



**Federal Election Commission
Washington, DC 20463**

June 22, 2006

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

Re: ADR 310
Minnesota Democratic Farmer Labor Party

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the complaint referral initiated on February 3, 2006 by the Federal Election Commission ("FEC/Commission") against the Minnesota Democratic Farmer Labor Party and Kerry Gautier, Treasurer ("Respondents"). The agreement for ADR 310 (RR 06L-05) was approved by the Commission on June 20, 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 twelve (12) months for term (b), and within thirty (30) days for terms (a) and (c), 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 310
Source RAD 06L-05

Case Name Minnesota Democratic Farmer Labor Party

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 Minnesota Democratic Farmer Labor Party and Kerry Gautier, in his official capacity as 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 financial activity on their 2005 March Monthly Report. The Committee filed an amended 2005 March Monthly Report to disclose additional receipts totaling \$59,277.41 on May 16, 2005. Respondents filed the original 2005 March Monthly Report that disclosed no receipts on Transfers from Non-Federal Account for Allocated Activity on March 18, 2005, for the period February 1, 2005, through February 28, 2005. On April 18, 2005, the Committee filed an amended 2005 March Monthly Report that disclosed no change in the amount of receipts obtained by the Committee. On May 16, 2005, a second amended 2005 March Monthly Report was filed that disclosed the additional receipts for Transfers from Non-Federal Account for Allocated Activity of \$59,277.41.
4. The FECA requires that a political committee report the total amount of all receipts for the reporting period and the calendar year. 2 U.S.C. § 434(b)(2), 11 C.F.R. § 104.3(a)(2).

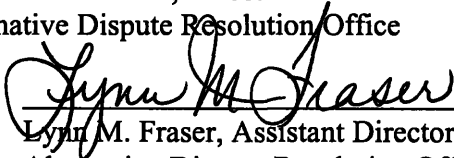
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5. Respondents acknowledge that an inadvertent omission occurred due to the fact that the original report was filed prior to the reconciliation of bank records. The error was discovered during the reconciliation of the Committee's financial activity, and an amended report was filed.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) revise their procedures to ensure that bank reconciliation is done prior to filing reports with the Commission; (b) send a representative to training on campaign finance reporting within twelve (12) months; and (c) pay a civil penalty of \$1000.00.
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 term (b) within twelve (12) months, and terms (a) and (c) within thirty (30) days, from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 310 (RAD 06L-05), 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.

FOR THE COMMISSION:

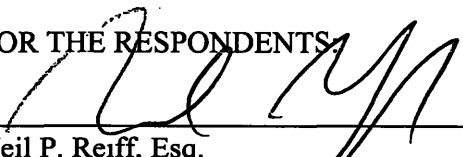
Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office


Date Signed

FOR THE RESPONDENTS:


Neil P. Reiff, Esq.

Representing the Minnesota Democratic Farmer
Labor Party and Kerry Gautier, Treasurer


Date Signed

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