

## SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered into by and between Carmen Group and the United States of America, acting through the United States Attorney’s Office for the District of Columbia, and on behalf of the Clerk of the United States House of Representatives and the Secretary of the United States Senate. Collectively, all of the above will be referred to as “the Parties.”

### PREAMBLE

As a preamble to this Agreement, the Parties state the following:

A. At all relevant times, to and including March 2015, Carmen Group was a lobbying firm registered with the United States House of Representatives and the United States Senate pursuant to the Lobbying Disclosure Act (“LDA”), 2 U.S.C. § 1601 *et seq.*;

B. From August 2008 through March 2015, Carmen Group employed a General Counsel who, in addition to other duties, was assigned responsibility for filing in a timely fashion quarterly reports regarding Carmen Group’s lobbying activities, as well as semiannual reports regarding Carmen Group’s political contributions;

C. The United States contends that prior to March 2015, Carmen Group violated the LDA by failing to file in a timely fashion some of its quarterly reports regarding Carmen Group’s lobbying activities;

D. The United States further contends that prior to March 2015, some of the individual lobbyists who were registered to work on behalf of Carmen Group’s clients violated the LDA by failing to file in a timely fashion some of their semiannual reports regarding their political contributions;

E. The United States contends that it has certain civil claims against Carmen Group and its registered lobbyists arising out of these violations of the LDA;

F. Carmen Group denies that it ever knowingly violated the LDA, denies that it is responsible for the failures of its General Counsel to file reports in a timely fashion, and asserts that it did not become aware of the untimely LDA filings by Carmen Group or its individual lobbyists until March 2015 following the departure of its General Counsel from the firm;

G. Nonetheless, to avoid the delay, uncertainty, and expense of litigation, the Parties mutually desire to reach a full and final settlement of all civil claims the United States has or may have against Carmen Group and its registered lobbyists based on the conduct alleged above.

#### **TERMS AND CONDITIONS**

NOW, THEREFORE, in reliance on the representations contained herein and in consideration of the mutual promises, covenants, and obligations in this Agreement, and for good and valuable consideration, receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. Carmen Group agrees to pay to the United States the sum of one hundred twenty-five thousand dollars (\$125,000) (the "Settlement Amount"). The Settlement Amount shall be paid within five (5) business days of the Effective Date of this Agreement, and shall be made via electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Columbia.

2. Carmen Group agrees that, within thirty (30) days of the Effective Date of this Agreement, to the extent it has not already done so, it will file with the Secretary of the Senate and the Clerk of the House any outstanding quarterly lobbying reports.

3. Carmen Group also agrees that, within thirty (30) days of the Effective Date of this Agreement, to the extent it has not already done so, it will file with the Secretary of the Senate and the Clerk of the House any outstanding semi-annual political contributions reports for itself and for its registered lobbyists.

4. Carmen Group further agrees that, for a period of three (3) years from the Effective Date of this Agreement (the "Compliance Period"), it shall be responsible for the timely filing of all reports required under the LDA for itself and for any of its current employees who are registered lobbyists. Within five (5) days of the Effective Date of this Settlement Agreement, Carmen Group shall submit to the United States Attorney's Office, to the Secretary of the Senate, and the Clerk of the House, a list of its currently employed registered lobbyists.

5. During the Compliance Period, Carmen Group agrees that it will require any employees who separate from the firm to provide appropriate notices to the Secretary of the Senate and the Clerk of the House, and that if any departing employees fail to provide such notice, Carmen Group will send written notice to the Secretary of the Senate and the Clerk of the House that includes (a) the names and forwarding addresses of the departed employee(s); and (b) a revised list of then-current Carmen Group employees.

6. During the Compliance Period, Carmen Group agrees that if it or its current employees should fail to file in a timely fashion with the Secretary of the Senate or the Clerk of the House any report required by the LDA, then Carmen Group shall be liable for the full amount of the civil penalty provided for at 2 U.S.C. § 1606(a) for each such failure to file. Carmen Group agrees that a referral from the Secretary of the Senate or the Clerk of the House to the United States Attorney's Office for the District of Columbia for enforcement proceedings shall create the presumption that Carmen Group has violated the LDA and is liable pursuant to this

paragraph unless it can present the United States Attorney's Office with evidence sufficient to establish that no violation occurred. Under this provision, Carmen Group is responsible only for ensuring that its registered lobbyists submit the required filings in a timely fashion; Carmen Group is not responsible for the accuracy of the content of those individuals' filings.

7. Subject only to the conditions specified below, on receipt of the Settlement Amount described in Paragraph 1 above, the United States will release and will be deemed to have released Carmen Group from any civil or administrative monetary claims that the United States has or may have under the Lobbying Disclosure Act, 2 U.S.C. § 1601 *et seq.*, for the conduct described in Paragraphs C and D of the Preamble.

8. The United States specifically does not release Carmen Group from (a) any criminal, civil or administrative claims arising under Title 26 U.S. Code (Internal Revenue Code); (b) any liability to the United States (or any agencies thereof) for any conduct other than that identified in Preamble Paragraphs C and D; and (c) any obligations created by this Agreement.

9. Nothing in this Agreement constitutes an agreement by the United States concerning the characterization of the amounts paid hereunder for purposes of any proceeding under Title 26 of the Internal Revenue Code.

10. The Parties agree that this Agreement does not constitute an admission by any person or entity, and shall not be construed as an admission by any person or entity, with respect to any issue of law or fact.

11. This Agreement shall be binding upon the Parties, their successors, assigns, and heirs.

12. This Agreement shall become final and binding only upon signing by each respective party hereto.

13. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

14. This Agreement may not be changed, altered or modified except in writing signed by all Parties.

15. The individual signing this Agreement on behalf of Carmen Group represents and warrants that he is authorized by Carmen Group to execute this Agreement. The United States signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

16. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date"). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

\*\*\*\* SIGNATURE PAGES TO FOLLOW \*\*\*\*

FOR CARMEN GROUP



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DAVID M. CARMEN  
President & CEO  
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Washington, DC 20004

Dated: 8.26.15

FOR THE UNITED STATES OF AMERICA

VINCENT H. COHEN, JR.  
Acting United States Attorney for the  
District of Columbia

DANIEL F. VAN HORN  
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Dated: 8/27/15