



**Federal Election Commission  
Washington, DC 20463**

February 18, 2009

Neil Reiff, Esq.  
Sandler, Reiff & Young, PC  
300 M Street, S.E., Suite 1102  
Washington, DC 20003

Re: ADR 454 (RAD 08L-16)  
Montana Democratic Party and Brenda Schye, Treasurer

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the referral initiated on March 4, 2008 with the Federal Election Commission ("FEC/Commission") against Montana Democratic Party and Brenda Schye, Treasurer ("Respondents"). The agreement for ADR 454 (RAD 08L-16) was approved by the Commission on February 10, 2009 – the effective date of the agreement.

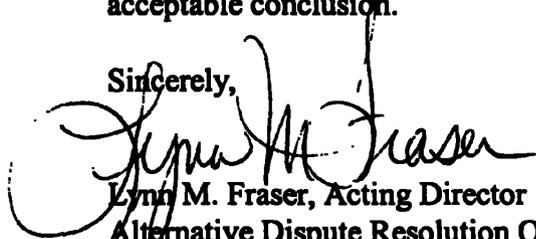
Note the specific time frames for compliance in paragraph 9 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6 and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on March 12, 2009. Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.**

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.

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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 454  
Source: RAD 08L-16  
Case Name: Montana Democratic 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 Montana Democratic Party and Brenda Schye, 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:

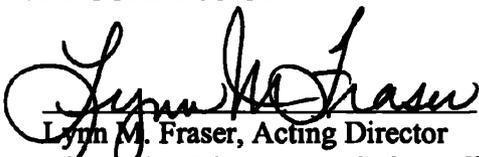
1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures ("ADR") is guided by "The Administrative Dispute Resolution Act 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 due to errors made by a former compliance specialist who is no longer employed by the Committee. Respondents contend they instituted the use of new financial systems in 2005, and the file conversion created new challenges, but those were resolved. In addition, Respondents assert they put new financial procedures in place, and retained the services of Political CFOs, Inc. to supervise the compliance process. To ensure future accuracy, the Committee conducted an internal reconciliation of its financial records

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and the reports filed with the Commission from mid-year 2005 to the present, and filed amended reports as needed.

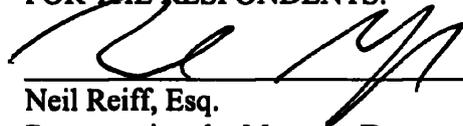
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) continue staff training on a quarterly basis; and (b) pay a civil penalty of \$2,500.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that 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 within thirty (30) days from the effective date of this agreement.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 454 (RAD 08L-16), 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:

By:   
Lynn M. Fraser, Acting Director  
Alternative Dispute Resolution Office

2-10-09  
Date Signed

FOR THE RESPONDENTS:

  
Neil Reiff, Esq.  
Representing the Montana Democratic Party  
and Brenda Schye, Treasurer

8/22/08  
Date Signed

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