



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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**SENSITIVE**

**MEMORANDUM**

June 12, 2008

TO: The Commission

THROUGH: Patrina M. Clark  
Staff Director

FROM: John D. Gibson  
Chief Compliance Officer

Deborah Ruth Kant  
Director, ADR Office

SUBJECT: ADR 448 Washington State Democratic Central Committee and Habib M. Habib, Treasurer, Recommendation to Approve Settlement Agreement

**RESOLUTION TERMS:** Implement priority system for responding to RFAIs; hire campaign finance firm to review reports; conduct internal audits; certification of audit results to the Commission; and civil penalty of \$3,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 448 (RAD 08L-07). This case was received by the ADR Office on January 30, 2008, and was assigned to the ADR Office on February 28, 2008.<sup>1</sup>

**SUMMARY:** A committee may be referred for audit under the Act if the cumulative nature of the reporting errors reveals the committee is not in substantial compliance with the law. 2 U.S.C. § 438(b). The Reports Analysis Division referred the Respondents (or "the Committee") for cumulative errors during the 2006 election cycle. These errors involved mathematical discrepancies, excessive contributions and/or prohibited contributions, failures to disclose all receipts, and problems relating to allocable expenses, Levin funds, and coordinated party expenditures.

<sup>1</sup> On this date, the ADR assignment process was modified. Assignments are automatic without a Commission vote.

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