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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

December 13, 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 1038 - REBUILDING AMERICA NOW and Chris Marston, Treasurer (C00618876)

RESOLUTION TERMS: Certify the implementation of internal control procedures consistent with those described in the Commission's advisory documents and as recommended to the Committee by the FEC's Audit Division.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 1038 (P-MUR 631). The ADR Office received this matter from the Commission on July 26, 2021.

SUMMARY: REBUILDING AMERICA NOW and Chris Marston, Treasurer, (Respondents or the Committee) filed a *sua sponte* submission dated March 6, 2020, claiming that the former treasurer¹ misappropriated \$278,169.45 of Committee funds between September 2016 and January 2019, resulting in the filing of inaccurate reports with the FEC. The Committee filed amended reports from the 2016, 2018, and 2020 election cycles to disclose the previously unreported transactions and correct the public record.

The Committee contends that it believed it had taken prudent steps to create internal controls and segregation of duties. The Committee further states that its former treasurer shifted and reconfigured the responsibilities to avoid discovery of his

¹ The former treasurer is listed as the treasurer on the Committee's Statement of Organization from June 2, 2016 through June 3, 2019.

actions. The Committee states it implemented remedial measures in response to the discovery of the unauthorized transactions. The Committee appointed a new treasurer who conducted a comprehensive analysis of financial activity and amended FEC reports. This internal audit and reconciliation included the review of the records provided by the former treasurer, the identification of missing records, the reconciliation of bank records and FEC reports, and contacting vendors to ensure the veracity of reported payments. Further, new internal controls were implemented which include an additional level of review and reconciliation by a person who does not have check signing authority. The Committee states that it intends to terminate operations as soon as practicable.

RECOMMENDATIONS:

1. Approve the attached Negotiated Settlement of REBUILDING AMERICA NOW and Chris Marston, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.