



Federal Election Commission  
Washington, DC 20463

July 9, 2007

Benjamin L. Ginsberg, Esq.  
Patton Boggs, LLP  
2550 M Street, N.W.  
Washington, DC 20037

Re: ADR # 381  
Mazak Corporation and Brian Papke, President

Dear Mr. Ginsberg:


Enclosed is the signed copy of the agreement resolving the *sua sponte* submission of February 14, 2007 with the Federal Election Commission ("FEC/Commission") by Mazak Corporation and Brian Papke, President ("Respondents"). The agreement for ADR 381 (PMUR # 447) was approved by the Commission on June 27, 2007 – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 9 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the *sua sponte* submission correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the issues involved in the *sua sponte* submission. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Deborah Ruth Kant, Director  
Alternative Dispute Resolution Office  
202-694-1661

Enclosure:    Agreement

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Federal Election Commission  
Washington, DC 20463

Case Number ADR 381  
Source P-MUR 447  
Case Name Mazak Corporation  
Brian Papke, President

### NEGOTIATED SETTLEMENT

This matter was initiated by a signed submission filed by counsel for Mazak Corporation and Brian Papke, President. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Federal Election Commission ("Commission") entered into negotiations with Benjamin L. Ginsberg, Esq. and Eric Brown, Esq., representing Mazak Corporation and Brian Papke, President (collectively "Respondents"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this submission. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. Mazak Corporation, and its President, Brian Papke, filed this *sua sponte* submission, acknowledging that they violated the FECA's ban on corporate corporations and contributions made in the name of another. Specifically, Respondents allege that Brian Papke made seven contributions in 2001 and 2002 to various candidate committees and one political action committee. Respondent Papke's employer, the Mazak Corporation, the Respondents further state, reimbursed Papke for \$2500 via a one-time special incentive check issued in September of 2002 in recognition of Papke's political and non-political activities. Respondents contend that this check was authorized by William King, the former controller of the company. Respondents explained that they reviewed the contributions during the 2001-2002 and these contributions totaled \$3500.<sup>1</sup> Respondents state that they discovered this improper reimbursement during an internal review of King and thereafter hired outside

<sup>1</sup> Respondents also state that although some of the contributions for which they were reimbursed may have been for non-political causes (e.g. Salvation Army), for purposes of the *sua sponte* submission, they would assume that all of the one-time special incentive check related to political contributions

consultants to conduct a more comprehensive review of compensation and expense reimbursement to Mazak's executives. Respondent Papke states that he was not aware that the law forbids corporate contributions. Once he became aware, Respondent Papke further states, he reimbursed Mazak for the \$2500.

4. The FECA prohibits any corporation, organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office, or any officer or director of any corporation to consent to any contribution or expenditure by the corporation. 2 U.S.C. § 441b(a), 11 C.F.R. § 114.2(a).
5. The FECA also prohibits any person making a contribution in the name of another person, or knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f, 11 C.F.R. § 110.4.
6. Respondents, understanding that nothing in this settlement precludes any proceeding or action that might be taken by the U.S. Department of Justice, or any other government entity against Respondents, agree to: (a) develop and distribute a separate corporate policy on political activity and contributions; (b) incorporate into their annual audit a review of any contributions for political activity and any incentive checks or special compensation; (c) provide training on the FECA and permissible and prohibited contributions; and (d) pay a civil penalty of \$350.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms within thirty (30) days from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 381 (P-MUR 447), and effectively resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

By: Deborah Ruth Kant  
Deborah Ruth Kant, Director  
Alternative Dispute Resolution Office

6/19/07  
Date Signed

FOR THE RESPONDENTS:

Benjamin L. Ginsberg  
Benjamin L. Ginsberg, Esq.  
Representing Mazak Corporation, and EB  
Brian Papke, President

6/20/07  
Date Signed

Eric S. Brown  
Eric S. Brown, Esq.  
Representing Mazak Corporation, and  
Brian Papke, President

6/20/07  
Date Signed

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