



FEDERAL ELECTION COMMISSION
Washington, DC 20463

FEDERAL ELECTION
COMMISSION
SECRETARIAT

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June 30, 2005

MEMORANDUM

SENSITIVE

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

SUBJECT: **ADR 254** – Nebraska Republican Federal Campaign Committee and Demarus Carlson, Treasurer
Recommendation to Approve the Settlement Agreement

Attached for your review is a signed negotiated ADR settlement agreement, **ADR 254** (RR 05L-04), Nebraska Republican Federal Campaign Committee and Demarus Carlson, Treasurer (the "Respondents"). This matter was opened on March 31, 2005 and assigned to the ADR Office on May 5, 2005.

RAD determined that Respondents, the Nebraska Republican Party Federal Campaign Committee and Demarus Carlson, Treasurer, failed to disclose additional financial activity on its 2003 Year End Report, totaling \$51,900.79 (a 30% increase). Specifically, Respondents' 2003 Year End Report filed on Jan. 28, 2004, disclosed \$10,039.35 in disbursements for Federal Share of Allocated Federal/Non-Federal Activity, \$25,789.73 for Non-Federal Share of Allocated Federal/Non-Federal Activity and \$70,272.57 for Other Disbursements. On May 18, 2004, Respondents filed an amended 2003 Year End Report, which disclosed \$10,818.74 in disbursements for Federal Share of Allocated Federal/Non-Federal Activity, \$27,819.44 for Non-Federal Share of Allocated Federal/Non-Federal Activity, and \$120,313.73 for Other Disbursements. Respondents advised that several disbursements were not properly recorded on their reporting system software causing the activity to be inadvertently omitted from the original 2003 Mid-Year and Year End reports. The errors were subsequently corrected on an amended report filed on November 9, 2004 with the Commission.

Note: This matter is similar to an earlier RAD referral, i.e. RR 04L-11, which addressed identical issues on Respondents' 2003 Mid-Year Report. Given that the issues addressed in the attached agreement regarding Respondents' 2003 Year End Report were addressed and resolved in the prior agreement, **ADR 226**, negotiations to resolve the current matter, **ADR 254**, were pursued as an **addendum** to the former agreement. Although Respondents have not had time to implement the procedures adopted to resolve the earlier referral (the agreement was approved on May 12, 2005), they remain committed to

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correcting the Committees' internal procedures in order to ensure accurate recording and reporting of all financial activity. The addendum also was adopted to give the Committees' new officers and staff an opportunity to implement the internal remedial procedures adopted the previous month.

Recommendations:

1. Approve the attached Settlement Agreement pertaining to the Nebraska Republican Federal Campaign Committee and Demarus Carlson, Treasurer.
2. Approve the appropriate letters.
3. Close the File.

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