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FEDERAL ELECTION COMMISSION
Washington, DC 20463

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2012 AUG -6 AM 10: 10

CELA

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Anthony Herman
General Counsel

Daniel A. Petalas
Associate General Counsel for Enforcement

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

Marianne Abely
Attorney *MA*

SUBJECT: MUR 6234 (Arlen B. Cenac, Jr., *et al.*)

RE: Pre-Probable Cause Conciliation Agreement

2012 AUG -6 AM 10: 25

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SECRETARIAT

Attached is a conciliation agreement signed by counsel for Arlen B. Cenac, Jr. and Cenac Towing Co., LLC, as successor-in-interest to Cenac Towing Co., Inc. ("Cenac Towing"). Attach. 1. This agreement, which we recommend the Commission accept, would settle knowing and willful violations of 2 U.S.C. §§ 441a(a)(1)(A), 441a(a)(3), 441b, and 441f relating to contributions made to Friends of Mary Landrieu, Inc. ("Landrieu Committee") and David Vitter for U.S. Senate ("Vitter Committee") in the names of others, and require the payment of a \$170,000 civil penalty.

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The Commission previously found reason to believe that conduits Roger Beaudean, Travis Breaux, Ena Breaux, Kurt Fakier, Andrew Soudelier, and Renee Soudelier violated 2 U.S.C. § 441f. *See* Certification (Jan. 14, 2012). These individuals either work for Cenac or are married to Cenac's employees. According to counsel, Cenac takes full responsibility for the unlawful activities at issue in this matter and conditions his agreement to conciliate with the Commission and pay the \$170,000 civil penalty on the Commission's determination to close the file as to the conduit respondents.

We believe the Commission should exercise its prosecutorial discretion and take no further action as to the conduits. Information gathered during the investigation indicates that none of the conduits knew in advance that Cenac used their names to make contributions to the Landrieu and Vitter Committees. *See, e.g.*, MUR 6223 (St. John Properties) (Commission took no further action after investigation revealed that most of the conduits did not consent to allowing their names to be used to effect contributions in the name of another). Further, there is no information suggesting these individuals recruited others into the scheme or that they served as elected officials, which have been factors in other matters where the Commission did pursue conduits. MUR 5871 (Noe, *et al.*) (Commission took no further action as to conduits who were not elected officials and had a limited role in the activity at issue, but conciliated with "super-conduits"). Finally, as noted, the primary respondent in this matter is willing to accept full responsibility, admit to knowing and willful violations, and pay a substantial civil penalty, allaying the need to further pursue other respondents.

¹ The Landrieu Committee disgorged the unlawful funds it received from Cenac to the U.S. Treasury on August 7, 2008. *See* First Gen. Counsel's Rpt. at 4, MUR 6234 (Friends of Mary Landrieu, Inc.).

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Accordingly, we recommend that the Commission accept the attached signed conciliation agreement with Cenac and Cenac Towing, and take no further action as to Roger Beaudera, Travis Breaux, Ena Breaux, Kurt Fakier, Andrew Soudelier, and Renee Soudelier and close the file.

RECOMMENDATIONS

1. Accept the attached conciliation agreement with Arlen B. Cenac, Jr. and Cenac Towing Co., LLC, as successor-in-interest to Cenac Towing Co., Inc.
2. Take no further action as to Roger Beaudera, Travis Breaux, Ena Breaux, Kurt Fakier, Andrew Soudelier, and Renee Soudelier.
3. Approve the appropriate letters.
4. Close the file.

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