

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

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3  
4 In the Matter of )  
5 )  
6 Democratic Party of Virginia- ) MUR 5391  
7 Federal Campaign Committee and )  
8 Abbi G. Easter, as treasurer )

9 **CONCILIATION AGREEMENT**

10 This matter was initiated by the Federal Election Commission ("Commission"), pursuant  
11 to information ascertained in the normal course of carrying out its supervisory responsibilities.  
12 2 U.S.C. § 437g(a)(2). The Commission found reason to believe that the Democratic Party of  
13 Virginia-Federal Campaign Committee and Abbi G. Easter, as treasurer ("Respondents"),  
14 violated 2 U.S.C. § 434(b).

15 NOW, THEREFORE, the Commission and Respondents, having participated in informal  
16 methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as  
17 follows:

18 I. The Commission has jurisdiction over Respondents and the subject matter of this  
19 proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.  
20 § 437g(a)(4)(A)(i).

21 II. Respondents have had a reasonable opportunity to demonstrate that no action  
22 should be taken in this matter.

23 III. Respondents enter voluntarily into this agreement with the Commission.

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

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FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
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1           1. The Democratic Party of Virginia-Federal Campaign Committee is a political  
2 committee within the meaning of 2 U.S.C. § 431(4); and is not an authorized committee of any  
3 candidate.

4           2. Abbi G. Easter is the treasurer of the Democratic Party of Virginia-Federal  
5 Campaign Committee.

6           3. The Federal Election Campaign Act of 1971, as amended ("the Act"), requires  
7 the treasurer of a political committee to file pre-election reports that disclose, *inter alia*, the total  
8 amount of all receipts, as well as the total amount of receipts attributable to refunds, the date of  
9 any refunds, and identification information for any person who provides refunds aggregating  
10 more than \$200 in the calendar year. *See* 2 U.S.C. § 434(b).

11           4. The Act also requires that pre-election reports include the total amount of all  
12 disbursements, and identify persons to whom expenditures aggregating more than \$200 in the  
13 calendar year were made by the reporting committee to meet candidate or committee operating  
14 expenses. *See id.* The Act further requires that pre-election reports include the date, amount, and  
15 purpose of such operating expenditures. *See id.*

16           5. On October 12, 2000, the Committee filed its October Quarterly Report  
17 covering the period of July 1, 2000 through September 30, 2000. Among the listed expenditures  
18 was a September 29, 2000 disbursement of \$710,000 to Greer, Margolis, Mitchell, Burns &  
19 Associates ("Greer Margolis") for "Media Buys/Wire Transfer."

20           6. On October 26, 2000, the Committee filed its 2000 12-Day Pre-General Report  
21 covering the period of October 1, 2000 through October 18, 2000, which omitted a \$710,000  
22 refund from Applied Political Technologies on October 5, 2000 and a \$710,000 allocated  
23 expenditure to Greer Margolis on October 4, 2000.

1           7. On December 7, 2000, the Committee filed an amended 2000 Pre-General  
2 Report that disclosed, for the first time, an October 4, 2000 disbursement of \$710,000 to Greer  
3 Margolis for "Media Buy-Issue Ads."

4           8. On December 13, 2000, the Committee filed an amended 2000 October  
5 Quarterly Report, dated December 7, 2000, that continued to include the September 29, 2000  
6 disbursement of \$710,000 to Greer Margolis.

7           9. On August 31, 2001, Respondents filed an amended 2000 12-Day Pre-General  
8 Report. That amendment contained the October 4, 2000 expenditure of \$710,000 to Greer  
9 Margolis for "Media Buy-Issue Ads" and a previously unreported October 5, 2000 refund of  
10 \$710,000 from Applied Political Technologies, accompanied by the notation: "This is a refund of  
11 wire [sic] transfer from 9/29/2000 made in error."

