



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 20 2010

Laurence E. Gold, Esq.
Lichtman, Trister & Ross, LLC
1666 Connecticut Ave, NW
Fifth Floor
Washington, DC 20009

RE: MUR 6444
United Steel, Paper and Forestry,
Rubber, Manufacturing, Energy,
Allied Industrial and Service
Workers International Union

Dear Mr. Gold:

On December 14, 2010, the Federal Election Commission accepted the signed conciliation agreement you submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 431(9)(B)(ii) and 434(a)(4)(A)(i) and (ii), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). 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).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Kimberly D. Hart
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

United Steel, Paper and Forestry, Rubber,
Manufacturing, Energy, Allied Industrial
and Service Workers International Union

Pre-MUR 501

MUR # 6444

CONCILIATION AGREEMENT

This matter was initiated by a *sua sponte* submission made to the Federal Election Commission ("the Commission") by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("Respondent"). The Commission engaged the Respondents in an expedited Fast-Track Resolution pursuant to its *Sua Sponte* policy, 72 Fed. Reg. 16,695 (Apr. 5, 2007), and thus has not made reason-to-believe findings in this matter.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to findings of reason to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over the 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. The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("USW") is the largest industrial labor

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union in North America. It represents workers in the United States, Canada, and the Caribbean. USW is divided administratively into thirteen geographic Districts, ten in the United States and three in Canada. USW is currently affiliated with both the American Federal of Labor – Congress of Industrial Organizations (AFL-CIO) and the Canadian Labour Congress (CLC) as well as several international union federations.

2. The Federal Election Campaign Act of 1971, as amended (“the Act”) states that the term “expenditure” does not include any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization (including a labor organization) that are directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate) shall, if such costs exceed \$2,000 for any election, be reported to the Commission in accordance with 2 U.S.C. § 434(a)(4)(A)(i) of this title, and in accordance with § 434(a)(4)(A)(ii) of this title with respect to any general election. 2 U.S.C. § 431(9)(B)(iii).

3. The Act requires that in a calendar year in which a regularly scheduled general election is held, a membership organization that incurs such a reporting obligation must file a Form 7 report for the pertinent quarter no later than the 15th day after the last day of the quarter, except the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year. 2 U.S.C. § 434(a)(4)(A)(i). The

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Act also requires that a membership organization that incurs reporting obligations between October 1 and the 20th day before the general election must file a pre-election report no later than the 12th day before (or posted by certain prescribed means no later than the 15th day before) that election, which is complete as of the 20th day before the election. 2 U.S.C. § 434(a)(4)(A)(ii).

Respondent incurred costs for membership communications primarily devoted to express advocacy totaling \$14,915 in connection with the 2006 election and \$559,186 in connection with the 2008 election, and failed to file timely Form 7s reporting the activity within the time-frames described above in this paragraph.

4. Respondent became aware of its Form 7 filing obligations in November 2009, after consulting with its counsel on an unrelated matter. The consultation ultimately led to the discovery that Respondent had not filed the appropriate Form 7s for reportable membership communication costs in 2006 and 2008. Thereafter, Respondent, in December 2009, preliminarily notified the Commission of its discovery of the filing lapses and conducted an internal review to determine the nature of its spending on membership communications reportable on Form 7.

5. As a result of the internal review, Respondent filed its *sua sponte* submission with the Commission on April 23, 2010, which describes the extent and findings of the internal review. In addition, on the same date, it filed the appropriate Form 7s with the Commission covering the 2006 October Quarterly, 2006 12 Day Pre-General, 2008 October Quarterly, 2008 12 Day Pre-General and 2008 Year End reports. In June 2010, Respondent also filed a 2008 April Quarterly Report and amended 2008 October Quarterly, 2008 12 Day Pre-General and 2008 Year-End Reports to include additional reportable activity.

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6. Respondent has also adopted compliance measures to ensure no future filing lapses, including designation of specific USW employees who will be responsible for gathering information relevant to any potentially reportable membership communication costs and overseeing the preparation of the Form 7 reports. Respondent will, with respect to its use of temporary workers to make reportable communications, maintain a contemporaneous record which shall include the date, worker's name, means of communication, name of the candidate, whether the communication supported or opposed the candidate, and the class or category of individuals to whom the communication was directed.

V. Respondent violated 2 U.S.C. § 434(a)(4)(A)(i), (ii) and 431(9)(B)(iii) by failing to report membership communications containing express advocacy totaling \$574,101 in connection with the elections in 2006 and 2008.

VI. 1. Respondent will pay a civil penalty of \$11,000 pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondent will cease and desist from violating 2 U.S.C. §§ 434a(4)(A)(i), (ii) and 431(9)(B)(iii).

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.

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IX. Respondent 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.

X. 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:

12-17-10
Date

P. Christopher Hughey
Acting General Counsel
BY: K. H. Guith
Kathleen A. Guith
Acting Associate General Counsel
for Enforcement

FOR THE RESPONDENT:

Sept. 21, 2010
Date

BY: Laurence E. Gold
Laurence E. Gold
Counsel to United Steel, Paper and Forestry,
Rubber, Manufacturing, Energy, Allied
Industrial and Service Workers
International Union

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