



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

By Facsimile ((202) 328-9162) and First Class Mail

MAR 29 2007

B. Holly Schadler
Lichtman, Trister & Ross, PLLC
1666 Connecticut Avenue, N.W., Suite 500
Washington, D.C. 20009

RE: MUR 5808
Planned Parenthood Action Fund,
Inc. PAC and Chris Korsmo, in her
official capacity as Treasurer;
Planned Parenthood Action Fund,
Inc.; Planned Parenthood Federal of
America

Dear Ms. Schadler:

On March 6, 2007, the Federal Election Commission accepted the signed global conciliation agreement submitted on behalf of your clients, Planned Parenthood Action Fund, Inc. PAC and Chris Korsmo, in her official capacity as Treasurer, and Planned Parenthood Action Fund, Inc., in settlement of violations of 2 U.S.C. §§ 434(b) and 441b, provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

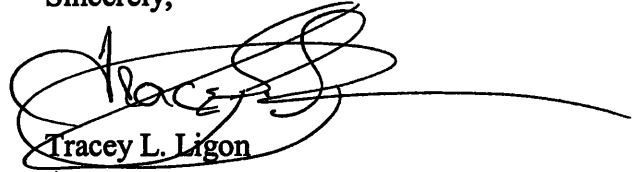
Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalties are due within 30 days of the conciliation agreement's effective date. Also enclosed please find a Statement of Reasons from Chairman Robert D. Lenhard and Commissioner Ellen L. Weintraub explaining their dissent in this matter. This

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document will be placed on the public record as part of the file in MUR 5808. If you have any questions, please contact me at (202) 694-1650.

Sincerely,



Tracey L. Ligon
Attorney

Enclosures
Conciliation Agreement
Statement of Reasons

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 5808

Planned Parenthood Action Fund, Inc.)

Planned Parenthood Action Fund Inc., PAC and Chris)
Korsmo, in her official capacity as Treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that: (1) Planned Parenthood Action Fund, Inc. violated 2 U.S.C. § 441b(a); and (2) Planned Parenthood Action Fund, Inc. PAC and Chris Korsmo, in her official capacity as Treasurer, violated 2 U.S.C. §§ 434(b) and 441b. Planned Parenthood Action Fund, Inc. and Planned Parenthood Action Fund, Inc. PAC and Chris Korsmo, in her official capacity as Treasurer, are referred to herein collectively as "the Respondents."

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

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IV. The pertinent facts in this matter are as follows:

1. Planned Parenthood Action Fund, Inc. (“the Action Fund”) is incorporated under the laws of the State of New York.

2. Planned Parenthood Action Fund, Inc. PAC (“PPAF PAC”) is a political committee within the meaning of 2 U.S.C. § 431(4). It is the separate segregated fund of the Action Fund.

3. Chris Korsmo is the treasurer of the PPAF PAC.

4. The Federal Election Campaign Act of 1971, as amended (“the Act”), requires the treasurer of a political committee to file disclosure reports in accordance with the provisions of 2 U.S.C. § 434(a). *See* 2 U.S.C. § 434(a)(1). The disclosure reports must disclose, for the reporting period and the calendar year, the total amount of all receipts and all receipts in certain categories and the total amount of all disbursements and all disbursements in certain categories, along with the name and address of each person who provided any receipt, or received any disbursement, in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such receipt or disbursement. *See* 2 U.S.C. § 434(b)(2) - (b)(5). In addition, the Act prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). Section 441b(a) also makes it unlawful for any candidate, political committee, or other person knowingly to accept or receive corporate contributions.

5. In late 2004, PPAF PAC discovered that certain receipts and disbursements may not have been disclosed in the PPAF PAC’s 2004 disclosure reports. An independent review of the PPAF PAC’s accounts and disclosure reports, initiated by Respondents, revealed that the PPAF PAC failed to disclose receipts and disbursements in the PPAF PAC’s 2004 disclosure reports, disclosed one receipt and one disbursement that did not occur, and accepted transfers of corporate funds from the Action Fund and the Planned Parenthood Federation of America, a

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corporation affiliated with the Action Fund, as set forth in the following paragraphs numbered 6 – 14.

6. Between October 5, 2004 and November 9, 2004, a total of \$95,124 in contributions from individuals was misdeposited into the PPAF PAC's account. The PPAF PAC failed to report these receipts in its original Pre-General and 30 Day Post-General Reports, as appropriate. The PPAF PAC reported the receipts in its Amended Pre-General and 30 Day Post-General Reports filed on January 31, 2005, as appropriate.

7. On November 9, 2004, the PPAF PAC reported in its Amended 30 Day Post General Report a transfer of \$50,000 from the Action Fund that did not occur.

8. On November 10, 2004, \$10,000 was transferred to the PPAF PAC from Planned Parenthood Foundation – a corporation affiliated with the Planned Parenthood Federation of America. The PPAF PAC transferred these funds out of its account within 30 days – the time period within which treasurers are permitted to examine deposited contributions for evidence of illegality before returning the contribution to the contributor. *See* 11 C.F.R. § 103.3(b). However, the PPAF PAC failed to report this receipt in its original 30 Day Post General Report. The PPAF PAC reported this receipt and the transfer out in its Amended 30 Day Post-General Report and Year End Report, respectively, filed on January 31, 2005.

9. On December 2, 2004, \$76,503 was transferred from the PPAF PAC to the Action Fund to make a partial repayment of the misdeposited \$95,124. The PPAF PAC failed to report this disbursement in its original 30 Day Post-General Report.

