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By Office of the Commission Secretary at 1:46 pm, Nov 17, 2021

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463**SENSITIVE****MEMORANDUM**

November 17, 2021

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Krista J. Roche *KJR*
Director, ADR Office

SUBJECT: Recommendation to Approve Negotiated Settlement
ADR 1035 - Ditch Fund and Jennifer May, Treasurer
(C00688739)

RESOLUTION TERMS: Certify that a representative of the Committee participated
in an FEC training; and pay a civil penalty of \$2,750.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 1035 (RAD 21L-43). The ADR Office received this referral on July 8, 2021.

SUMMARY: The Reports Analysis Division (RAD) referred Ditch Fund and Jennifer May, Treasurer, (Respondents or the Committee) for failing to timely file five (5) 48-Hour Reports totaling \$54,673.43 to support thirty-six (36) independent expenditures disclosed on the 2020 October Quarterly Report. These reports have been filed, albeit untimely.

On December 28, 2020, the Committee filed an Amended 2020 October Quarterly Report, including memo text stating that due to an issue with the filing software, an additional \$54,673.43 in independent expenditures were inadvertently excluded from independent expenditure reports. The Committee stated that these inadvertent omissions were caused by a technological issue with the Committee's filing software. Specifically, the Committee contended during negotiations that its Treasurer input these expenditures into the program and had pre-set the program to compile reports for all independent expenditures in the affected race prior to the filing deadline. However, the program omitted certain expenditures from the

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reports. Because the amounts missing from the affected reports were small, relative to the total amounts being reported, the Committee stated that its Treasurer did not realize that the expenditures at issue were missing from the reports. Now that the Committee is aware of this technological issue with its filing software, it stated that it has added an additional check to its filing process, in which the independent expenditures for the relevant period listed in its filing software are compared against the independent expenditures listed on the Committee's draft reports to include any missing entries.

RECOMMENDATIONS:

1. Approve the attached Negotiated Settlement of Ditch Fund and Jennifer May, Treasurer.
2. Approve the appropriate letters.

3. Close the file on this matter.