



**Federal Election Commission
Washington, DC 20463**

September 25, 2006

Mary Rose Adkins
11250 Waples Mill Boulevard
Fairfax, VA 22030

Re: ADR #314/RAD 05L-68
National Rifle Association (NRA) of America Political Victory Fund

Dear Ms. Adkins

Enclosed is the signed copy of the agreement resolving the referral initiated on December 29, 2005 with the Federal Election Commission ("FEC/Commission") against National Rifle Association (NRA) of America Political Victory Fund ("Respondents"). The agreement for ADR 314 (RAD 05L-68) was approved by the Commission on September 14, 2006 – the effective date of the agreement.

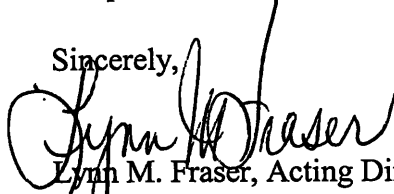
Note that paragraph 16 of the agreement specifies that Respondents shall comply with the terms of this settlement within 30 days from the effective date of this agreement, except for item (A) which shall be twelve (12) months of the effective date of the agreement, and item (D) which shall be within six (6) months of the effective date of the agreement, with payments of the civil penalty being made in installments over the course of the aforementioned six months. Please forward to this office, a statement confirming Respondents' compliance with the terms listed in paragraph 13 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 13.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

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This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Lynn M. Fraser, Acting Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number: ADR 314
Source: RR 05L-68
Case Name: National Rifle Association of
America Political Victory Fund

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following a review of the record and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA" or "Act"), and to resolve this matter, the Commission entered into negotiations with Mary Rose Adkins on behalf of the National Rifle Association of America Political Victory Fund and Mary Rose Adkins, Treasurer (the "Respondents" or the "Association"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance with the FECA on the part of Respondents. The Commission's use of ADR procedures is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572, and is an extension of 2 U.S.C. § 437g.
2. The Respondents voluntarily entered into this agreement with the Commission.
3. The Reports Analysis Division ("RAD") determined, first, that Respondents failed to file one 48-Hour Notice to support one independent expenditure totaling \$195,399.34, disclosed on the Amended 2004 August Monthly Report, received on September 16, 2004, and seven (7) 24-Hour Notices to support thirteen (13) independent expenditures totaling \$93,442.34, disclosed on the 2004 30 Day Post-General Report. Secondly, Respondents failed to include \$3,676.89 in activity on 24-Hour Notices filed to support independent expenditures disclosed on the 2004 30 Day Post-General Report.
4. Respondents, on August 19, 2004, filed their 2004 August Monthly Report, including a Schedule E (Itemized Independent Expenditures), which disclosed ten (10) expenditures totaling \$437,995.63, made on behalf of eight (8) federal candidates. Based on the information and expenditures disclosed on the 2004 August Monthly Report, Respondents were required to file one 48-Hour Notice with the Commission.

