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MEMORANDUM

June 26, 2009

TO: The Commission

THROUGH: Robert A. Hickey *[Signature]*
Staff Director

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

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

SUBJECT: ADR 499 League of Conservation Voters Action Fund and Patrick
Collins, Treasurer, Informational Memo on Assignment

The Office of General Counsel has transferred AR 09-02 and the ADR Office designated matter as ADR 499. We include a summary and discussion of the referral for your information. We anticipate initiating communication with Respondents in ADR 499 on June 30, 2009. Please contact Lynn Fraser if you have any questions or concerns before then. A copy of the referral is in the voting ballots folder.

Summary of Case: The Audit Division (Audit) referred League of Conservation Voters Action Fund and Patrick Collins, Treasurer (Respondents or the Committee) for misstatement of financial activity during calendar years 2005 and 2006. Specifically, Audit found that Respondents materially misstated receipts, disbursements and cash-on-hand balances for calendar years 2005-2006. During 2005, the Committee: understated beginning cash-on-hand by \$10,585; overstated receipts by \$5,521; understated disbursements by \$2,590; and understated ending cash-on-hand by \$2,474. During 2006, the Committee: overstated receipts by \$9,109; understated disbursements by \$113,680, and overstated the ending cash-on-hand by \$120,315. Audit noted that in response to the interim audit recommendations, Respondents took steps to improve its accounting and reporting procedures, and identified reported contributions originally received by the League of Conservation Voters which had not been transferred to the Committee. Respondents filed amended reports that materially corrected the misstatements.

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Discussion: ADR can provide an opportunity to utilize corrective measures to encourage future compliance with the FECA. Moreover, the flexibility and informality of the ADR process allows the parties, through joint problem-solving, to fashion specific corrective measures tailored to Respondents, their resources, and the issues involved in the case. Respondents are often more willing to develop creative compliance measures in the ADR process in exchange for a reduced civil penalty.

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