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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Christopher Hughey
Acting General Counsel

Kathleen M. Guith
Acting Associate General Counsel for Enforcement

BY: Peter G. Blumberg *PGB*
Assistant General Counsel

Audra Hale-Maddox *AHM*
Attorney

SUBJECT: MUR 6468 (Empire State Regional Council of Carpenters, *et al.*)

RE: Pre-Probable Cause Conciliation Agreement

2011 AUG -4 A 11: 35

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SECRETARIAT

Attached is a conciliation agreement signed by representatives of the Empire State Regional Council of Carpenters ("Empire State") and the Empire State Regional Council of Carpenters Political Action Fund-Federal and William R. Banfield, in his official capacity as treasurer, ("Federal PAC"). The agreement would settle violations of 2 U.S.C. §§ 432(b) and 434(b), and 11 C.F.R. §§ 102.6(c) and 102.8(b), stemming from Empire State's failure, as the collecting agent for the Federal PAC, to timely forward contributions to the Federal PAC, instead maintaining the collected funds in an undisclosed escrow account. The Federal PAC failed to ensure that its collecting agent forwarded funds to it in a timely manner, and failed to report the funds in the escrow account as cash-on-hand over a period of years.

The agreement recites the pertinent facts of this matter and contains admissions to violations of the Act and the Commission's regulations, as well as an agreement to cease and desist from further violations and amend the Federal PAC's reporting within 60 days of the effective date of the agreement. In addition, Respondents

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1 agree to pay a civil penalty of \$75,000,

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4 After the Commission made its reason to believe findings in this matter, counsel
5 for Empire State notified OGC that Empire State had merged into a new union, the
6 Northeast Regional Council of Carpenters. This new union has accepted responsibility
7 for entering into the Conciliation Agreement as the successor-in-interest to Empire State,
8 and has agreed to be bound by the terms of the Conciliation Agreement. Accordingly,
9 the conciliation agreement includes a statement at Paragraph IV. 1. noting the merger of
10 Empire State into the Northeast Regional Council of Carpenters and explains that the
11 Northeast Regional Council of Carpenters enters into the Conciliation Agreement on its
12 predecessor's behalf. *See* MUR 5268 (Kentucky Council of Carpenters) (using same
13 language in a Conciliation Agreement with a successor-in-interest). [redacted] also
14 include a statement that the current treasurer was not the treasurer of the Federal PAC at
15 the time of the events recounted in the conciliation agreement.
16

17 We believe that the changes represent a reasonable compromise in settlement of
18 this matter. Therefore, we recommend that the Commission accept the signed
19 conciliation agreement, approve the appropriate letters, and close the file.
20

21 **RECOMMENDATIONS**

- 22
23 1. Accept the signed conciliation agreement;
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25 2. Approve the appropriate letters; and
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27 3. Close the file.
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