



**Federal Election Commission
Washington, DC 20463**

May 3, 2006

Neil Reiff, Esq.
Sandler, Reiff & Young
50 E Street, S.E., Suite 300
Washington, DC 20003

Re: ADR 300
New Hampshire Democratic State Committee and
Martha Fuller Clark, Treasurer

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the referral initiated on September 30, 2005 by the Federal Election Commission ("FEC/Commission") against New Hampshire Democratic State Committee and Martha Fuller Clark, Treasurer ("Respondents"). The agreement for ADR 300 (RR 05L-53) was approved by the Commission on April 28, 2006 – the effective date of the agreement.

Note that paragraph 9 of the agreement specifies that Respondents shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement. 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.

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.

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. ADR 300

Source: RR 05L-53

Case Name New Hampshire Democratic State Committee

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 Neil P. Reiff, Esq., representing the New Hampshire Democratic State Committee and Martha Fuller Clark, 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 ("RAD") referred Respondents for failing to disclose all disbursements in their 2004 12 Day Pre-General Report. The original 2004 12 Day Pre-General Report disclosed Other Federal Operating Expenditures of \$227,129.22, and disclosed no Federal Election Activity Paid Entirely With Federal Funds, for total federal disbursements of \$227,129.22. The Committee filed an amended 2004 12 Day Pre-General Report on December 10, 2004, disclosing \$250,556.89, for Other Federal Operating Expenditures, and \$27,295.33 for Federal Election Activity Paid Entirely With Federal Funds, for total federal disbursements of \$277,852.22. The amended report resulted in additional federal disbursements of \$50,723.22.
4. The FECA requires that political committees report all expenditures made to meet candidate or committee operating expenses. 2 U.S.C. § 434(b)(4)(A), 11

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C.F.R. § 104.3(b)(1)(i). The regulations state that a state, district or local committee of a political party that is a political committee for FECA purposes must report all receipts and disbursements made for federal election activity if the aggregate amount is \$5,000 or more during the calendar year. In addition to any other applicable reporting requirements, the regulations require the itemization of receipts and disbursements of \$200 or more to or from any person for federal election activities. 11 C.F.R. § 300.36(b)(2)(iv).

5. Respondents acknowledge an inadvertent violation of FECA due to inexperienced staff. Respondents contend that the additional disbursements resulted from only two transactions, one of which was a wire transfer. The second transaction included a direct marketing vendor's fee deducted from proceeds, and thus, Committee staff did not realize it was a net transaction. The Committee stated it filed the original report without the benefit of bank records. Respondents further contend that they filed the amended report after they received the bank statements, and realized the two omissions. The Committee took steps to rectify filing challenges, including hiring an experienced CFO to train and supervise its staff in compliance and reporting issues.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) work with FEC staff to amend all reports required following an internal desk audit; and (b) pay a civil penalty of \$1,000.
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 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 the terms in paragraph 6 above within thirty (30) days from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 300 (RR 05L-53), and effectively resolves the issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

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FOR THE COMMISSION:

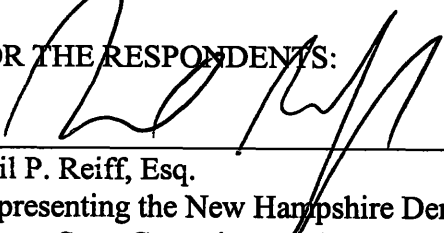
Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office


Date Signed

FOR THE RESPONDENTS:


Neil P. Reiff, Esq.
Representing the New Hampshire Democratic
State Committee and Martha Fuller Clark, Treasurer


Date Signed

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