



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

November 21, 2005

Mr. Gregory E. Walcher
Walcher for Congress
P. O. Box 4800
Grand Junction, CO

Re: ADR 263/RR 05L-22

Dear Mr. Walcher:

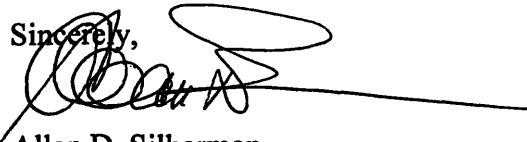
Enclosed is the signed copy of the agreement between the Federal Election Commission and the Walcher for Congress Committee and Lon S. Carpenter, Treasurer, resolving the matter that was arose from a review by the FEC's Reports Analysis Division of the financial reports filed by the Committee. The agreement, ADR 263/RR 05L-22, was approved by the Federal Election Commission on November 16, 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 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 aforementioned complaint filed against the Committee.

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: a/s



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number: ADR 263
Source: RR 05L-22
Case Name: Walcher for Congress

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 Gregory Walcher on behalf of the Walcher for Congress Committee and Lon Carpenter, 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 ("RAD") determined that Respondents failed to disclose debts of \$100,794.51 – a 13,145 % increase or variance of \$100,033.51 over the amount disclosed on the Committee's original 2004 12 Day Pre-Primary Report. Respondents initial 12 Day Pre-Primary Report, filed on July 29, 2004, disclosed \$761.00 in debt. An amended 2004 12 Day Pre-Primary Report, filed on December 1, 2004, disclosed debts of \$100,794.51.
4. Treasurers of a political committee shall 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 the amount and nature of outstanding debts and obligations owed by or to such political committee. 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d).
5. Respondents advised that the volunteers who filed the reports were unaware of the expenses incurred in the primary election until the bills arrived during the general election and that they were uncertain as to how to account for the expenses that did not come due until the general election.

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6. Respondents noted the inexperience of the campaign staff and their lack of knowledge regarding the Committee's FECA reporting responsibilities. In addition, Respondents described the invoices that were received and expenditures made that were neither billed nor reported until after the election. The Committee's media purchases were a particular problem due to the lack of controls over those expenditures. In order to closely monitor and control Committee expenditures, Respondents have hired an experienced accounting firm to facilitate FECA reporting. In addition, in order to avoid related problems in the future, Respondents agree to: 1) maintain the contract with the professional accounting firm that will facilitate Committee FECA reporting; 2) establish an internal control system, akin to a purchase order procedure, to monitor approval of all campaign related expenditures; 3) select an appropriate Committee representative to attend a FEC seminar relating to campaign committee reporting responsibilities; 4) establish a federal election campaign resource library to guide Committee staff in compliance with the FECA; 5) and pay a civil penalty of \$9,000.
 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 thirty (30) days of the effective date of the agreement, except item three (3) will be become effective within twelve (12) months.
 10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 263/RR 05L-22 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:

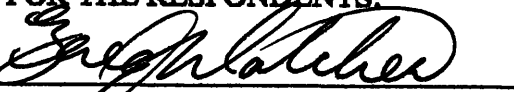
Allan D. Silberman,
Director Alternative Dispute Resolution Office



Allan D. Silberman

Nov. 17, 2005
Date

FOR THE RESPONDENTS:



Greg Walcher on behalf of
Walcher for Congress and
Lon Carpenter, Treasurer

11-7-05
Date