12           10. On October 24, 2001, the Commission sent the Committee a Request for  
13 Additional Information ("RFAI"), referencing the August 2001 amendment. The RFAI stated, in  
14 relevant part, "Schedule A supporting Line 15 of your report discloses 'a refund of a wire transfer  
15 from 9/29/00 made in error' from Applied Political Technologies; however, your Amended  
16 October Quarterly Report (7/1/00 – 9/30/00), dated 12/7/00 discloses the vendor to be Greer,  
17 Margolis, Mitchell, Burns & [Associates]. Please clarify this discrepancy."

18           11. On January 18, 2002, the Commission received the Committee's response to  
19 the RFAI. The response stated, in relevant part:

20           On the Amended October Quarterly Report (7/1/00 – 9/30/00), dated 12/7[/00],  
21 the vendor reported as Greer, Margolis, Mitchell, Burns & Associates was a  
22 mistake. The vendor should have been Applied Political Technologies (APT).  
23 However, this transaction was made in error by the bank. The wire-out of  
24 \$710,000 should never have occurred. The bank made a mistake . . . ."  
25

1           12. When Respondents filed their first amended 2000 Pre-General Report on  
2   December 7, 2000, they correctly reported the October 4, 2000 disbursement of \$710,000 to  
3   Greer Margolis, while on the same day filing an amended 2000 October Quarterly Report that  
4   continued to incorrectly disclose a September 29, 2000 payment of that amount to Greer  
5   Margolis, rather than to Applied Political Technologies.

6           13. In their first amended 2000 Pre-General Report, filed on December 7, 2000,  
7   and their third amended 2000 Pre-General Report, filed on April 19, 2001, Respondents  
8   incorrectly reported that \$710,000 in receipts were attributable to a transfer of that amount from  
9   the Democratic Senatorial Campaign Committee ("DSCC") on October 4, 2000, instead of from  
10   an October 5, 2000 refund from Applied Political Technologies. Respondents did not receive a  
11   transfer of \$710,000 from the DSCC on October 4, 2000.

12           14. On August 31, 2001, Respondents filed an amended 2000 Pre-General Report  
13   with the Commission that, for the first time, correctly reported a refund of \$710,000 from  
14   Applied Political Technologies, and omitted the \$710,000 receipt from the DSCC on October 4,  
15   2000.

16           V.     Respondents failed to accurately report receipts and disbursements in their 2000  
17   Pre-General Report and its amendments and their 2000 October Quarterly Report and its  
18   amendments, in violation of 2 U.S.C. § 434(b). Respondents will cease and desist from violating  
19   2 U.S.C. § 434(b).

20           VI.    1. Respondents will pay a civil penalty to the Federal Election Commission in the  
21   amount of Twenty-One Thousand dollars (\$21,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

1                   2. Respondents will amend their 2000 October Quarterly disclosure report to  
2 properly reflect that Respondents did not disburse \$710,000 to Greer Margolis on September 29,  
3 2000.

4                   VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.  
5 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance  
6 with this agreement. If the Commission believes that this agreement or any requirement thereof  
7 has been violated, it may institute a civil action for relief in the United States District Court for  
8 the District of Columbia.

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

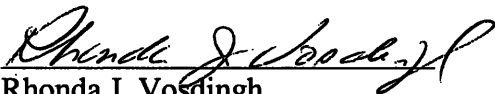
11                  IX. Respondents shall have no more than 30 days from the date this agreement  
12 becomes effective to comply with and implement the requirement contained in this agreement  
13 and to so notify the Commission.

14                  X. This Conciliation Agreement constitutes the entire agreement between the parties  
15 on the matters raised herein, and no other statement, promise, or agreement, either written or  
16

1 oral, made by either party or by agents of either party, that is not contained in this written  
2 agreement shall be enforceable.  
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4 FOR THE COMMISSION:

5 Lawrence H. Norton  
6 General Counsel  
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10 BY:   
11 Rhonda J. Vosdingh  
12 Associate General Counsel  
13

4/6/04  
Date

14 FOR RESPONDENTS:

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17  
18  
19 (Name) Neil Reiff  
20 (Position) Counsel  
21  
22

3/16/04  
Date