



**Federal Election Commission
Washington, DC 20463**

June 25, 2007

Kendra Vara
Denise Majette for Senate
102 Shrader Street
San Francisco, CA 94117

**Re: ADR # 374
Denise Majette for Senate and Roger Levine, Treasurer**

Dear Ms. Vara:

Enclosed is the signed copy of the agreement resolving the referral initiated on December 11, 2006 with the Federal Election Commission (“FEC/Commission”) against Denise Majette for Senate (“Respondents”). The agreement for ADR 374 (AR 06-05) was approved by the Commission on June 20, 2007 – the effective date of the agreement.

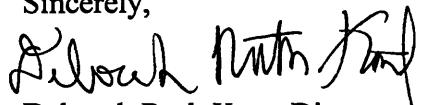
Note the specific time frames for compliance in paragraph 11 of the agreement. Please forward to this office, a statement confirming Respondent’s compliance with the terms listed in paragraph 8 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 8.

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,



Deborah Ruth Kant, Director
Alternative Dispute Resolution Office
202-694-1661

Enclosure: Agreement



**Federal Election Commission
Washington, DC 20463**

Case Number ADR 374
Source AR 06-05
Case Name Denise Majette for Senate

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 Kendra Vara, representing Denise Majette for Senate and Roger Levine, 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 guided by "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 FECA requires that political committees must record and maintain the details of all disbursements, including the name and address of every person to whom a disbursement is made, and the date, amount, and purpose of the disbursement. 2 U.S.C. §§ 432(c)(5), 432(d), 11 C.F.R. §§ 102.9(b).
- 4 In addition, political committees must keep receipts, invoices or cancelled checks from the payees for all disbursements over \$200. 2 U.S.C. § 432(c)(5), 11 C.F.R. § 102.9(b) Payees are the persons who supply goods or services to the committee, or agent thereof, in return for the payment.
- 5 The Act also requires that all disbursements over \$100 be drawn on a check or draft from the Committee's designated bank accounts. 2 U.S.C. § 432(h), 11 C.F.R. §§ 102.10, 103.

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- 6 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 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
- 7 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
- 8 Respondents, in an effort to resolve this matter, agree to (a) work with Commission staff to terminate the Committee, and (b) pay a civil penalty of \$12,000
- 9 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.
- 10 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.
- 11 This agreement shall become effective on the date signed by all parties and approved by the Commission. The civil penalty shall be made in two payments of \$6000 each. The first payment is due within four (4) months of the effective date of this agreement, and the second payment of \$6000 is due within the following four months. Respondents shall comply with all other terms set forth in paragraph 6 within thirty (30) days from the due date of the second payment of the civil penalty
- 12 This Negotiated Settlement constitutes the entire agreement between the parties on ADR 374 (AR 06-05), and effectively resolves the issues identified in paragraph 6 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable

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FOR THE COMMISSION:

Deborah Ruth Kant
Deborah Ruth Kant, Director
Alternative Dispute Resolution Office

6/22/07
Date Signed

FOR THE RESPONDENTS

Kendra Vara
Kendra Vara,
Representing Denise Majette for Senate,
Roger Levine, Treasurer

5/9/2007
Date Signed