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VIA EMAIL

August 31, 2006

Ms. Lyn Fraser
Office of Alternative Dispute Resolution
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Dear Ms. Fraser:

By this letter, I wish to summarize our recent conversation regarding the Democratic Executive Committee of Florida ("FDP") and ADR Matter # 324. During our conversation we discussed the circumstances regarding the increase of reported debts on the FDP's 2005 July Monthly Report. As you know, this matter was generated by an increase in reportable debts on an amended version of the committee's July Monthly Report of \$106,699.28. Of this amount, one debt, in the amount of \$101,605.42 was owed to the Westin Diplomat Hotel. An invoice for this debt was received by the committee in early July of 2005. At that time, the committee ordinarily processed as the "invoice date" the date they received an invoice in the mail. For purposes of the committee's disclosure software, this invoice date dictated which report the committee's debt would appear. It was the FDP's understanding that this was an acceptable practice, under Commission standards, for processing and reporting debts. During 2005, the committee was filing on a monthly reporting schedule. Therefore, the debt from the Westin Diplomat Hotel was timely disclosed on the committee's 2005 August Monthly Report which was filed on August 20, 2005.

In November 2005, the FDP settled another ADR Matter, ADR #260. As part of the resolution of that matter, the FDP retained the services of a compliance specialist to review the committee's reports and compliance procedures. As part of the review process, the compliance specialist insisted that the proper procedure for reporting debts

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was to use the invoice date instead of the date of the receipt of the actual invoice.  Accordingly, the FDP, under the compliance specialist's instructions revised its database to change the "debt date" in its computer system to the invoice date rather than date received and filed comprehensive amendments to its reports. Accordingly, when the invoice date for the Westin Diplomat invoice was switched from early July to late June, the debt was picked up on the 2005 July Monthly report when it was amended in late November 2005.

Based upon the above facts, I would submit that a civil penalty in this matter is not appropriate. Based upon the committee's standard procedures at the time, the committee believed that the debt was timely filed with its 2005 August Monthly report, and based upon revisions to their procedures in response to an earlier Commission audit and ADR settlement, the committee decided to amend its reports to properly reflect the debt based upon the invoice date rather than the date the invoice was received.

Based upon its experience with the audit and prior ADR case, the FDP has gone to great lengths to professionalize and improve its FEC and state compliance procedures. The FDP has instituted several improvements, including the purchase of sophisticated compliance software and have legal and compliance experts on regular retainer to ensure full compliance with federal reporting requirements and laws.

Therefore, the based upon the above, the FDP believes that a civil penalty in this matter is inappropriate. If you have any questions, please call me at (202) 479-1111. I look forward to discussing this matter further with you.

Sincerely,

Neil Reiff

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