






**SENSITIVE**

# MEMORANDUM

TO: The Commission

THROUGH: Alec Palmer   
Staff Director

FROM: Patricia C. Orrock   
Chief Compliance Officer

Lynn M. Fraser   
Director, ADR Office

SUBJECT: ADR 726 Joe Kyrillos For US Senate, Inc. and Ronald Gravino, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Certify the closure of the Committee's federal account and work with Commission staff to terminate their political committee status and reporting obligations with the Commission; and pay a civil penalty of \$5,200.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 726 (RR 14L-03)**. The ADR Office received this referral from the Office of General Counsel on June 30, 2014.

**SUMMARY:** In this case, the Reports Analysis Division (RAD) referred Respondents for accepting excessive contributions totaling \$138,950 from two (2) individuals, eight (8) partnerships, and one (1) federal political action committee (PAC) not qualified for multicandidate status during the 2012 election cycle. Respondents failed to remedy these contributions within the permissible timeframe.

The Committee contends that the excessive contributions were accepted due to a misunderstanding of the FECA, specifically those provisions dealing with how to attribute a partnership contribution. Respondents further contend that they were able to refund all the excessive contributions, albeit untimely. The Committee requests to terminate its reporting obligations.

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