



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

FEDERAL ELECTION
COMMISSION
SECRETARIAT

2008 NOV -7 A 10: 01
SENSITIVE

MEMORANDUM

August 27, 2008

TO: The Commission

THROUGH: Joseph E. Stoltz *JES*
Acting Staff Director

FROM: John D. Gibson *JDG for JES*
Chief Compliance Officer

Lynn M. Frasier *LMF*
Acting Director, ADR Office

SUBJECT: ADR 454 Montana Democratic Party and Brenda Schye, Treasurer,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Continue staff training on a quarterly basis; and
pay a civil penalty of \$2,500

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to
ADR 454 (RAD 08L-16). This case was received by the ADR Office on March 4, 2008,
and was activated by the ADR Office on March 7, 2008.

SUMMARY: The Reports Analysis Division referred the Montana Democratic
Party and Brenda Schye, Treasurer (Respondents or the Committee) for cumulative
errors during the 2005-2006 election cycle. Some of the errors involved
mathematical discrepancies, missing schedules, allocations between federal and
non-federal activity, and potentially prohibited contributions or transfers from
political committees. The Committee, in response, contends that many difficulties
occurred due to a former compliance specialist, but that the Committee began
systematically addressing deficiencies during the 2005-2006 election cycle. In
addition, Respondents and will continue to do so.

29190280832

RECOMMENDATIONS:

1. Approve the attached settlement agreement of the Montana Democratic Party and Brenda Schye, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

29190280833