



**Federal Election Commission
Washington, DC 20463**

March 22, 2006

G. Kline Preston, Esq.
Preston Law Group, PC
4525 Harding Road #200
Nashville, TN 37205

Re: ADR 287
Marsha Blackburn for Congress, Inc. and Tea Hoffman, Treasurer

Dear Mr. Preston:

Enclosed is the signed copy of the agreement resolving the referral initiated on July 29, 2005 by the Federal Election Commission ("FEC/Commission") against Marsha Blackburn for Congress, Inc. and Tea Hoffman, Treasurer ("Respondents"). The agreement for ADR 287 (RR 05L-37) was approved by the Commission on March 21, 2006 – the effective date of the agreement.

Note that paragraph 9 of the agreement specifies when Respondents shall comply with the terms of this settlement. Please forward to this office, a statement confirming Respondents' compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6.

You have undoubtedly read that the Federal Election Commission has recently been forced to cancel its scheduled 2006 conferences. The Commission hopes to resume its conference program in early 2007, although the location and time of those programs have not as yet been determined. You may wish to periodically check the conferences schedule at www.fec.gov.

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.

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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 287
Source RR 05L-39
Case Name: Marsha Blackburn for Congress, Inc

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 Kline Preston, Esq. representing Marsha Blackburn for Congress, Inc. and Tea Hoffman, 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 referred this Committee for failing to disclose all disbursements on its 2004 12 Day Pre-General Report, and failing to disclose all receipts on its 2004 30 Day Post General Report. Respondents filed an amended 2004 12 Day Pre-General Report on April 21, 2005 that disclosed additional disbursements in the amount of \$50,046.96. In addition, Respondents filed an amended 2004 30 Day Post General Report on April 21, 2005 that disclosed additional receipts totaling \$61,856.00.
4. The FECA requires that political committees disclose all receipts and all disbursements for the reporting period and the calendar year, or election cycle, in the case of an authorized committee of a candidate for Federal office. 2 U.S.C. §§ 434(b)(2), 434(b)(4), 11 C.F.R. §§ 104.3(a), 104.3(b).
5. Respondents acknowledge an inadvertent violation of FECA, based in part on inexperienced staff. Respondents contend the 2004 12 Day Pre-General Report did not disclose actually additional disbursements of \$50,046.96. The figure was entered twice in error, thus making the total appear to be that much greater than it actually was. Respondents assert that the error in the 2004 30 Day Post-General Report

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occurred because of data input error, the software provided figures for an incorrect reporting period. The disbursements reflected were for November 2, 2004 through November 22, 2004. The correct reporting period for the 2004 30 Day Post-General Report should have been October 14, 2004 through November 22, 2004. When the Committee realized the error, it filed the amended report reflecting the accurate amount for the reporting period. Respondents argue that they have taken proactive steps to ensure that these errors do not reoccur.

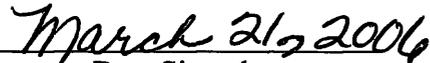
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) develop a FECA compliance manual for staff reference; (b) pay a civil penalty of \$1,500; and (c) send the person responsible for FECA compliance to a FEC seminar within twelve (12) months of the effective date of this agreement.
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 submit any unpaid civil penalty to the U.S. Treasury for collection or 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. Respondents shall comply with terms (a) and (b) in paragraph 6 above within thirty (30) days from the effective date of this agreement. Respondents shall comply with term (c) in paragraph 6 above within twelve (12) months from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 287 (RR 05L-39), 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:

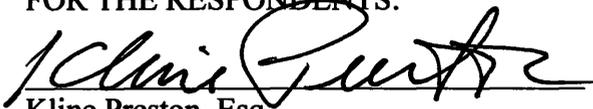
Allan D. Silberman, Director
Alternative Dispute Resolution Office

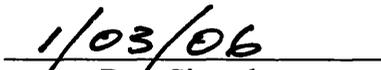
By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office


Date Signed

FOR THE RESPONDENTS:


Kline Preston, Esq.
Representing Marsha Blackburn for Congress, Inc.
and Tea Hoffman, Treasurer


Date Signed

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