



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

February 12, 2009

TO: The Commission

THROUGH: Joseph F. Stoltz *JFS*
Acting Staff Director

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

Lynn M. Frase *Lmf*
Acting Director, ADR Office

SUBJECT: ADR 462 Texans for Henry Cuellar Congressional Campaign and Rosendo Carranco, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Send a representative to a FEC conference; pay a civil penalty of \$2,500

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 462 (AR 08-10)**. This case was activated by the ADR Office on June 30, 2008.

SUMMARY: In this case, the Audit Division referred Texans for Henry Cuellar Congressional Campaign and Rosendo Carranco, Treasurer (Respondents or the Committee) for receiving excessive contributions in the amount of \$36,300 and receiving potentially prohibited contributions in the amount of \$13,000.

In response to the interim audit finding on excessive contributions, Respondents provided copies of seven non-negotiated refund checks totaling \$22,300 and redesignation/retribution letters sent to the contributors for the remainder of the excessive contributions. In response to the interim audit on the finding of contributions from prohibited sources, the Committee provided copies of two non-negotiated refund checks totaling \$8,800, but failed to establish the remaining contributions were from permissible sources. Subsequent to the final audit report, Respondents provided documentation that they refunded the remaining \$4,200.

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RECOMMENDATIONS:

1. Approve the attached settlement agreement of Texans for Henry Cuellar Congressional Campaign and Rosendo Carranco, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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