



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEDERAL ELECTION COMMISSION  
SEP 30 4 51 PM '08

**SENSITIVE**

**MEMORANDUM**

September 30, 2008

TO: The Commission

THROUGH: Joseph E. Stoltz *[Signature]*  
Acting Staff Director

FROM: John D. Gibson *[Signature]*  
Chief Compliance Officer

Lynn M. Fraser *[Signature]*  
Acting Director, ADR Office

SUBJECT: ADR 451 Democratic Party of Hawaii and Yuriko Sugimura, Treasurer,  
Recommendation to Approve Settlement Agreement

**RESOLUTION TERMS:** Develop a compliance manual for staff reference; conduct staff training on reporting requirements; institute tracking and response procedures for Requests for Additional Information (RFAs) received from the Commission; and pay a civil penalty of \$5,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 451 (RAD 08L-12)**. This case was received by the ADR Office on February 25, 2008, and was activated by the ADR Office on March 12, 2008.

**SUMMARY:** The Reports Analysis Division referred the Democratic Party of Hawaii and Yuriko Sugimura, Treasurer (Respondents or the Committee) for cumulative errors during the 2006 election cycle. Some of the errors involved mathematical discrepancies, allocations, missing schedules, and failures to itemize contributions. The Committee, in response, explained that in addressing the reporting challenges, they contracted for the services of staff experienced in campaign finance reporting.

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**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of the Democratic Party of Hawaii and Yuriko Sugimura, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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