MEMORANDUM

April 20, 2010

TO: The Commission

THROUGH: Alec Palmer
                     Acting Staff Director

FROM: Patricia Carmona
                     Chief Compliance Officer

                     Lynn M. Fraser
                     Director, ADR Office

SUBJECT: ADR 526 Washington State Republican Party and Colleen Morse, Treasurer,
                     Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Draft and implement a compliance operations manual; draft and implement internal control procedures consistent with the Commission's Internal Controls Policy (2007); develop and implement a process to track receipt of and response to communications with the Commission; send a Committee staff representative to a FEC conference; contract with an independent accounting firm to certify to the Commission the results of an internal audit of the Committee's financial activity for 2008-2009 by August 1, 2010, and the financial activity for 2010-2011 by July 1, 2012; and pay a civil penalty of $4,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 526 (RAD 09L-45)**. The ADR Office received this referral on November 23, 2009.

SUMMARY: The Reports Analysis Division referred the Washington State Republican Party and Colleen Morse, Treasurer (Respondents or the Committee) for cumulative errors during the 2008 election cycle. The issues raised included reporting errors involving prohibited contributions; mathematical discrepancies; failure to provide supporting schedules; federal election activity/Levin Funds; and allocated Federal and Non-Federal Activity.

Respondents contend that the issues arose during a staffing transition, and the Committee has taken significant steps to ensure future compliance.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Washington State Republican Party and Colleen Morse, Treasurer.

2. Approve the appropriate letters.

3. Close the file on this matter.