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5. Respondents, on December 2, 2004, filed the 2004 30 Day Post-General Report, including a Schedule E (Itemized Independent Expenditure), which disclosed two-hundred forty three (243) expenditures totaling \$4,298,948.46, made on behalf of forty-five (45) federal candidates. Based on the information and expenditures disclosed on 2004 30 Day Post-General Report, Respondents were required to file one hundred twelve (112) 24 Hour Notices with the Commission.
 6. Each report filed by a political committee shall disclose for the reporting period and the calendar year, the total amount of all disbursements, and for any political committee other than an authorized committee, independent expenditures. 2 U.S.C. § 434(b)(4)(H)(iii) and 11 C.F.R. § 104.3(b)(1).
 7. A person (including a political committee) that makes or contracts to make independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before the date of an election, shall file a report describing the expenditures within 24 hours. After a person files the aforementioned 24-Hour Notice, the person shall file an additional report, within 24 hours, each time the person make or contracts to make independent expenditures aggregating an additional \$1,000 with respect to the same election as that to which the initial report relates. 2 U.S.C. §§ 434(g)(1)(A) and (B), and 11 C.F.R. § 104.4(c).
 8. A person (including a political committee) that makes or contracts to make independent expenditures aggregating \$10,000 or more at any time up to and including the 20th day before the date of an election, shall file a report describing the expenditures within 48 hours. After a person files the aforementioned 48-Hour Report, the person shall file an additional report, within 48 hours, each time the person makes or contracts to make independent expenditures aggregating an additional \$10,000 with respect to the same election as that to which the initial report relates. 2. U.S.C. §§ 434(g)(2)(A) and (B), and 11 C.F.R. § 104.4(b)(2).
 9. Respondents advised, following notification from the Commission regarding the Association's failure to file one or more of the 48-hour Notices for independent expenditures with the 2004 August Monthly Report, that the Notice was inadvertently not filed when the subject expenditure was cancelled. Respondents advised that the 48-Hour Notice was for a TV ad, dated July 22, 2004, that was subsequently cancelled. A later notification from the Commission noted that the Association's Amended 2004 August Monthly Report did not disclose the refund for the TV ad production previously reported by Respondents as cancelled. In reply, Respondents explained that a decision canceling a TV ad that was scheduled to run in mid-August, later reversed, resulted in the ad being placed in production. Respondents explained that the expenditure for the TV production was reported on a Schedule E for the August Monthly Report, however, the 48-Hour Notice was in advertently not filed. On June 3, 2005, Respondents filed a 48-Hour Notice to support the independent expenditure totaling \$195,399.34, as disclosed on the Amended August Monthly Report.
 10. Respondents contend that the 24-Hour Notices relating to independent expenditures disclosed on the 2004 30 Day Post-General Report reflected the dissemination date and the Schedule E filed with the 30 Day Post-General Report reflected the payment date.

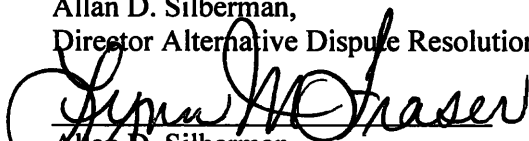
Respondents subsequently listed the independent expenditures, along with the date disseminated, and the date filed, for those expenditures not disclosed. Hereafter, Respondents filed 24-Hour Notices to support sixty-one (61) independent expenditures totaling \$84,318.46, disclosed on the 2004 30 Day Post-General Report. Later, in response to a request from the Commission, Respondents filed 24-Hour Notices to support three (3) independent expenditures totaling \$35,419.04 disclosed on the 2004 30 Day Post-General Report.

11. Respondents subsequently explained that their failure to file the required 48-Hour and 24-Hour Notices for independent expenditures on the 2004 August Monthly and 2004 30 Day Post-General Reports respectively was due to an inadvertent oversight.
12. Respondent explained that the notifications from RAD alerted them to a need to tighten the Association's internal control procedures, particularly those governing approval of independent expenditures. As a result of that internal review, Respondents have adopted new procedures governing authorization and oversight of invoices.
13. In order to avoid similar errors in the future and improve the Association's FECA compliance, Respondents agree to: A) select and send at least three members of the Association's staff, including the treasurer and assistant treasurer, to a FEC seminar on reporting responsibilities relating to political action committees; B) conduct an internal training program for Association staff on FECA reporting responsibilities; C) prepare, maintain and distribute to Association staff, including personnel in the Federal Affairs, Grass-Roots and Chairman's Offices, copies of a manual to guide staff on the obligations and requirements of the FECA; and, D) pay a civil penalty of \$17,000.
14. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
15. The parties agree that if the Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance and/or forward any outstanding civil penalty to the US Treasury for collection.
16. This agreement will become effective on the date signed by the parties and approved by the Commission. Respondents shall comply with the terms of this settlement listed in paragraph thirteen (13) above within thirty (30) days from the effective date of this agreement, except for item (A) which shall be within twelve (12) months of the effective date of the agreement, and item (D) which shall be within six (6) months of the effective date of the agreement, with payments of the civil penalty being made in installments over the course of the aforementioned six months.
17. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 314/RR 05L-68, and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

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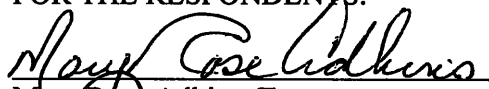
FOR THE COMMISSION:

Allan D. Silberman,
Director Alternative Dispute Resolution Office


Allan D. Silberman

9-14-06
Date

FOR THE RESPONDENTS:


Mary Rose Adkins, Treasurer
National Rifle Association of America

7-17-2006
Date

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