



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 078
Source: AR 02-07
Case Name: Citizens to Elect Rick Larsen
and Robert Anderson, Treasurer

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Commission entered into negotiations with James A. Goeke, Esq., representing the Citizens to Elect Rick Larsen and Robert Anderson, Treasurer ("Respondents"). 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 addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") 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. Respondents voluntarily enter into this agreement with the Commission.
3. An audit of contributions from individuals received for the 2000 election cycle identified 62 apparent excessive contributions totaling \$43,812 from 56 individuals. The contributions appeared excessive due to a lack of written primary and general election designations, or written attribution of a contribution check equally between joint account holders. The Commission, however, recently adopted a new policy which provides committees greater latitude in redesignation and/or reattribution of contributions. This new policy was applied to this case enabling remaining excess contribution issues to be resolved.

4. The audit also determined that Respondents did not deposit the excessive contributions into a separate account and only maintained a sufficient balance to make refunds through September 2000. For the period October through December 2000, Respondents did not consistently maintain sufficient funds to make the necessary refunds.
5. Section 441a(f) of Title 2 of the U.S. Code states that no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. Federal regulations indicate that the treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitations of 11 C.F.R. § 110.1 or § 110.2. 11 C.F.R. § 103.3(b):
6. Federal regulations state, in relevant part, that any contribution which appears to be illegal under 11 C.F.R. § 103.3(b)(3), and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds. 11 C.F.R. § 103.3(b)(4).
7. Respondents acknowledge that a violation occurred due to a misunderstanding of the FECA by Respondents' staff concerning the need for *written* designations and/or attributions. Respondents assumed that if an individual exceeded the primary election contribution level, the excess funds would be for the general election, or that a contribution could be equally attributed between joint account holders. Respondents' staff further incorrectly assumed it was not necessary to demand *written* designations or attributions from contributors.
8. Respondents, in an effort to avoid similar errors in the future, agree to: (a) appoint a committee staff person to serve as FEC Compliance Officer; and (b) have the Compliance Officer attend a FEC sponsored campaign finance seminar within twelve (12) months of the effective date of this agreement.
9. The parties agree that if 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.
10. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of the settlement within thirty (30) days from the effective date of this agreement, with the exception of term (b) in paragraph 8 above, which shall be completed no later than twelve months from the effective date of this agreement.

11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 078 (AR 02-07), 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.

FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office


By:



Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office

March 7, 2003
Date Signed

FOR THE RESPONDENTS:


James A. Goeke, Esq.
Citizens to Elect Rick Larsen and
Robert Anderson, Treasurer

February 11, 2003
Date Signed

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