



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

June 1, 2009

TO: The Commission
THROUGH: Robert A. Hickey
Staff Director
FROM: John D. Gibson
Chief Compliance Officer
Lynn M. Fraser
Acting Director, ADR Office

SUBJECT: ADR 484 Democratic Party of Arkansas and Karen Garcia, Treasurer,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Implement a RFAI receipt, tracking and response system; formalize and maintain financial procedures and internal controls; work with RAD to ensure the Committee provides clarification for any outstanding issues; send two (2) representatives to the FEC for a one-on-one meeting with the RAD; and pay a civil penalty of \$3,500.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 484 (RAD 09L-03). This case was received by the ADR Office on January 13, 2009, and was activated by the ADR Office on January 30, 2009.

SUMMARY: The Reports Analysis Division referred the Democratic Party of Arkansas and Karen Garcia, Treasurer (Respondents or the Committee) for cumulative errors during the 2005-2006 election cycle. Some of the errors involved, among other things: mathematical discrepancies; missing schedules; failures to itemize contributions from individuals and/or transfers from political committees; issues involving FEA/Levin funds; and allocation between federal and non-federal activity. The Committee, in response, explained that the errors were due to inexperienced staff and inadequate compliance oversight.

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RECOMMENDATIONS:

1. Approve the attached settlement agreement of Democratic Party of Arkansas and Karen Garcia, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.