



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 2, 2023

Philip A. Hood
1300 W Capitol Ave
Little Rock, AR 72201

Re: ADR 1089 (A19-15)
Democratic Party of Arkansas and Philip A. Hood, Treasurer (C00024372)

Dear Philip A. Hood:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on February 28, 2023 – the effective date of the agreement.

Note the specific time frames for compliance detailed in the agreement. Please forward to this office, a statement confirming Respondent's compliance with each term. The letter should note the dates on which Respondents satisfied each of the terms and contain the ADR case number. For your convenience, a compliance chart is attached.

Under the terms of the settlement, a civil penalty in the amount of \$13,925 is to be paid in installment payments - Five (5) installments of \$2,320 each and one (1) installment of \$2,325, due within thirty (30), sixty (60), ninety (90), one hundred twenty (120), one hundred fifty (150), and one hundred eighty (180) days of the effective date of the settlement. Kindly review the attached payment instructions for details on payment methods and the collection of unpaid debts.

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our negotiations, and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Records Office.

This agreement resolves this matter. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Rosa Marshall".

Rosa Marshall

Assistant Director

Alternative Dispute Resolution Office

Enc: Payment Instructions
 Compliance Chart
 Negotiated Settlement

Civil Penalty Payment Schedule

Date Due	Amount Due
4/1/2023	\$2,320.00
5/1/2023	\$2,320.00
6/1/2023	\$2,320.00
7/1/2023	\$2,320.00
8/1/2023	\$2,320.00
9/1/2023	\$2,325.00

In the event that any payment is not received by the Commission by the fifth day after it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the Respondents. Failure by the Commission to accelerate the payments with regard to any overdue payment shall not be construed as a waiver of its right to do so with regard to further overdue payments.

ADRO Civil Penalty Payment Instructions

You may remit payment by credit card, debit card, or ACH withdrawal from your bank account through Pay.gov, the federal government's secure portal for online collections. Visit www.fec.gov/adrpayment to be directed to Pay.gov's FEC ADR Payment form.

Unpaid Civil Penalties

Unpaid civil money penalties will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 et seq. If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact you to request payment. Treasury currently charges a fee of 30% of the civil money penalty amount for its collection services. If the age of the debt is greater than or equal to two years old, Treasury will charge a fee of 32% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

ADR 1089 Compliance Chart

Type	Date Due
Certify Committee continued to retain the services of a compliance firm	2/28/2024
Certify that a representative participated in an FEC training	2/28/2024
Certify Committee continued to retain the services of a compliance firm	2/28/2025



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Case Number: ADR 1089

Source: AD A19-15

Case Name: Democratic Party of Arkansas

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (FEC or the Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Commission entered into negotiations with Neil P. Reiff, Esq., representing the Democratic Party of Arkansas and Philip A. Hood, in the official capacity of Treasurer (the Committee or Respondents). It is understood that this settlement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission enters into this settlement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 52 U.S.C. § 30109.
2. Respondents voluntarily enter into this settlement with the Commission.
3. The Audit Division referred Respondents for two (2) 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 the 2017 and 2018 calendar years.
4. Treasurers of political committees are required to disclose all financial activity, including the amount and nature of outstanding debts and obligations owed by or to the political committee. 52 U.S.C. § 30104(b)(8), 11 C.F.R. § 104.3(d).
5. Political party committees are required to keep a monthly log of the percentage of time each employee spends in connection with a federal election. Employees who spend 25 percent or less of their compensated time in a given month on federal election activities or on activities in connection with a federal election must either be paid only from the federal account or have their expenses allocated between federal and non-federal funds as administrative costs. Employees who spend more than 25 percent of their compensated time in a given month on federal election activities or on activities in connection with a federal election must be paid

only from a federal account. Employees who spend none of their compensated time in a given month on federal election activities or on activities in connection with a federal election may be paid entirely with funds that comply with state law. 11 C.F.R. § 106.7(d)(1).

6. 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 outstanding debts and obligations. The Committee further states it has also retained the services of a compliance firm to assist with filings.
7. Respondents, in an effort to avoid similar errors in the future, agree to:
 - a. certify annually for two years that the Committee retains the services of a compliance firm with the first certification due on the first anniversary of the effective date of this settlement, and the second certification due on the second anniversary of the effective date of this settlement;
 - b. certify that a representative of the Committee participated in an FEC conference, webinar, or other training program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this settlement; and
 - c. pay a civil penalty to the Commission in the amount of \$13,925, payable as follows:
 - i. Five (5) installments of \$2,320 each and one (1) installment of \$2,325, due within thirty (30), sixty (60), ninety (90), one hundred twenty (120), one hundred fifty (150), and one hundred eighty (180) days of the effective date of this settlement.
 - ii. In the event that any payment is not received by the Commission by the fifth day after it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the Respondents. Failure by the Commission to accelerate the payments with regard to any overdue payment shall not be construed as a waiver of its right to do so with regard to further overdue payments. Unpaid civil money penalties are subject to the Debt Collection Act of 1982 as amended by the Debt Collection Improvement Act of 1996 (DCIA), 31 U.S.C. § 3701 et seq. The Commission will transfer debt to the United States Department of the Treasury (Treasury) for collection.
8. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this settlement under penalty of perjury pursuant to 28 U.S.C. § 1746.
9. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance. Unpaid civil money penalties are subject to the Debt Collection Act of 1982 as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701 et seq. The Commission will transfer debt to the United States Department of the Treasury for collection.

10. This settlement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this settlement as set forth above and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 1089 (AR A19-15), and resolves those issues identified above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

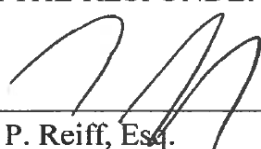
Rosa Marshall, Assistant Director
Alternative Dispute Resolution Office



2/28/2023

Date Signed

FOR THE RESPONDENTS:



Neil P. Reiff, Esq.
Representing Democratic Party of Arkansas
and Philip A. Hood, Treasurer

1/27/23

Date Signed

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