



THE FEDERAL ELECTION COMMISSION
Washington, DC 20463

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SENSITIVE

MEMORANDUM

July 2, 2007

TO: The Commission

THROUGH: Patrina M. Clark *me*
Staff Director

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

Deborah Ruth Kant *DRK*
Director, ADR Office

SUBJECT: ADR 375 Friends of Duane Sand, Karen Risky Treasurer,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Hiring compliance specialist; attending a FEC seminar; working with Commission to terminate Committee, and payment of civil penalty of \$5300 (amount in dispute -- \$143,367).

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 375 (AR 06-06)**. This case was transferred to the ADR Office on December 29, 2006, and was assigned to the ADR Office on March 29, 2007.

SUMMARY: The FECA requires that political committees report information relating to the identification of each person who contributes over \$200. These requirements include reporting the occupation of the contributor and the name of his employer. In this case, the Audit Division determined that the Respondents (or "the Committee"), violated this provision by not adequately disclosing either the occupation and/or name of the employer on Schedule A (itemized receipts) for 747 contributions. The aggregate amount of the 747 contributions is \$143,367. Respondents contended that they used best efforts to obtain this information and that the new information was reflected in amended reports. The respondents supplied a copy of the form letter requesting this type of information. The

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Audit Division noted, however, the Committee did not supply copies or confirmations of the letters allegedly sent to the contributors, nor did the Committee file amended reports

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Friends of Duane Sand, Karen Risky, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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