



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MAR 19 2009

Maureen Duffy

Webster, MA 01570

RE: MUR 6048

Dear Ms. Duffy:

On August 11, 2008, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, the Commission, on March 4, 2009 voted to dismiss this matter. The Factual and Legal Analysis, which more fully explains the Commission's decision, is enclosed for your information.

Based on information before the Commission, it appears that as assistant treasurer of First Allmerica Financial Life Insurance Company PAC ("PAC"), you failed to accurately keep an account of and disclose receipts and disbursements in a manner that violated 2 U.S.C. §§ 432(c) and 434(b)(2), (3), (4) and (6). Further, it appears that you commingled PAC funds with your personal funds in a manner that violated 2 U.S.C. § 432(b). The Commission cautions you to take steps to ensure that your conduct is in compliance with the Act and the Commission's regulations.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003).

If you have any questions, please contact Audra Hale-Maddox, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Allen".

Mark Allen
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 **RESPONDENT:** Maureen Duffy

MUR 6048

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8 **I. GENERATION OF MATTER**

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10 This matter was generated by a complaint filed with the Federal Election Commission by
11 First Allmerica Financial Life Insurance Company Federal PAC. *See* 2 U.S.C. § 437g(a)(1).

12 **II. FACTUAL SUMMARY**

13 The complaint alleges that during the period from September 29, 2003 through
14 August 24, 2005, Maureen Duffy, who served as First Allmerica Financial Life Insurance
15 Company PAC's ("Allmerica PAC") assistant treasurer, made eleven unauthorized
16 disbursements totaling \$3,600.00 from Allmerica PAC contributions to herself and falsified
17 disclosure reports to cover up her scheme, in violation of the commingling and disclosure
18 provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The
19 complaint also alleges that Duffy also falsely disclosed Allmerica PAC's cash on hand and
20 expenditures in the PAC's Federal Election Commission ("FEC" or "Commission") reports from
21 the 2003 October Quarterly Report through the 2007 Year End Report.

22 In late 2001, Maureen Duffy, an employee of The Hanover Group ("THG"), the parent
23 company of First Allmerica Financial Life Insurance Company, became the assistant treasurer of
24 the Allmerica PAC, and in that capacity Duffy prepared, signed, and filed the PAC's FEC
25 disclosure reports and maintained its bank account and financial records from the beginning of
26 2003 through the termination of her employment on February 14, 2008, after admitting in an
27 investigation interview to stealing corporate funds. During an investigation in early 2008, THG
28 internal investigators discovered that Duffy had been making fraudulent disbursements from the

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1 PAC to herself. The unauthorized checks from the Allmerica PAC bank account were made out
2 to Duffy and also signed by her. Those checks were both cashed and deposited at First Webster
3 Federal Credit Union and/or Hometown Bank. The checks total \$3,600.00 and were dated and
4 made payable as follows:

Check Number	Check Amount	Date Issued	Payee
630	600.00	09/29/03	Maureen Duffy
633	500.00	04/16/04	Maureen Duffy
634	300.00	05/17/04	Maureen Duffy
635	600.00	06/08/04	Maureen Duffy
637	300.00	07/26/04	Maureen Duffy
638	300.00	08/17/04	Maureen Duffy
639	250.00	09/17/04	Maureen Duffy
640	500.00	10/18/04	Maureen Duffy
641	100.00	03/11/05	Maureen Duffy
642	100.00	04/13/05	Maureen Duffy
644	50.00	08/24/05	Maureen Duffy
Total	\$3,600.00		

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6 Duffy signed and filed the Allmerica PAC's reports with the FEC during the period of
7 her embezzlement, and John L. McDonough, the PAC's treasurer, delegated the reporting and
8 filing responsibility to Duffy and did not complete any reconciliation with bank statements after
9 the year 2003. Duffy did not disclose most of the disbursements to herself on the PAC's FEC
10 disclosure reports during this period, nor did she disclose other disbursements from the

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1 Allmerica PAC account during this period that the PAC does not now claim to be
2 embezzlements or money-laundering, but does not otherwise identify. Her disclosure reports to
3 the FEC included at least two disbursements that did not appear in the bank's records of the
4 Allmerica PAC's account, perhaps in an effort to cover up her embezzlement. Duffy's FEC
5 disclosure reports for the Allmerica PAC also included repeatedly inflated cash-on-hand
6 numbers because the amount disclosed as cash-on-hand stayed relatively static, while the actual
7 funds in the account dwindled to less than \$50.00 as Duffy embezzled the account funds, and
8 then fluctuated as Duffy later used the account for money-laundering of funds she stole from
9 THG.

