



**Federal Election Commission
Washington, DC 20463**

March 22, 2006

Craig Engle, Esq.
Arent Fox
1050 Connecticut Avenue NW
Washington, DC 20036

Re: ADR 251
Libertarian National Committee and David Mark Nelson, Treasurer

Dear Mr. Engle:

Enclosed is the signed copy of the agreement resolving the referral initiated on March 28, 2005 by the Federal Election Commission ("FEC/Commission") against the Libertarian National Committee and David Mark Nelson ("Respondents"). The agreement for ADR 251 (RR 05L-06) was approved by the Commission on March 21, 2006 – the effective date of the agreement.

Please forward to this office, a statement confirming Respondents' compliance with the term listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied the term listed in paragraph 6.

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referral, correspondence exchanged between your office and this office prior to our entry into settlement 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 Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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**Federal Election Commission
Washington, DC 20463**

Case Number. ADR 251
Source. RR 05L-06
Case Name Libertarian National Committee

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 Commission entered into negotiations with Craig Engle, Esq., representing the Libertarian National Committee and David Mark Nelson, Treasurer ("the Committee" or "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. The Reports Analysis Division ("RAD") referred the Committee for failing to disclose all debt owed by the Committee. Specifically, RAD stated that Respondents filed an amended 2003 February Monthly Report on August 3, 2004 that disclosed debt owed by the Committee, in addition to what Respondents disclosed on the original report. On the original 2003 February Monthly Report, Respondents disclosed \$219,889.23 as Debts and Obligations Owed by the Committee. The amended 2003 February Monthly Report disclosed Debts and Obligations Owed by the Committee totaling \$289,835.85, a difference of \$69,946.62.
4. The FECA requires the reporting of the amount and nature of outstanding debts and obligations owed by or to a political committee; and where such debts and obligations are settled for less than their reported amount or value, a statement as to the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefore. 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d). Federal regulations require that debts and obligations owed by or to a political committee which remain outstanding shall be continuously reported until extinguished. 11 C.F.R. § 104.11(a).

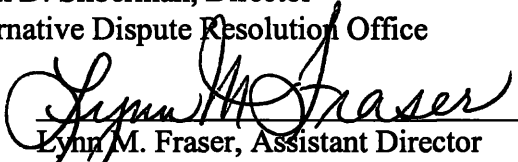
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5. Respondents acknowledge a violation of FECA, which they discovered through a review of its reports and records, resulting in the amended report. The current Treasurer was not the Treasurer at the time of the omission. The Committee contends that, in addition to an experienced Treasurer, it hired personnel experienced in campaign finance issues and overhauled the entire financial accounting system, including replacement of the financial software. Respondents assert they hired a FECA Compliance Specialist to review reports before they are filed with the Commission.
6. Respondents, in an effort to avoid similar errors in the future, agree to conduct an internal review (desk audit) of the compliance system annually. The annual review will include a review of the electronic accounting system to ensure that it accurately interfaces with the Commission's electronic filing system. The completion of the desk audit will be verified with the Commission within 30 days of its conclusion for the next two years.
7. 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 agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. 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.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 251 (RR 05L-06), and effectively resolves the issues summarized in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

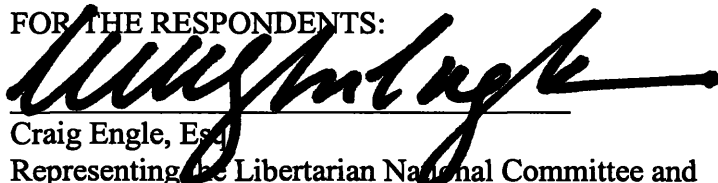
Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office

March 21, 2006
Date Signed

FOR THE RESPONDENTS:


Craig Engle, Esq.
Representing the Libertarian National Committee and
David Mark Nelson, Treasurer

JANUARY 23, 2006
Date Signed

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