



The Federal Election Commission  
Washington, DC 20463

JAN 12 2007

Glenn M. Willard, Esq.  
Patton Boggs, LLP  
2550 M Street, NW  
Washington, DC 20037-1350

RE: MUR 5655  
Rick Renzi for Congress and Nancy H.  
Watkins, in her official capacity as treasurer

Dear Mr. Willard:

On January 8, 2007, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients, Rick Renzi for Congress and Nancy H. Watkins, in her official capacity as treasurer, in settlement of violations of 2 U.S.C. §§ 434(b)(1), (2), (4), 434(b)(2)(F), and 11 C.F.R. § 102.17(c)(8)(i)(B), provisions of the Federal Election Campaign Act of 1971, as amended, and underlying 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). 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 penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1598.

Sincerely,

  
Ruth Heilizer  
Attorney

Enclosure:  
Conciliation Agreement

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1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2  
3 In the Matter of )  
4 ) MUR 5655  
5 Rick Renzi for Congress and Nancy H. )  
6 Watkins, in her official capacity as treasurer )  
7  
8

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FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
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9 **CONCILIATION AGREEMENT**

10 This matter was initiated by the Federal Election Commission ("the Commission"),  
11 pursuant to information ascertained in the normal course of carrying out its supervisory  
12 responsibilities. The Commission found reason to believe that Rick Renzi for Congress and its  
13 treasurer violated 2 U.S.C. §§ 434(b)(1), (2) (4), 434(b)(2)(F), and 11 C.F.R.  
14 § 102.17(c)(8)(i)(B).

15 NOW THEREFORE, the Commission and Rick Renzi for Congress and Nancy H.  
16 Watkins, in her official capacity as treasurer ("Respondents"), having participated in informal  
17 methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as  
18 follows:

19 I. The Commission has jurisdiction over Respondents and the subject matter of this  
20 proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C.  
21 § 437g(a)(4)(A)(i).

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

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

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

26 1. Rick Renzi for Congress (the "Committee") is a political committee within the  
27 meaning of 2 U.S.C. § 431(4) and was the principal campaign committee for Richard G. Renzi  
28 ("Renzi") during his 2001-2002 campaign for the United States House of Representatives.

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1           2. Nancy H. Watkins became treasurer of the Committee on May 13, 2005, after  
2 the violations described herein.

3           3. The Federal Election Act of 1971, as amended, sets forth requirements for the  
4 contents of disclosure reports filed by political committees. Among other requirements,  
5 political committees are required to disclose cash on hand (2 U.S.C. § 434(b)(1)), receipts  
6 (2 U.S.C. § 434(b)(2)), including transfers from affiliated committees (2 U.S.C. § 434(b)(2)(F))  
7 and their share of gross receipts from original contributors as memo entries on Schedule A  
8 (11 C.F.R. § 102.17(c)(8)(i)(B)), and disbursements (2 U.S.C. § 434(b)(4)).

9           4. Respondents' 2002 October Quarterly, Pre-General, Post-General, and Year-  
10 End Reports understated receipts by a net total of \$37,539.

11           5. Respondents' 2002 October Quarterly, Pre-General, Post-General, and Year-  
12 End Reports understated disbursements by a net total of \$101,105.

13           6. As a consequence of understating receipts and disbursements by net totals of  
14 \$37,539 and \$101,105, respectively, Respondents' net cash on hand was overstated by \$63,566.

15           7. On their 2002 Pre-General, Post-General, and Year End Reports, Respondents  
16 misreported three transfers of joint fundraising proceeds totaling \$134,495 from The Leadership  
17 Committee, affiliated with Respondents as a "joint fundraising representative." When disclosing  
18 the transfers, Respondents itemized \$130,495 of the proceeds as ordinary contributions on  
19 Schedule A, instead of providing memo entries disclosing original contributors who gave in  
20 excess of \$200, or political committees that contributed any amount. Respondents failed to  
21 disclose the remaining \$4,000 on Schedule A at all. In addition, Respondents also reported the  
22 three transfers on Line 11 of the respective Detailed Summary Pages of their 2002 Pre-General,

1 Post-General, and Year End Reports, along with other contributions, instead of on Line 12, the  
2 line designated for such transfers. Subsequently, Respondents corrected the reports.

3 8. Respondents contend that any violation of law was inadvertent, and they have  
4 taken steps to remedy their internal compliance procedures by hiring an experienced C.P.A. firm  
5 and compliance specialist (and continuing to retain them) and by sending a representative to a  
6 Commission seminar. The Commission has made no findings that the violations described  
7 herein were knowing and willful.

8 V. Respondents failed to accurately disclose cash on hand, receipts, and  
9 disbursements on their 2002 October Quarterly, Pre-General, Post-General, and Year-End  
10 Reports, in violation of 2 U.S.C. §§ 434(b)(1), (2) and (4). For \$130,495 of the total transfers  
11 from The Leadership Committee of \$134,495, Respondents failed to provide memo entries on  
12 Schedule A disclosing individuals who gave in excess of \$200, or political committees that  
13 contributed any amount, and failed to disclose the remaining \$4,000 in transfers on Schedule A  
14 at all, in violation of 2 U.S.C. § 434(b)(2)(F) and 11 C.F.R. § 102.17(c)(8)(i)(B). Respondents  
15 also failed to properly report all of the transfers on the correct line of the Detailed Summary  
16 Pages in the 2002 Pre-General, Post-General and Year End Reports, in violation of 2 U.S.C.  
17 § 434(b)(2)(F) and 11 C.F.R. § 102.17(c)(8)(i)(B).

18 VI Respondents will cease and desist from violating 2 U.S.C. §§ 434(b)(1), (2), and  
19 (4), 434(b)(2)(F) and 11 C.F.R. § 102.17(c)(8)(i)(B).

20 VII. Respondents will pay a civil penalty to the Federal Election Commission in the  
21 amount of Twenty-Five Thousand Dollars (\$25,000), pursuant to 2 U.S.C. § 437g(a)(5)(A)

22 IX. The Commission, on request of anyone filing a complaint under 2 U.S.C.  
23 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance

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1 with this agreement. If the Commission believes that this agreement or any requirement thereof  
2 has been violated, it may initiate a civil action for relief in the U.S. District Court for the District  
3 of Columbia.

4 X. This agreement shall become effective as of the date that all parties thereto have  
5 executed same and the Commission has approved the entire agreement.

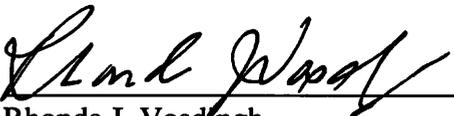
6 XI. Respondents shall have no more than 30 days from the date this agreement  
7 becomes effective to comply with and implement the requirements contained in this agreement  
8 and to so notify the Commission.

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

13 FOR THE COMMISSION:

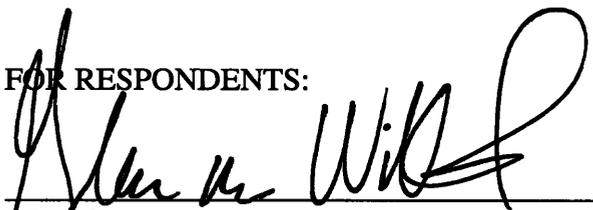
14 Lawrence H. Norton  
15 General Counsel  
16

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18 BY:   
19 Rhonda J. Vosdignh  
20 Associate General Counsel  
21 for Enforcement

4/10/07  
Date

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23  
24 FOR RESPONDENTS:  
25   
26  
27  
28 (Name)  
29 (Position)

12/5/06  
Date

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