



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM

March 22, 2022

TO: The Commission

THROUGH: Alec Palmer
Staff Director

FROM: Patricia C. Orrock
Chief Compliance Officer

Krista J. Roche *KJR*
Director, ADR Office

Joshua A. Rebollozo *JAR*
Assistant Director, ADR Office

SUBJECT: Recommendation to Approve Negotiated Settlement
ADR 1052 & ADR 1053 – LAFAYETTE COUNTY
DEMOCRATIC PARTY and Susan Fino, Treasurer
(C00532788)

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; certify that a representative of the Committee participated in an FEC training; and pay a civil penalty of \$200 within thirty (30) days.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 1052 (RR 20L-11) and ADR 1053 (P-MUR 645). The ADR Office received the referrals from the Commission on October 19, 2021.

SUMMARY: The Reports Analysis Division (RAD) referred Lafayette County Democratic Party and Martha M. Scott, Treasurer (Respondents or the Committee) for disclosing apparent unauthorized disbursements totaling \$13,500 in its 2019 Mid-Year Report. On November 24, 2020, Respondents filed a *sua sponte*

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submission stating that the Committee's previous treasurer¹ issued checks to himself and his corporation and made debit card withdrawals for personal expenses from the Committee's bank account totaling \$14,523.87. On February 16, 2022, the Committee filed an amended 2019 Mid-Year Report, to update the total amount of unauthorized disbursements to \$15,297.63.

The Committee stated that after discovering the unauthorized disbursements it appointed a new treasurer, notified law enforcement, contacted its RAD analyst, and began drafting new internal controls to prevent a future occurrence. The Committee stated it has since implemented new internal controls and stricter oversight, including implementing monthly reconciliations, requiring disbursements over \$500 to be authorized by two persons, recording receipts as mail is opened, implementing a back-up system to avoid loss of electronic data, and implementing additional levels of reconciliation by a member of the Executive Committee.

¹ The former treasurer served as the Committee's treasurer from December 10, 2018 to August 10, 2019, however, the Committee never filed a Statement of Organization (FEC Form 1) to reflect the change.

RECOMMENDATIONS:

1. Approve the attached Negotiated Settlement of LAFAYETTE COUNTY DEMOCRATIC PARTY and Susan Fino, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.