



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 27, 2022

M. Melinda Karns, Treasurer  
Kentucky State Democratic Central Executive Committee  
PO Box 694  
Frankfort, KY 40602

**Response Due Date  
November 17, 2022**

Re: ADR 1088 (AD A19-3)  
Kentucky State Democratic Central Executive Committee and  
M. Melinda Karns, Treasurer (C00011197)

Dear M. Melinda Karns:

The Federal Election Commission (FEC or Commission) referred a compliance issue to the FEC's Alternative Dispute Resolution Office (ADR Office) for processing. The referral by the Audit Division was based on a review of reports filed by Kentucky State Democratic Central Executive Committee which reflect a possible failure to comply with the Federal Election Campaign Act of 1971, as amended.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with Kentucky State Democratic Central Executive Committee and M. Melinda Karns, Treasurer (Respondents or the Committee). The ADR Program provides Respondents with an opportunity to negotiate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADR Office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the ADR Program, you must: 1) indicate in writing a willingness to have your case submitted for ADR processing; 2) agree to participate in the bilateral interest based negotiations; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADRO, and the focus of our subsequent negotiations are summarized as follows:

The Audit Division referred Respondents for findings detailed in the Final Audit Report of the Commission, as approved on September 29, 2022. The Commission found that the Committee understated receipts by \$116,641 for the calendar year 2018 and did not

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE  
1050 FIRST STREET N.E., WASHINGTON, DC 20463  
TELEPHONE: (202) 694-1152  
EMAIL: [RMARSHALL@FEC.GOV](mailto:RMARSHALL@FEC.GOV)

maintain monthly payroll logs or equivalent records, totaling \$443,976, to document the percentage of time each employee spent in connection with a federal election for calendar years 2017 and 2018.

In response to the audit, the Committee stated it has instituted procedures to ensure time records are maintained for all employees who are paid in part with non-federal funds. The Committee filed two (2) Form 99s (Miscellaneous Electronic Submissions) on August 31, 2021, and September 8, 2021, correcting the receipt misstatement.

If after reviewing this letter and the enclosed ADR Frequently Asked Questions, which describe the ADR program, Respondent(s) would like to participate in ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR form. **Failure to respond affirmatively within fifteen (15) business days from the date of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR.** In that event, your case will be sent to the FEC's Office of General Counsel for further processing.

This matter has been designated as **ADR 1088**. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,



Rosa Marshall  
Assistant Director  
Alternative Dispute Resolution Office