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By Office of the Commission Secretary at 4:18 pm, Feb 06, 2023

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

February 6, 2023

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 1089 - Democratic Party of Arkansas and
Philip A. Hood, Treasurer (C00024372)

RESOLUTION TERMS: Certify annually for two years that the Committee retained the services of a compliance firm; certify that a representative of the Committee participated in an FEC training program; and pay a civil penalty of \$13,925.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 1089 (AD A19-15). The ADR Office (ADRO) received this referral from the Audit Division on October 12, 2022.

SUMMARY: The Audit Division referred Democratic Party of Arkansas and Philip A. Hood, Treasurer (Respondents or the Committee) for findings detailed in the Final Audit Report of the Commission, as approved on September 28, 2022. The Commission found that the Committee failed to disclose debts and obligations to vendors, totaling \$351,097, and did not maintain monthly payroll logs or equivalent records, totaling \$408,872, to document the percentage of time each employee spent in connection with a federal election for calendar years 2017 and 2018.

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Negotiated Settlement
ADR 1089 (AD A19-15)
Page 1

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 and filed a Form 99 (Miscellaneous Electronic Submission) on January 14, 2022, which corrected the public record by disclosing its debts and obligations.

RECOMMENDATIONS:

1. Approve the attached Negotiated Settlement of Democratic Party of Arkansas and Philip A. Hood, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.