.

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:

Lois G. Lerner  
Acting General Counsel

BY: Abigail A. Shaine  
Abigail A. Shaine  
Acting Associate General Counsel

5/4/01  
Date

FOR RESPONDENT:

[Signature]

4/6/01  
Date

                      
Date