



FEDERAL ELECTION COMMISSION
Washington, DC 20463

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FEB 18 2011

Sue-Yun Ahn, Esquire
Wilmer, Cutler, Pickering, Hale, and Dorr, LLP
1875 Pennsylvania Ave., N.W.
Washington, D.C. 20006

RE: MUR 6179
Christopher Ward

Dear Ms. Ahn:

On February 14, 2011, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 432(b)(3), (c), (d), and (h)(1), and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. § 104.14(d) of the Commission's regulations. 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) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). 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. If you have any questions, please contact me at (202) 694-1656.

Sincerely,

Michael A. Columbo
Attorney

Enclosure
Conciliation Agreement

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OFFICE OF GENERAL
COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of)
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Christopher Ward) MUR 6179
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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 Christopher Ward ("Respondent") knowingly and willfully violated 2 U.S.C. §§ 432(b)(3), (c), (d) and (h)(1), and 434(b) of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R § 104.14(d) of the Commission's regulations.

NOW, THEREFORE, the Commission and Respondent, 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 Respondent 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. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

2 1. The Act requires political committees, through their treasurers, to file complete
3 and accurate reports of receipts and disbursements with the Commission. 2 U.S.C. § 434;
4 11 C.F.R. Part 104.

5 2. Each report filed pursuant to 2 U.S.C. § 434 must contain the total amount of all
6 receipts and disbursements. 2 U.S.C. § 434(b)(2), (4); 11 C.F.R. § 104.3(b), (b).

7 3. The treasurer of a political committee must keep an account of: all contributions
8 received by the committee; the identification of any person making contributions aggregating
9 more than \$200 during a calendar year, together with the date and amount of any such
10 contribution; and the name and address of every person to whom any disbursement is made,
11 together with the date, amount, and purpose of the disbursement, and a receipt, invoice, or
12 cancelled check for each disbursement in excess of \$200. 2 U.S.C. § 432(c).

13 4. Each report must disclose the identity of each person who makes a contribution
14 that has an aggregate amount or value in excess of \$200 within a calendar year, or in any lesser
15 amount if the committee should so elect, together with the date and amount of any such
16 contribution. 2 U.S.C. § 434(b)(3)(A).

17 5. Each report must disclose the name and address of each person who has received
18 any disbursement that has an aggregate amount or value in excess of \$200 within a calendar
19 year, together with the date, amount, and purpose of any such disbursement. 2 U.S.C.
20 § 434(b)(6)(B)(v); 11 C.F.R. § 104.3(b)(3).

21 6. All committee receipts must be deposited in designated bank accounts. 2 U.S.C.
22 § 432(h)(1).

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1 7. Committee treasurers required to file any report or statement under the Act and
2 the Commission's regulations are also personally responsible for the timely and complete filing
3 of the report or statement and for the accuracy of any information or statement contained in it.
4 11 C.F.R. § 104.14(d).

5 8. The Act prohibits the commingling of committee funds with the personal funds of
6 any individual. 2 U.S.C. § 432(b)(3); 11 C.F.R. § 102.15.

7 9. The National Republican Congressional Committee ("NRCC"); Tuesday Group
8 Political Action Committee ("Tuesday Group PAC"); Dedicated to Establishing National
9 Teamwork Political Action Committee ("DENTPAC"); Jobs, Economy and Budget Fund
10 ("JEBFUND"); Commitment to Outstanding Leadership and Direction Political Action
11 Committee ("COLDPAC"); Prosperity Helps Inspire Liberty Political Action Committee
12 ("PhilPAC"); Safeguarding America by Expanding National Security Political Action
13 Committee ("SAXPAC"); and Leading Us in Success Political Action Committee ("LUISPAC")
14 (collectively, "the Committees") are political committees as defined by 2 U.S.C. § 431(4)(A),
15 and have filed disclosure reports with the Commission.

16 10. Christopher Ward was the treasurer for the Committees at all relevant times;

17 11. The President's Dinner Committees ("PDCs") were political committees created
18 annually to serve as joint fundraising representative committees for joint fundraising efforts that
19 benefitted the NRCC and the National Republican Senatorial Committee ("NRSC"). Mr. Ward
20 also served as treasurer for the 2001 through 2006 PDCs.

