



FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, DC 20463

September 2, 2005

Rita Copeland, Assistant Treasurer
Thompson for Congress Committee
5429 Madison Avenue
Sacramento, CA 95841

Re: ADR 261/RR 05L-07

Dear Ms. Copeland:

Enclosed is the signed copy of the agreement between the Federal Election Commission and the Mike Thompson for Congress Committee and Tom Hannigan, Treasurer, resolving the matter brought to the attention of the ADR Office on a referral from the Commission's Reports Analysis Division. The agreement, ADR 261/RR 05L-07, was approved by the Federal Election Commission on August 29, 2005 -- the effective date of the agreement.

As you are aware, the settlement agreement will be made part of the record that is released to the public. In addition, as of January 1, 2004, the Commission also will place on the record copies of the submission, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared by this office to assist the Commission 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 effectively resolves the issues raised in the submission referenced above.

I appreciate your assistance in resolving this matter and helping to bring this case to a mutually satisfactory conclusion.

Sincerely,

Allan D. Silberman,
Director, ADR Office

Enclosure as stated

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number: ADR 261
Source: RR 05L-07
Case Name: Mike Thompson for
Congress Committee

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following a review of the record and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA" or "Act"), and to resolve this matter, the Commission entered into negotiations with Rita Copeland on behalf of the Mike Thompson for Congress Committee and Tom Hannigan, Treasurer (the "Respondents" or the "Committee"). 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 have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance with the FECA on the part of Respondents. The Commission's use of ADR procedures 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. The Respondents have voluntarily entered into this agreement with the Commission.
3. The Reports Analysis Division determined that Respondents failed to disclose \$65,115 in disbursements on the Committee's Third Quarter 2004 Report. The Committee's initial report, filed on October 15, 2004, covering the period from July 1 through September 30, 2004, disclosed \$132,361 in operating expenses. An amended Third Quarter Report, dated October 20, 2004 disclosed disbursements of \$197,476.05, a 49.19% increase over the amount original reported on Respondents' 2004 Third Quarter Report.
4. Treasurers of political committees are required to file reports of receipts and disbursements in accordance with the provisions of the Act and regulations. 2 U.S.C. § 434(a)(1) and 11 C.F.R. § 104.1(a). Each report shall disclose for the reporting period and election cycle the total amount of all disbursements, all disbursements made to meet a committee's operating expenses and any other disbursements. 2 U.S.C. §§ 434(b)(4)(A) and (G) and 11 C.F.R. § 104.3(b)(2)(i). In addition, each report shall disclose the name and address of each person to whom an expenditure in an aggregate amount in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate operating expense together with the date, amount and purpose of such operating expenditure. 2 U.S.C. § 434(b)(5)(A) and 11 C.F.R. § 104.3(b)(4).

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5. Respondents explained that the inadvertent omission of the \$65,115 disbursement was due to a failure to record a wire transfer, made on September 30, 2004, to a media company and to subsequent staff changes. After discovering the error, Respondents filed an amended report with the Commission five days later.
6. Respondents explained that they have instituted a number of procedural changes to record financial transactions, prevent a repetition of the reporting error and ensure that wire transfers are properly recorded as Committee disbursements. Respondents observed that there was no intent to mislead and committed themselves to complying with the reporting requirements of the Act. In order to avoid similar error in the future, Respondents agree to: 1) send their assistant Treasurer to a FEC seminar on Federal election campaign reporting requirements; and 2) pay a civil penalty of \$2,500.
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 the 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 and/or forward any outstanding civil penalty to the US Treasury for collection.
9. This agreement will become effective on the date signed by the parties and approved by the Commission. Respondents shall comply with the terms of this settlement listed in paragraph six (6) above within twelve (12) months of the effective date of the agreement for item one and within six (6) months for item two (2), with payment being made in installments over the course of the aforementioned six months.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 261/RR 05L-07 and effectively resolves this matter. No other statement, promise or Agreement, either written or oral, made by either party, not included in herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silverman,
Director Alternative Dispute Resolution Office

Allan D. Silverman
Allan D. Silberman *Prof*

8/29/05
Date

FOR THE RESPONDENTS:

Rita Capelano
Rita Capelano Assistant Treasurer
Mike Thompson for Congress

8/23/05
Date