



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SECRET

2008 SEP 24 A 9:35

SENSITIVE

MEMORANDUM

September 23, 2008

TO: The Commission

THROUGH: Joseph E. Stoltz *[Signature]*
Acting Staff Director

FROM: John D. Gibson *[Signature]*
Chief Compliance Officer

Lynn M. Fraser *[Signature]*
Acting Director, ADR Office

SUBJECT: ADR 463 Karen Carter for Congress and Ken Carter, Treasurer
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Work with Commission staff to terminate the Committee.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 463 (AR 08-13)**. This case was activated by the ADR Office on July 1, 2008.

SUMMARY: In this case, AUDIT referred Karen Carter for Congress and Ken Carter, Treasurer ("Respondents" or "Committee") for excessive contributions in the amount of \$65,227, and a failure to file 48-Hour Notices for 33 contributions totaling \$57,000 received prior to the general and run-off elections. The Audit Division stated the Committee provided copies of letters sent to contributors that were eligible for presumptive redesignation and/or reattribution of otherwise excessive contributions totaling \$56,027, and demonstrated that one contribution in the amount of \$4,200 was returned by the bank due to insufficient funds. In addition, the Committee demonstrated that contributions in the amount of \$14,500 were not received within the 48-Hour Notice period.

Respondents contend they attempted to balance their acknowledged inexperience by retaining individuals who claimed they were experienced in campaign finance reporting and compliance. Respondents asserted that by the time they realized that the claims of experience were untrue, the errors and omissions were on the record.

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RECOMMENDATIONS:

1. Approve the attached settlement agreement of Karen Carter for Congress and Ken Carter, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.