



THE FEDERAL ELECTION COMMISSION
Washington, DC 20463

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SENSITIVE

MEMORANDUM

February 27, 2007

TO: The Commission

THROUGH: Patrina M. Clark *PM*
Staff Director *sp me*

FROM: Margarita Maisonet *MM*
Chief Compliance Officer

Deborah Kant *DK*
Director, ADR Office

BY: Lynn M. Fraser *LF*
Assistant Director, ADR Office

SUBJECT: ADR 342 Indiana Democratic Congressional Victory Committee and
Linda Buzinec, Treasurer, Recommendation to Approve Settlement
Agreement

REMEDIAL

MEASURES: Prepare a compliance desk manual and a civil penalty of \$1,000
(\$126,959 in dispute)

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 342 (RAD 06L-21). This case was opened on July 19, 2006, and was assigned to the ADR Office on September 20, 2006.

SUMMARY: The Reports Analysis Division referred the Indiana Democratic Congressional Victory Committee and Linda M. Buzinec, Treasurer ("Respondents" or the "Committee") for failing to disclose all financial activity on their 2005 September Monthly Report. Respondents filed their original 2005 September Monthly Report on September 20, 2005. The Committee filed an Amended 2005 September Monthly Report on December 30, 2005 that disclosed additional receipts of \$65,166.94, and additional disbursements of \$61,791.56.

Recommendation to Approve
Settlement Agreement
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Respondents stated the errors occurred as a result of a data importing error, and a staff misunderstanding as to how to disclose financial activity for federal and non-federal allocation. Respondents contend they paid for their allocable expenses with 100% federal funds, and then transferred money from the Committee's non-federal account to the federal account within the time required by the FECA. Respondents asserted that the Committee was under the misapprehension that its reports to the FEC need only disclose the federal share of allocable expenses. Thus, when they realized their error in not reporting the non-federal allocable expenses, they audited all of their 2005 monthly reports and filed amended reports as needed.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Indiana Democratic Congressional Victory Committee and Linda Buzinec, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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