



**Federal Election Commission
Washington, DC 20463**

February 18, 2009

Yuriko Sugimura
1050 Ala Moana Boulevard, Suite D26
G-4
Honolulu, HI 96814

Re: ADR 451 (RAD 08L-12)
Democratic Party of Hawaii and Yuriko Sugimura, Treasurer

Dear Ms. Sugimura:

Enclosed is the signed copy of the agreement resolving the referral initiated on February 28, 2008 with the Federal Election Commission ("FEC/Commission") against Democratic Party of Hawaii and Yuriko Sugimura, Treasurer ("Respondents"). The agreement for ADR 451 (RAD 08L-12) was approved by the Commission on February 10, 2009 – the effective date of the agreement.

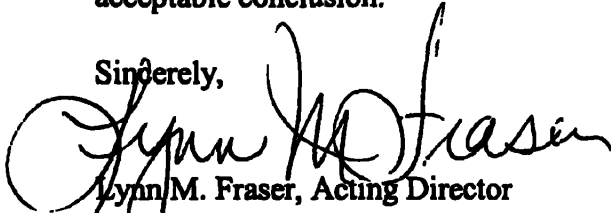
Note the specific time frames for compliance in paragraph 9 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6 and contain the ADR caption and case number. We have already received a check, number 772 dated September 22, 2008, to cover the amount of the civil penalty payment.

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.

Sincerely,



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

Enclosure: Agreement

cc: Ken Pezzella, Finance and Accounting Office
Room 819

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 451
Source: RAD 08L-12
Case Name: Democratic Party of Hawaii

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 Yuriko Sugimura representing the Democratic Party of Hawaii and Yuriko Sugimura, 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 Reports Analysis Division (RAD) referred the Respondents for the cumulative nature of deficiencies on reports filed with the Commission in the 2006 election cycle which disclosed the Committee was not in substantial compliance with the FECA.
4. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA. 2 U.S.C. § 437(g).
5. Respondents acknowledge some reporting deficiencies during the 2005-2006 election cycle, but contend that the Committee successfully corrected deficiencies. In addition, Respondents contend that they retained the services of a compliance specialist, hired additional staff and developed new financial management procedures to increase accuracy of their reports.

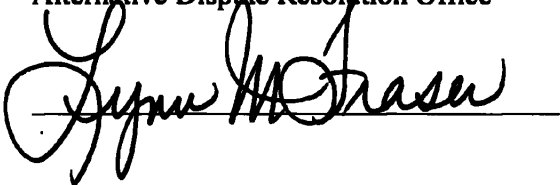
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- 6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) develop a compliance manual for staff reference; (b) conduct staff training on reporting requirements; (c) institute tracking and response procedures for Requests for Additional Information (RFAs) received from the Commission; and (d) pay a civil penalty of \$5,000 within 30 days of the effective date of this agreement.
- 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 this agreement as set out in paragraph 6 above.
- 10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 451 (RAD 08L-12), and resolves only those 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.

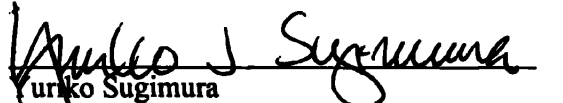
FOR THE COMMISSION:

Lynn M. Fraser, Acting Director
Alternative Dispute Resolution Office



2-10-09
Date Signed

FOR THE RESPONDENTS:


Yuriko Sugimura
Representing the Democratic Party of Hawaii
and Yuriko Sugimura, Treasurer

Sept. 25, 2008
Date Signed