

SEP 21 2004

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BEFORE THE FEDERAL ELECTION COMMISSION

2004 SEP 21 P 2:36

In the Matter of:

Kentucky State District Council of
Carpenters and the Indiana-Kentucky
Regional Council of Carpenters, as
successor-in-interest

Steve Barger

Don Mitchell

Tom Schulz

MUR 5268

SENSITIVE

GENERAL COUNSEL'S REPORT #4

I. ACTIONS RECOMMENDED

Accept the attached proposed conciliation agreement with the Indiana-Kentucky

Regional Council of Carpenters, as the successor-in-interest to the Kentucky State District
Council of Carpenters ("KSDCC"), J. Stephen Barger, Donald Mitchell and Thomas Schulz, and
close the file.

II. BACKGROUND

On May 18, 2004, the Commission found probable cause to believe that the Kentucky
State District Council of Carpenters ("KSDCC") and three of its officers knowingly and willfully
violated the Act by requiring union employees to work for federal candidates and to contribute to
those candidates' campaigns. Because KSDCC's operations had recently been merged into a
sister union, the Commission also found probable cause to believe that the Indiana-Kentucky
Regional Council of Carpenters violated the Act, solely in its capacity as the successor-in-
interest to KSDCC.

After receiving notice of the Commission's probable cause findings, the Indiana-

Kentucky union informed this Office that it had retained new counsel.¹ Through this new attorney, the union also voiced its strong desire not only to settle this matter but to ensure that all violations have been abated and do not recur. Since that time, the union and its new leadership have exhibited a level of cooperation and candor that had been noticeably absent during the Commission's investigation of this matter.

III. CONCILIATION AGREEMENT

¹ KSDCC's former attorney, however, continues to represent the individual respondents, who have since been relieved of their positions in the union. During negotiations, both the union and the individuals signed additional tolling agreements extending the statute of limitations so that the statute does not begin to run on the earliest activity until October 29, 2004.

PAGES 3 AND 4 HAVE BEEN DELETED

24, 04, 403, 2229

IV. RECOMMENDATIONS

1. Accept the signed conciliation agreement with the Kentucky State District Council of Carpenters and the Indiana-Kentucky Regional Council of Carpenters, as successor-in-interest, J. Stephen Barger, Donald Mitchell and Thomas Schulz;
2. Approve the appropriate letters; and
3. Close the file.

Lawrence H. Norton
General Counsel

24 " 04 " 199 " 2650
Date 9/20/04

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Attachments:

1. Signed conciliation agreement
2. Red-lined version of Attachment 1