



FEDERAL ELECTION COMMISSION
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SENSITIVE

MEMORANDUM

November 18, 2009

TO: The Commission

THROUGH: Alec Palmer
Acting Staff Director *AP*

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

Lynn M. Fraser *LMS*
Director, ADR Office

SUBJECT: ADR 499 & ADR 510 League of Conservation Voters Action Fund and Patrick Collins, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Develop and maintain a compliance manual for staff reference; send a Committee representative to a FEC conference and one FEC Roundtable; and pay a civil penalty of \$5,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 499 (AR 09-02) and ADR 510 (RAD 09L-31). These two matters were consolidated in one settlement agreement. The ADR Office received ADR 499 on June 30, 2009, and ADR 510 on August 25, 2009.

SUMMARY: In ADR 499, the Audit Division (Audit) referred the 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.

Audit noted that in response to the interim audit recommendations, Respondents took steps to improve its accounting and reporting procedures, and identified

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reported contributions originally received by the League of Conservation Voters which had not been transferred to the Committee, and filed amended reports that materially corrected the misstatements.

In ADR 510, the Reports Analysis Division (RAD) referred Respondents for failing to disclose all financial activity on their 2008 October Monthly Report and their 2008 12 Day Pre-General Report. Respondents filed an amended 2008 October Monthly Report on January 30, 2009 that disclosed additional receipts of \$71,076.40. In addition, Respondents filed an amended 2008 12 Day Pre-General Report, also on January 30, 2009, that disclosed additional receipts of \$52,353.24.

Respondents contend that the increase in receipts noted in ADR 510 was discovered as part of Respondents' voluntary internal review at 2008 year-end, which led Respondents to file amended reports.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of League of Conservation Voters Action Fund and Patrick Collins, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.