



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 22, 2012

Jim Lamb, Esq.
Sandler, Reiff, Young & Lamb
1025 Vermont Avenue, NW, Suite 300
Washington, DC 20005

Re: ADR 593 (RAD 11L-25)
Patriot Majority PAC and Craig Varoga, Treasurer

Dear Mr. Lamb:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on September 27, 2011, by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on **February 16, 2012** – the effective date of the agreement.

Note the specific time frames for compliance in Paragraph 6 of the agreement. **Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6, and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on or before March 16, 2012. Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.**

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our 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 matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

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assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Krista J. Roche
Assistant Director
Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office

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Federal Election Commission
Washington, DC 20463

Case Number: ADR 593
Source: RAD 11L-25
Case Name: Patriot Majority PAC

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. 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 Commission entered into negotiations with James Lamb, Esq., representing the Patriot Majority PAC and Craig Varoga, in his official capacity as Treasurer (the Committee or 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 referral. 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. The Reports Analysis Division referred Respondents for failing to file one 24-hour notice for a payment of \$20,747.48 for a direct mail independent expenditure disclosed on the 2010 30 Day Post General Report. Respondents also reported the incorrect amount for two payments on 24-hour notices that were filed: a) a \$4,500 payment for production expenses was disclosed on a 24-hour notice but the actual amount was an additional \$1,976, and b) a \$50,000 payment for a radio media buy was disclosed on a 24-hour notice but the actual amount was an additional \$20,000. The actual amounts were disclosed on the 2010 30 Day Post-General Report.
4. A political committee that makes or contracts to make independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours. 2 U.S.C. § 434(g), 11 C.F.R. § 104.4(c).
5. The Committee contends that these omissions were inadvertent.

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6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) develop and certify implementation of a compliance operations manual which includes internal controls consistent with the Commission's Best Practices for Committee Management (2009 update) and a process to track receipt of, and response to, communications with the Commission within sixty (60) days of the effective date of this agreement; (b) send a representative to an FEC conference within twelve (12) months of the effective date of this agreement; and (c) pay a civil penalty of \$3,250 within thirty (30) days of the effective date of this agreement.
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 of this agreement as set out in paragraph 6 above, and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 593 (RAD 11L-25), and 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.

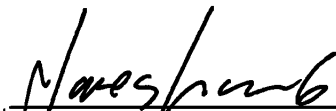
FOR THE COMMISSION:

Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office

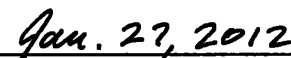



Date Signed

FOR THE RESPONDENTS:



James Lamb, Esq.
Representing Patriot Majority PAC and
Craig Varoga, Treasurer



Date Signed