



**Federal Election Commission
Washington, DC 20463**

March 9, 2010

Brian G. Svoboda, Esq.
Perkins Coie, LLP
607 14th Street, NW
Washington, DC 20005

Re: ADR 495 (RAD 09L-18) and ADR 502 (AD 07-28)
Ciro Rodriguez for Congress and Luis R. Vera, Treasurer

Dear Mr. Svoboda:

Enclosed is the signed copy of the agreement resolving the referral initiated on June 9, 2009 by the Federal Election Commission ("FEC/Commission") involving **Ciro Rodriguez for Congress and Luis R. Vera, Treasurer ("Respondents")**. The agreement for ADR 495 and ADR 502 was approved by the Commission on March 4, 2010 – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 9 of the agreement. **Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 9, and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on or before April 5, 2010. Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.**

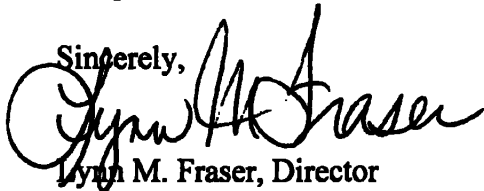
As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referrals, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate

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your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Lynn M. Fraser, Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

cc: Chris Wedderburn, Finance and Accounting Office
Room 819

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 495

Source: RAD 09L-18

Case Number: ADR 502

Source: AD 07-28

Case Name: **Ciro Rodriguez For Congress**

NEGOTIATED SETTLEMENT

These matters were initiated by the Federal Election Commission (Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matters, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve these matters, the Commission entered into negotiations with Brian Svoboda, Esq., representing **Ciro Rodriguez For Congress** and **Luis R. Vera**, in his official capacity as Treasurer (the Committee or Respondents). It is understood that this consolidated agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in these referrals. The parties agree to resolve these matters according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. In ADR 495, the Reports Analysis Division (RAD) referred Respondents for a series of reporting errors and other FECA violations during the 2008 election cycle. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA.
4. In ADR 502, the Audit Division (Audit) referred the Committee following an audit of the 2006 election cycle. Audit referred the Committee for a misstatement of financial activity, a failure to file 48-Hour Notices, and impermissible contributions. Specifically, Respondents understated disbursements in 2006 in the amount of \$382,827. Respondents also failed to file 48-Hour Notices for forty-nine (49) contributions totaling \$75,200. In addition, audit identified contributions totaling

Case Number: ADR 495

Source: RAD 09L-18

Case Number: ADR 502

Source: AD 07-28

Page 1

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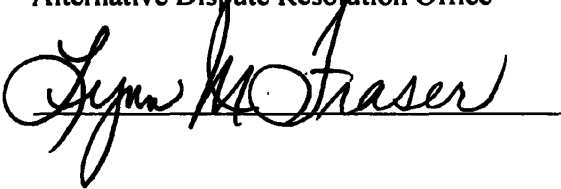
\$89,150, received in 2004, and impermissibly redesignated to the 2006 Primary election.

5. Treasurers of political committees are required to report all financial activity, including cash-on-hand, receipts and disbursements, pursuant to the FECA. 2 U.S.C. §§ 434(a)(1), 434(b), 11 C.F.R. §§ 104.1, 104.3.
6. Respondents acknowledge some reporting challenges over the 2004 and 2006 election cycles due to a mid-decade redistricting of their congressional district. Respondents assert the result of the redistricting was a highly competitive primary election in which the incumbent lost by a very few votes. The Congressman ran again in the March 2006 primary election and lost. After the US Supreme Court invalidated part of the 2003 Texas redistricting, the Congressman ran in an all-Party primary election in the newly drawn Congressional District in November 2006, and then won the subsequent runoff election in December 2006. During this period, the Committee relied on volunteers for compliance and reporting. Respondents contend that of the \$89,150 in impermissibly redesignated funds, \$75,400 was refunded during the audit process, and the remaining \$13,750 was disgorged to the US Treasury. Respondents assert that some of the errors or omissions during the 2006 cycle contributed to the discrepancies in the 2008 cycle.
7. Respondents contend that the failure to file 48 Hour Notices for contributions received from February 14, 2008 through March 1, 2008 resulted from inexperienced staff relying on an incorrect reporting schedule which did not include deadlines relevant to the March Primary Election. Referring to that incorrect reporting schedule also caused the Committee to file its 2008 12 Day Pre-Primary Report late, for which it paid a civil penalty of \$4,000.
8. Respondents further contend that since 2007, the Committee took steps to materially correct the record, and improve its compliance process through changes in financial procedures, updating its reporting software and increasing staff training. The Committee filed amended relevant reports from the 2006 and 2008 cycles to correct the record.
9. Respondents, in an effort to avoid similar errors in the future, agree to: (a) conduct an independent review of Committee's financial procedures and conduct staff training on best practices to maintain compliance within sixty (60) days of the effective date of this agreement; (b) based upon recommendation arising from the independent review of financial procedures, develop and maintain a compliance manual for staff reference within ninety (90) days of the effective date of this agreement; (c) send a representative to a FEC conference within twelve (12) months of this agreement; and (d) pay a civil penalty of \$6,000 within thirty (30) days of the effective date of this agreement.
10. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.

11. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
12. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this agreement as set out in paragraph 9 above.
13. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 495 (RAD 09L-18) and ADR 502 (AD 07-28), and resolves those issues identified in paragraph 3 and 4 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.


FOR THE COMMISSION:

Lynn M. Fraser, Director
Alternative Dispute Resolution Office



03/04/2010
Date Signed

FOR THE RESPONDENTS:


Brian G. Svoboda, Esq.
Representing Ciro Rodriguez for Congress
and Luis R. Vera, Treasurer

17 Feb. 2010
Date Signed