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1 12. From March, 2001 through December, 2007, Ward embezzled approximately
2 \$844,718 through unauthorized and unreported disbursements from the NRCC and other
3 political committees.

4 13. Ward embezzled approximately \$672,587 from the NRCC, primarily through
5 unauthorized and unreported disbursements from the NRCC to the accounts of the 2002 through
6 2006 PDCs. Ward subsequently made unauthorized and undisclosed disbursements from the
7 PDCs to his own accounts, or to other committees that he served as treasurer before depositing
8 the funds in his own accounts.

9 14. On September 29, 2006, Ward wired \$47,194 in NRCC funds, without disclosing
10 it to the Commission, to pay a 2006 PDC vendor after the 2006 PDC's check to that vendor was
11 returned for insufficient funds.

12 15. To conceal his embezzlement of funds from the NRCC, Ward falsified annual
13 audit reports for the 2002 through 2006 fiscal years.

14 16. In addition to using the PDCs to transfer funds disbursed without authorization
15 from the NRCC, Ward also made unauthorized and undisclosed disbursements of PDC funds
16 directly to his own accounts.

17 17. Since at least June of 2001, Ward made unauthorized disbursements of funds to
18 himself from the account of the 2001 PDC. Ward did not disclose his unauthorized
19 disbursements to the Commission. In subsequent years, Ward made unauthorized disbursements
20 from the 2002, 2003, 2004, 2005, and 2006 President's Dinner Committees to himself. Ward's
21 unauthorized disbursements from the PDC accounts were accomplished using checks and wire
22 transfers and were deposited into various accounts held by Ward. Between July 12, 2005, and

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1 September 29, 2006, Ward made \$29,500 in unauthorized and unreported disbursements from
2 the PDCs to the accounts of other political committees that he served as treasurer.

3 18. Ward also inflated the reported amounts of PDC disbursements by \$208,276.17
4 by disclosing nonexistent disbursements and inflating the disclosed amount of legitimate
5 disbursements to partially account for the missing funds and conceal his embezzlement.

6 19. Ward also disburmed, without authorization and without disclosing to the
7 Commission, \$15,949.69 of funds to himself from Pennsylvanians for a Republican Congress
8 after he disclosed to the Commission that that Committee had no funds and that this committee
9 was requesting termination.

10 20. Additionally, during the 2007-2008 election cycle, Ward made unauthorized and
11 undisclosed disbursements from several other political committees: \$15,000 from Tuesday
12 Group PAC; \$2,000 from DENTPAC; \$4,000 from the JEBFUND; \$20,000 from COLDPAC;
13 \$10,000 from SAXPAC (\$1,000 of which was originally embezzled from LUISPAC); \$17,000
14 from PhilPAC (\$15,000 of which Ward originally embezzled from Weller for Congress); and
15 \$41,000 from LUISPAC. Ward made the unauthorized and undisclosed disbursements from
16 these committees by writing checks to himself drawn on the committees' bank accounts. The
17 checks, made payable to Ward, were either deposited into his personal bank account or cashed.

18 21. Ward also deposited his personal funds into committee accounts: he deposited a
19 \$3,500 check drawn on his personal account into DENTPAC's account; he deposited two checks
20 totaling \$4,208.70 from his personal account into JEBFUND's account; he made an unauthorized
21 cash deposit of \$2,393.45 into SAXPAC's account; and he deposited a check in the amount of
22 \$23,500 drawn from his personal account into LUISPAC's bank account.

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1 22. Ward deposited a \$5,000 check made payable to JEBFUND into LUISPAC's
2 account and disclosed the contribution as having been made to JEBFUND

3 23. Ward ceased working for the NRCC in December 2007. In January 2008, the
4 NRCC discovered that Ward had been falsifying the NRCC's annual audit reports since 2002.
5 The revelation of his embezzlement from the NRCC led to the discovery of his embezzlement
6 from the other committees.