10. On December 12, 2004, the PPAF PAC reported in its 2004 Year End Report a transfer of \$18,621 to the Action Fund to complete repayment of the misdeposited \$95,124. However, this transfer never occurred.

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11. On November 9, 2004, \$51,000 was transferred from the Action Fund to the PPAF PAC, then returned from the PPAF PAC to the Action Fund on December 2, 2004. The funds were transferred out of the PPAF PAC's account within 30 days – the time period within which treasurers are permitted to examine deposited contributions for evidence of illegality before returning the contribution to the contributor. *See* 11 C.F.R. § 103.3(b). The PPAF PAC failed to report the \$51,000 receipt and the \$51,000 disbursement, however, in its 30 Day Post General Report and 2004 Year End Report, respectively.

12. On September 15, 2004, \$24,309 was transferred from the Action Fund to the PPAF PAC. The PPAF PAC failed to report its receipt of the \$24,309 in corporate funds in its 2004 October Monthly Report.

13. Between August 13, 2004 and December 2, 2004: (1) the PPAF PAC made a total of \$700,000 in disbursements to Planned Parenthood Federation of America, a corporation, and received repayments totaling \$700,000 from the Federation, thereby receiving prohibited corporate contributions; and (2) the PPAF PAC failed to disclose the \$700,000 in disbursements and the \$700,000 in receipts in its disclosure reports, as set forth below:

On August 13, 2004, the PPAF PAC disbursed \$200,000 to the Federation, but did not report the disbursement in its 2004 Sept. Monthly Report.

On September 13, 2004, the Federation returned the \$200,000 to the PPAF PAC. The PPAF PAC did not report this receipt in its 2004 October Monthly Report.

On October 1, 2004, the PPAF PAC disbursed \$300,000 to the Federation, but did not report the disbursement in its Pre-General Report.

On October 15, 2004, the Federation returned the \$300,000 to the PPAF PAC. The PPAF PAC did not report this receipt in its 30 Day Post General Report.

On October 26, 2004, the PPAF PAC disbursed \$200,000 to the Federation, but did not report the disbursement in its 30 Day Post General Report.

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On November 17, 2004, the Federation returned \$100,000 to the PPAF PAC. The PPAF PAC did not report this receipt in its 30 Day Post General Report.

On December 2, 2004, the Federation returned the remaining \$100,000 to the PPAF PAC. The PPAF PAC did not report this receipt in its 2004 Year End Report.

14. Between October 14, 2004 and November 22, 2004, the PPAF PAC failed to report \$3,000 in contribution refunds and \$280 in unitemized receipts in its original 30 Day Post-General Report. The PPAF PAC reported these amounts in its Amended 30 Day Post-General Report filed on January 31, 2005.

15. Respondents contend that, in addition to amending its 2004 reports filed with the Commission upon discovering that activity of PPAF PAC had not been disclosed in the reports, they retained an outside consultant to undertake a comprehensive audit of the PPAF PAC's reports and financial activity. The Respondents further contend that this independent audit verified that the fund transfers described above were made by the Comptroller without the knowledge of his supervisors at the time he was responsible for oversight of the Respondents' accounts and served as assistant treasurer of the PPAF PAC. Respondents also contend that the transfers to the PPAF PAC in the amount of \$700,000 were a return of funds that belonged to the PPAF PAC and were not intended for the purpose of influencing a federal election.

V. In this Section, as well as Sections VI and VII, "Respondents" refers to Planned Parenthood Action Fund, Inc. PAC and Chris Korsmo, in her official capacity as Treasurer.

(1). Respondents failed to disclose receipts and disbursements, and erroneously disclosed receipts and disbursements, in amounts totaling \$1,727,328 in violation of 2 U.S.C. § 434(b). Respondents will cease and desist from violating 2 U.S.C. § 434(b) by failing to

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disclose or erroneously disclosing, receipts or disbursements, and will disclose receipts and disbursements pursuant to applicable regulations.

(2). Respondents received \$724,309 through transfers of corporate funds in violation of 2 U.S.C. § 441b(a). Respondents will cease and desist from violating 2 U.S.C. § 441b(a) by receiving corporate funds.

(3). Planned Parenthood Action Fund, Inc. made a \$24,309 transfer of corporate funds to Planned Parenthood Action Fund Inc., PAC in violation of 2 U.S.C. § 441b(a). Planned Parenthood Action Fund, Inc. will cease and desist from violating 2 U.S.C. § 441b(a) by making corporate transfers to a political committee.

VI. (1). Respondents will pay a civil penalty to the Federal Election Commission in the amount of One Hundred Ten Thousand Dollars (\$110,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

(2). Planned Parenthood Action Fund, Inc. will pay a civil penalty to the Federal Election Commission in the amount of Four Thousand Six Hundred Dollars (\$4,600) pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondents will file amended reports to disclose all receipts and disbursements of the PAC, and to correct the public record with respect to previously reported transactions that did not occur.

VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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IX. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

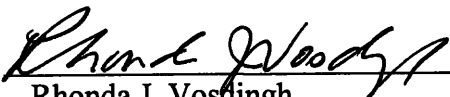
X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

XII. This agreement resolves all matters arising from MUR 5808 and, except as provided in Section VIII of the agreement, no further inquiry or action will be taken by the Federal Election Commission regarding the matters described herein as to possible violations of the Act by the Respondents.


FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY: 
Rhonda J. Vostdigh
Associate General Counsel
for Enforcement

3/14/07
Date

FOR THE RESPONDENTS:


Beth Otten
Vice President and General Counsel

1/19/07
Date

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