



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2008 JUN -5 P 3:40

MEMORANDUM

June 5, 2008

SENSITIVE

TO: The Commission

THROUGH: Patrina M. Clark
Staff Director

FROM: John D. Gibson
Chief Compliance Officer

Deborah Ruth Kant
Director, ADR Office

SUBJECT: ADR 456 South Dakota Republican Party and Paul Knecht, Treasurer,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Internal controls statement and certification;
retain a campaign finance firm for review of
reports; FEC training; and civil penalty of
\$12,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to
ADR 456 (RAD 08L-17). This case was received by the ADR Office on March 7, 2008,
and was assigned to the ADR Office on March 12, 2008.

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
included mathematical discrepancies, failures to itemize contributions from individuals,
impermissible contributions from unregistered political committees, missing supporting
schedules, and problems relating to allocable expenses, federal election activity and
coordinated expenditures. The Committee also failed to file two reports.

28190280081

RECOMMENDATIONS:

1. Approve the attached settlement agreement of the South Dakota Republican Party and Paul Knecht, Treasurer,
2. Approve the appropriate letters.
3. Close the file on this matter.

28190280082