7 V. Respondent filed false reports with the Commission, and failed to accurately keep
8 an account of and disclose disbursements, in knowing and willful violation of 2 U.S.C. §§ 432(c)
9 and (d), and 434(b). Respondent knowingly and willfully violated 2 U.S.C. § 432(b)(3) by
10 commingling the funds of political committees with his personal funds. Respondent violated
11 2 U.S.C. § 432(h)(1) by failing to deposit all committee receipts in designated bank accounts.
12 Respondent knowingly and willfully violated 11 C.F.R. § 104.14(d) by failing to timely and
13 completely file accurate reports with the Commission.

14 VI. Respondent will take the following actions:

15 1. In ordinary circumstances, the Commission would seek a civil penalty based
16 on the knowing and willful violations outlined in this agreement pursuant to 2 U.S.C. §
17 437g(a)(5)(B) of up to 200 percent of any contribution or expenditure involved in such violation.
18 However, the Commission is taking into account the fact that Respondent Christopher Ward,
19 through the submission of financial documentation to the Commission and additional
20 representations, has demonstrated that financial hardship prevents him from paying a civil
21 penalty in this matter. These representations include that Respondent Ward has no significant
22 assets, has pleaded guilty and will be sentenced in a criminal matter arising from his

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1 embezzlement, will be incarcerated, will pay \$812,825 in restitution to the committees from
2 which he embezzled funds, and has consented to a forfeiture order for \$844,718. The
3 Commission regards these submissions and representations as material representations. Due to
4 the mitigating circumstances presented by Respondent Ward's financial condition, the
5 Commission agrees that no civil penalty shall be due. If evidence is uncovered indicating
6 Respondent's financial condition is not as stated, a civil penalty of up to two million four
7 hundred and eighty thousand dollars (\$2,480,000) shall be immediately due, pursuant to 2 U.S.C.
8 § 437g(a)(5)(B).

9 2. Respondent will cease and desist from violating 2 U.S.C. §§ 432(b)(3), (c), (d)
10 and (h)(1), and 434(b) and 11 C.F.R § 104.14(d).

11 VII. Respondent is prohibited from working or volunteering for federal political
12 committees in a capacity involving the committee's finances for a period of 10 years.

13 VIII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
14 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review
15 compliance with this agreement. If the Commission believes that this agreement or any
16 requirement thereof has been violated, it may institute a civil action for relief in the United States
17 District Court for the District of Columbia.

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


20 X. Respondent shall have no more than 30 days from the date this agreement
21 becomes effective to comply with and implement the requirements contained in this agreement
22 and to so notify the Commission.

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

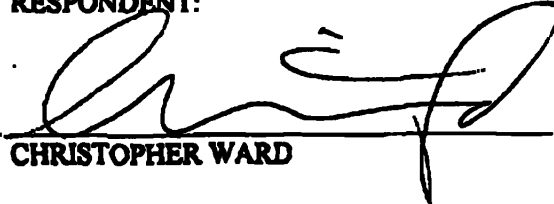
5 FOR THE COMMISSION:

6 Christopher Hughey
7 Acting General Counsel

8 BY: 
9 Kathleen Guith
10 Acting Associate General Counsel
11 for Enforcement

2/17/11
Date

12 RESPONDENT:

13 
14 CHRISTOPHER WARD

11/23/10
Date

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Christopher Ward (Pre-Probable Cause) MUR 6179
Conciliation)

CERTIFICATION

I, Shawn Woodhead Werth, Secretary and Clerk of the Federal Election Commission, do hereby certify that on February 14, 2011, the Commission decided by a vote of 5-0 to take the following actions in MUR 6179:

1. Accept the Conciliation Agreement, as recommended in the General Counsel's Memorandum dated January 28, 2011.
2. Approve the appropriate letter.
3. Close the file.

Commissioners Bauerly, Hunter, Petersen, Walther, and Weintraub voted affirmatively for the decision. Commissioner McGahn II recused himself with respect to this matter and did not vote.

Attest:

February 14, 2011
Date

Shawn Woodhead Werth
Shawn Woodhead Werth
Secretary and Clerk of the Commission

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