



Federal Election Commission
Washington, DC 20463

July 12, 2007

Duane Sand
Friends of Duane Sand
P.O. Box 2885
Fargo, ND 58102

Re: ADR # 375
Friends of Duane Sand and Karen Risky, Treasurer

Dear Mr. Sand:

Enclosed is the signed copy of the agreement resolving the referral initiated on December 18, 2006 with the Federal Election Commission ("FEC/Commission") against Friends of Duane Sand and Karen Risky, Treasurer ("Respondents"). The agreement for ADR 375 (AR 06-06) was approved by the Commission on July 9, 2007 – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 9 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6.

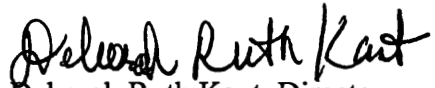
As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared 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.

Federal Election Commission – Alternative Dispute Resolution Office
999 E Street, N W , Washington, D C 20463
Telephone 202 694 1670 Fax 202.219 0613

27190271912

Sincerely,



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

Enclosure: Agreement

27190271913



Federal Election Commission
Washington, DC 20463

Case Number ADR 375
Source AR 06-06
Case Name Friends of Duane Sand

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 Duane Sand, representing Friends of Duane Sand and Karen Riskey, Treasurer in her 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.

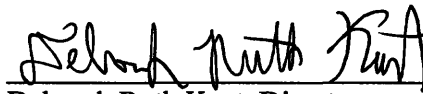
Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

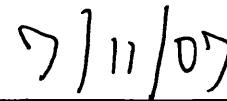
- 1 The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") is guided by "The Administrative Dispute Resolution Act 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 and treasurers report the occupation and name of employer for persons whose contributions exceed \$200. 2 U.S.C. § 434(b)(3)(A), 11 C.F.R. §§ 100.21, 104.3(a)(4). In instances where contributions lack the required information, a political committee and its treasurer will be deemed to have exercised best efforts if the treasurer makes at least one effort to obtain the missing information within 30 days of receipt and files the appropriate amended reports. 11 C.F.R. § 104.7(b)(2).
- 4 In this matter, the Audit Division determined that the Respondents violated the above reporting provisions 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 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.

5. Respondents acknowledge errors and omissions, and supplied documentation of some of the missing information prior to entering into this agreement.
6. Further, in an effort to resolve this matter, Respondents agree to: (a) work with Commission staff to terminate the Committee; (b) hire a compliance specialist with expertise in reporting; (c) attend a FEC seminar within a year from the effective date of this agreement and certify that they have completed the seminar and understand reporting requirements and in particular requirements relating to disclosing the occupation and name of employer for persons whose contributions exceed \$200; and (d) pay a civil penalty of \$5300.
7. 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.
8. 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.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of the agreement within thirty (30) days from the effective date of the agreement except as otherwise noted in paragraph 6.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 375 (AR 06-06), and effectively resolves the issues identified in paragraph 4 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

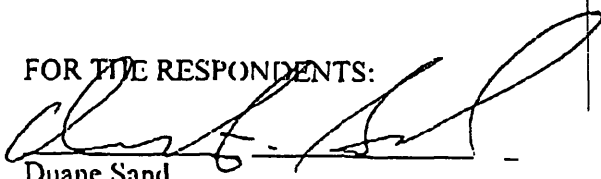
FOR THE COMMISSION:


Deborah Ruth Kant, Director
Alternative Dispute Resolution Office


Date Signed

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FOR THE RESPONDENTS:



Duane Sand,
Representing Friend of Duane Sand,
Karen Risky, Treasurer

29 JUN 07

Date Signed

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