10 THG met with Duffy on February 14, 2008 to confront her on her embezzlement and
11 money-laundering scheme, and at the conclusion of the meeting Duffy's employment with THG,
12 and her access to Allmerica PAC's accounts, was terminated. Allmerica PAC reported the
13 matter to the Worcester (Massachusetts) District Attorney's office.

14 **III. ANALYSIS**

15 The Commission dismisses the complaint in MUR 6048 and admonishes Duffy for her
16 apparent commingling of PAC funds with her personal funds and her apparent failure to keep an
17 account of and disclose receipts and disbursements.

18 Duffy's responsibilities as assistant treasurer for Allmerica PAC included assisting the
19 Treasurer in maintaining records and filing required disclosure reports. Duffy was authorized to
20 sign Allmerica PAC checks that had been previously approved by the PAC treasurer or
21 President. Because her duties as assistant treasurer of Allmerica PAC were outside the scope of
22 her role as an administrative assistant, she was paid a stipend by the Allmerica PAC of \$300 in

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the years 2001 and 2002. The stipend was discontinued in subsequent years due to the very low volume of PAC activity.

According to Commission policy, a former treasurer or assistant treasurer may be named as a respondent in his or her personal capacity when it appears that, while serving as a treasurer or assistant treasurer, he or she may have violated obligations imposed by the Act or Commission regulations personally on a treasurer and when available information indicates that the treasurer had knowledge that his or her conduct violated a duty imposed by law. *See Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings*, 70 Fed. Reg. 3 (January 3, 2005). In this matter, available information indicates that Duffy attempted to disguise her activities by omitting the disbursements from the committee's FEC reports, from which the Commission can infer that she had knowledge her conduct was prohibited by law. Therefore, Duffy is responsible in her personal capacity for the violations of the Act while performing the duties of the treasurer.

As assistant treasurer, Duffy was required to accurately keep an account of and disclose receipts and disbursements. *See* 2 U.S.C. §§ 432(c); 434(b)(2), (3), (4) and (6) and 11 C.F.R. § 104.3(a)-(b). Committee treasurers and any other person required to file any report or statement under the Act and the Commission's regulations are also personally responsible for the timely and complete filing of the report or statement and for the accuracy of any information or statement contained in it. *See* 11 C.F.R. § 104.14(d). In this matter, Duffy failed to keep an accurate account of receipts and disbursements, as she omitted the unauthorized disbursements from Allmerica PAC's reports filed with the Commission.

Furthermore, the Act prohibits the commingling of committee funds with "the personal funds of any individual." 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In past cases, the

1 Commission found that embezzlers violated 2 U.S.C. § 432(b)(3) in matters where individuals
2 misappropriated committee funds by making unauthorized disbursements to themselves or others
3 to pay for personal expenses. *See, e.g.*, MUR 5923 (American Dream PAC); MUR 5920
4 (Women's Campaign Fund); MUR 5721 (Doggett for U.S. Congress); *but see* MUR 5898
5 (Pennington). In this matter, Duffy commingled Committee funds with her personal funds by
6 issuing unauthorized checks against the Allmerica PAC account and both cashing and depositing
7 those checks into bank accounts that were likely her personal accounts.

8 However, based on the low dollar amount at issue (\$3,600.00) and the fact that Duffy is
9 being criminally prosecuted for the embezzlement, the Commission dismisses the complaint in
10 MUR 6048 and admonishes Duffy for her apparent commingling of PAC funds with her personal
11 funds and her apparent failure to keep an account of and disclose receipts and disbursements.
12 *See Heckler v. Chaney*, 470 U.S. 821 (1985).

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