

RECEIVED

By Office of the Commission Secretary at 10:03 am, Mar 10, 2022

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

March 10, 2022

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

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

Krista J. Roche *KJR*
Director, ADR Office

Rosa Marshall *RM*
Assistant Director, ADR Office

SUBJECT: Recommendation to Approve Negotiated Settlement
ADR 1055 - Kentucky State Democratic Central Executive
Committee (C00011197) and M. Melinda Karns, Treasurer

RESOLUTION TERMS: Certify that a representative of the Committee participated in an FEC training program; develop and certify the implementation of a process to track receipt of, and response to, communications with the Commission; develop and certify implementation of a compliance operations manual which includes internal controls; and pay a civil penalty of \$6,025.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 1055 (RAD 21L-60). The ADR Office received this referral on October 22, 2021.

SUMMARY: The Reports Analysis Division (RAD) referred Kentucky State Democratic Central Executive Committee and M. Melinda Karns, Treasurer, (Respondents or the Committee) for a series of reporting errors and other FECA violations during the 2019-2020 election cycle. The Committee's errors included: prohibited and other impermissible contributions or transfers; mathematical and cash-on-hand discrepancies; failure to provide supporting schedules; failure to properly itemize disbursements; and allocated federal and non-federal activity.

Recommendation to Approve
Negotiated Settlement
ADR 1055 (RAD 21L-60)
Page 1

During negotiations, Respondents stated that there were challenges during the 2019-2020 election cycle that affected the Committee's reporting. On January 26, 2022, February 2, 2022, and February 3, 2022, the Committee filed amended reports to correct its 2019-2020 election cycle reporting errors. RAD reviewed the filings and determined that no further corrective action is required.

RECOMMENDATIONS:

1. Approve the attached negotiated settlement of Kentucky State Democratic Central Executive Committee and M. Melinda Karns, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.