



THE FEDERAL ELECTION COMMISSION
Washington, DC 20463

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MEMORANDUM

June 11, 2007

TO: The Commission

THROUGH: Patrina M. Clark
Staff Director *me*

FROM: John D. Gibson *JD*
Acting Chief Compliance Officer

Deborah Ruth Kant *DRK*
Director, ADR Office

SUBJECT: ADR 374 Denise Majette for Senate and Roger Levine, Treasurer,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Work with Commission Staff to terminate the
Committee and pay a civil penalty of \$12,000
(amount in dispute \$406,692)

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to
ADR 374 (AR 06-05). This case was opened on December 11, 2006, and was assigned
to the ADR Office on December 29, 2006.

SUMMARY: The FECA requires that political committees must record and
maintain the details of all disbursements. In addition, political committees must
keep receipts, invoices or cancelled checks from the payees for all disbursements
over \$200. The Act also requires that all disbursements over \$100 be drawn on a
check or draft from the Committee's designated bank accounts.

In this matter, the Audit Staff found that based on sampling, 19% of the
Committee's operating expenditures were not properly documented because there
were no cancelled checks, receipts or invoices, or expense reports. In addition,
the Audit Division observed that the Committee wrote five checks to two
individuals totaling \$17,950 in get-out-the-vote expenses (GOTV). Out of the
\$17,950, the Audit Division discovered that \$3,462 in cash disbursements were

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not reported; there was no documentation in the form of checks, receipts, or invoices for \$12,349 in cash disbursements; and that \$15,402 were excessive cash disbursements – these disbursement exceeded \$100 and were not drawn, as required by FECA, on the campaign's designated bank accounts. Finally, the Audit Division found that eleven other checks written by the Committee for GOTV costs totaling \$34,958 also lacked the requisite documentation (*i.e.*, no receipts, invoices, cancelled checks). The Committee was unable to provide documentation to demonstrate that the disbursements complied with the law.

Respondents acknowledge errors and omissions, but generally contend that they used best efforts to document all financial activity. With respect to the GOTV disbursements, Respondents explained that while the individuals to whom the checks were written often served as intermediaries, the Committee used its best efforts to obtain proper documentation for the secondary or tertiary transactions (e.g., vendors). Respondents stated, given the fast-paced elections, full documentation could not always be obtained for the latter type of transactions.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Denise Majette For Senate and Roger Levine, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.