



**Federal Election Commission
Washington, DC 20463**

Case Number ADR 144
Source AR 03-07
Case Name Women's Campaign Fund, Inc
and Lynn Martin, Treasurer

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("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 Federal Election Commission ("Commission") entered into negotiations with Brian Svoboda, Esq., representing the Women's Campaign Fund, Inc. and Lynn Martin, Treasurer ("Respondents"). It is understood that this agreement 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 entered into this agreement 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 authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. An audit of Respondents' calendar year 2000 reports showed a misstatement of receipts, disbursements, and ending cash-on-hand when compared to Respondents' bank records for the same period. The Audit staff determined that the erroneous reporting was the result of series of events. Errors and omissions occurred when Respondents manually inputted data from the monthly detailed contributions report submitted by a fundraising firm. Staff responsible for recordkeeping and reporting functions performed essentially all accounting functions manually, which significantly increased the risk of error. In addition, Respondents purchased new computer software

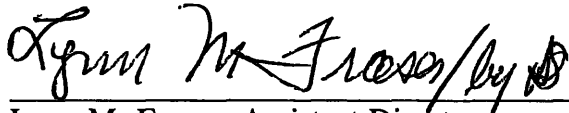
specifically designed for compliance with the FECA and production of FEC reports in June 2000, and some data was lost or inadvertently deleted during the conversion process. As a result, the newly created receipts database was incomplete.

4. The FECA requires a political committee to file reports with the Commission of all receipts and disbursements. 2 U.S.C. § 434(a)(1). Each report filed must disclose the amount of cash-on-hand at the beginning and end of each reporting period. 2 U.S.C. § 434(b)(1), 11 C.F.R. § 104.3(a)(1). Each report must also disclose the total amount of receipts and disbursements for the reporting period and for the calendar year. 2 U.S.C. §§ 434(b)(2) and (4), 11 C.F.R. §§ 104.3(a)-(b).
5. Respondents acknowledge errors and misstatements inadvertently occurred during the 2000 calendar year. Respondents contend that inexperienced staff, unfamiliar with a political committee's complex financial operations, combined with the imprecision that can accompany hand-written reports and manual financial recordkeeping, contributed to the reporting errors. The data that was lost or deleted in the conversion from the old software to the new software also contributed to the misstatements.
6. Respondents, in an effort to implement recommendations from the Audit staff, made a number of internal changes to ensure the accuracy of its reports in the future. A significant change enacted was the appointment of an experienced individual, who attended an FEC training seminar and is familiar with the reporting regulations, to serve as the compliance officer.
7. Respondents, in an effort to avoid similar errors in the future, agree to: (a) continue to have an FEC compliance officer on staff; (b) have the compliance officer attend an FEC seminar; and (c) pay a civil penalty of \$750.
8. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms as stated in paragraph 7 above within thirty (30) days from the effective date of this agreement, with the exception of term (b) which shall be complied with no later than 15 months from the effective date of this agreement.
9. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty for collection by the U.S. Treasury, or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 144 (AR 03-07), and effectively resolves this matter. No

other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

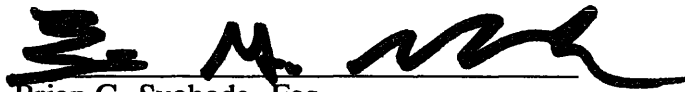
FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

By: 
Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office

May 19, 2004
Date Signed

FOR THE RESPONDENTS:


Brian G. Svoboda, Esq.
Counsel for the Women's Campaign Fund
and Lynn Martin, Treasurer

10 May 2004
Date Signed