



**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 316
North Carolina Democratic Party-Federal

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the complaint referral initiated on February 21, 2006 by the Federal Election Commission ("FEC/Commission") against the North Carolina Democratic Party-Federal and Muriel K. Offerman, Treasurer ("Respondents"). The agreement for ADR 316 (RR 06L-04) was approved by the Commission on June 19, 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 (a), and within thirty (30) days for terms (b) 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

26190264717

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

26190264718



Federal Election Commission
Washington, DC 20463

Case Number ADR 316
Source RR 06L-04

Case Name: North Carolina Democratic Party – Federal

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 North Carolina Democratic Party – Federal and Muriel K. Offerman, in her 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 file seven (7) 24-Hour Notices to support seven (7) independent expenditures totaling \$59,488 made after the 20th day, but more than 24 hours, before the 2004 General Election. On December 2, 2004, the Committee filed its original 2004 30 Day Post-General Report which included a Schedule E disclosing two (2) independent expenditures totaling \$41,500 made on behalf of one (1) federal candidate. On December 15, 2004, Respondents filed an Amended 2004 30 Day Post-General Report which included a Schedule E and a memo Schedule E disclosing eight (8) independent expenditures totaling \$63,460 made on behalf on one (1) federal candidate. Based on the information and expenditures disclosed on the amended report, RAD concluded the Committee was required to file seven (7) 24-Hour

26190264719

Notices for independent expenditures totaling \$59,488. Two Prior Notices had been sent to the Respondents, on February 2, 2004, and August 27, 2004, each of which included a section titled *48- and 24-Hour Reports on Independent Expenditures*.

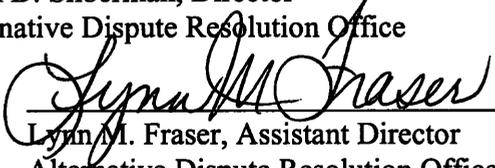
4. The FECA requires that if a political committee makes, or contracts to make, independent expenditures in connection with an election, it may have to file 48-Hour and 24-Hour Notices with the Commission. The 24-Hour Notice requirement is triggered each time the committee makes independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before the day of the election. 2 U.S.C. § 434(g)(1), 11 C.F.R. § 104.4(c).
5. On December 15, 2005, Respondents acknowledged an inadvertent omission of the necessary 24-Hour Notices required for these independent expenditures. Respondents noted that the current Treasurer was not the Treasurer at the time these notices were to have been filed.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) attend FECA compliance training within twelve (12) months; (b) appoint a Compliance Officer; and (c) pay a civil penalty of \$3,500.
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 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 (a) within twelve (12) months, and terms (b) 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 316 (RR 06L-04), 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.

26190264720

FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:



Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office



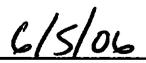
Date Signed

FOR THE RESPONDENTS:

Neil P. Reiff, Esq.

Representing the North Carolina Democratic Party – Federal
and Muriel K. Offerman, Treasurer





Date Signed

26190264721