



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

October 5, 2005

Kallie Baker, Director of Administration
Community Action Program PAC
810 First Street, N.E. Suite 530
Washington, D.C. 20002

Re: ADR 276/RR 05L-10

Dear Ms. Baker:

Enclosed is the signed copy of the agreement between the Federal Election Commission and the Community Action Program PAC and Cathy Hoskins, Treasurer, resolving the matter that was initiated by a review by the Commission's Reports Analysis Division of the records of the Committee. The agreement, ADR 276/RR 05L-10, was approved by the Federal Election Commission on September 30, 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 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: a/s



FEDERAL ELECTION COMMISSION
Washington, DC 20463

Case Number: ADR 276

Source: RAD 05L-10

Case Name: Community Action Program
PAC

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 Kellie Baker on behalf of the Community Action Program PAC and Cathy Hoskins, 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 FECA 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, a Separate Segregated Fund of the National Community Action Foundation Inc., failed to disclose additional receipts totaling \$106,779.79 – a 405% increase – over the amount originally reported on the Committee's 2003 Mid-Year Report. Respondents 2003 Mid-Year Report filed on July 30, 2003 disclosed \$18,987.83 for itemized contributions from individuals/persons other than political committees and \$2,400 for unitemized contributions from individuals/persons other than political committees. Respondents subsequently filed, on March 16, 2004, an amended 2003 Mid-Year Report disclosing \$21,387.83 for itemized contributions from individuals/persons other than political committees and \$106,779.79 for unitemized contributions from individuals/persons other than political committees.
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 calendar year the total amount of all receipts and the total amount of contributions, including, among others, contributions from persons other than political committees and itemized and unitemized contributions from persons other than from committees and including contributions from individuals. 2 U.S.C. § 434(b)(2)(A) and 11 C.F.R. §§ 104.3(a)(2)(i)(A) and (i)(B)

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5. Respondents explained that the inadvertent omission of \$104,379.83 in additional receipts was mistakenly excluded from the Committee's original 2003 Mid-Year Report. Respondents noted that they subsequently amended their Report, prior to receipt of a Request For Information (RFI) from the Commission, when the cash-on-hand balance in their accounts triggered a negative balance.
 6. Respondents explained that the notification from the Commission of the error in their reporting led to a review of the Committee's internal reporting procedures. In an effort to avoid similar errors in the future, Respondents agreed to: 1) contract with an accounting firm familiar with FECA reporting requirements to oversee and regularly review the Committee's reports prior to filing the reports with the Commission; 2) establish and maintain a file of FEC regulations and Commission materials to guide the Committee's staff in complying with the Act's reporting requirements; 3) send the Director of Administration to a FEC seminar on Federal Election campaign reporting requirements; and 4) pay a civil penalty of \$4,500.
 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 thirty (30) days of the effective date of the agreement for item one and two and within twelve (12) months for items three and four (4) with payment being made in installments over the course of the aforementioned twelve months.
 10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 276/RAD 05L-10 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

Oct 5, 2005

Date

FOR THE RESPONDENTS:



Kellie Baker, Director of Administration
Community Action Program PAC

September 13, 2005

Date