



**Federal Election Commission
Washington, DC 20463**

October 2, 2007

Neil Reiff, Esq.
Sandler, Reiff & Young, P.C.
50 E Street, S.E., Suite 300
Washington, DC 20003

Re: ADR # 386
North Dakota Democratic NonPartisan League Party and Timothy Purdon,
Treasurer

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the referral initiated on March 28, 2007 with the Federal Election Commission ("FEC/Commission") against North Dakota Democratic NonPartisan League Party and Timothy Purdon, Treasurer ("Respondents"). The agreement for ADR 386 (RR 07L-09) was approved by the Commission on September 19, 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 and contain the ADR caption and case number.

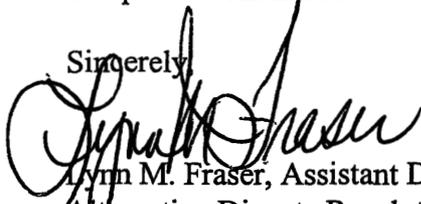
As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared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

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assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 386
Source: RR 07L-09
Case Name: North Dakota Democratic-
NonPartisan League Party

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 Neil Reiff, Esq., representing the North Dakota Democratic-NonPartisan League Party and Timothy Purdon, 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. RAD referred Respondents for failing to disclose all disbursements on their 2003 Year End Report. Respondents filed their original 2003 Year End Report on January 31, 2004, and filed three subsequent amended reports on June 18, 2004, August 18, 2004 and January 4, 2005. The amended 2003 Year End Report filed on January 4, 2005 disclosed additional disbursements totaling \$57,723.83.
4. The FECA requires treasurers of political committees to report all financial activity, including all disbursements. 2 U.S.C. §§ 434(a)(1), 434(b)(4), 11 C.F.R. §§ 104.1, 104.3(b).
5. Respondents acknowledge there were inadvertent reporting errors, but contend that after the Comptroller was deployed to Iraq, the Executive Director (ED) attempted to file the FEC reports. Respondents assert that due to the ED's inexperience, the data input into the financial system was incorrect, resulting in the outgoing transfers being

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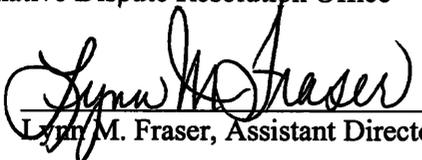
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recorded as incoming transfers. Respondents note that all reporting errors were internal transfers, and did not involve contributions or disbursements outside the Committee. Respondents contend that as soon as the errors were discovered, the Committee contracted with compliance professionals to review records and file the amended report.

- 6. Subsequent to the corrections to the financial records from the 2004 election cycle, Respondents contracted for an internal audit of their financial records from January 1, 2005 to the present, and reconciled those financial records with their FEC reports. Respondents, in an effort to avoid similar errors in the future, agree to do a complete reconciliation of the Committee's financial records each month, as well as an annual internal audit for a minimum of two years. The results of each internal audit will be submitted to the Commission.
- 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 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 within thirty (30) days from the effective date of this agreement.
- 10 This Negotiated Settlement constitutes the entire agreement between the parties on ADR 386 (RR 07L-09) and effectively resolves the issues identified in paragraph 3 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

By: 
Lynn M. Fraser, Assistant Director

9/19/07
Date Signed

FOR THE RESPONDENTS:


Neil Reiff, Esq.
Representing the North Dakota Democratic-
NonPartisan League Party and Timothy Purdon, Treasurer

9/11/07
Date Signed