



Federal Election Commission
Washington, DC 20463

May 14, 2010

Judith Corley, Esq.
Perkins Coie LLP
607 14th Street NW, Suite 800
Washington, DC 20005

Re: ADR 528 (RAD 09L-46)
DNC Services Corporation/Democratic National Committee and Andrew
Tobias, Treasurer

Dear Ms. Corley:

Enclosed is the signed copy of the agreement resolving the referral initiated on – **December 4, 2009** – by the Federal Election Commission (“FEC/Commission”) involving DNC Services Corporation/Democratic National Committee and Andrew Tobias, Treasurer (“Respondents”). The agreement for **ADR 528 (RAD 09L-46)** was approved by the Commission on **May 10, 2010** – the effective date of the agreement.

Note the specific time frames for compliance in **paragraph 6** 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 6**, 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 June 9, 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 complaint/referral, 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.

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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 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 528
Source: RAD 09L-46
Case Name: DNC Services Corporation
/Democratic National Committee

NEGOTIATED SETTLEMENT

This matter was 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 matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Commission entered into negotiations with Judith L. Corley, Esq., representing the DNC Services Corporation/Democratic National Committee and Andrew Tobias, in his official capacity as Treasurer (the Committee or Respondents). It is understood that this 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 this referral. The parties agree to resolve the matter according to the following terms:

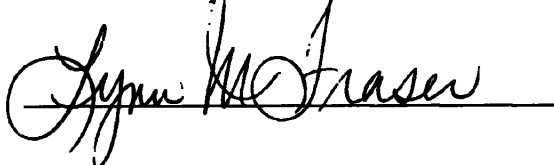
1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 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. The Reports Analysis Division (RAD) referred the Respondents for the cumulative nature of deficiencies on reports filed with the Commission in the 2008 election cycle which disclosed the Committee was not in substantial compliance with the FECA.
4. 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. 2 U.S.C. § 437(g).
5. Respondents acknowledge receiving requests for clarification, specifically as they relate to offsets to operating expenditures, itemization of travel reimbursements and public communications as possible candidate fundraising expenses. Respondents contend that they worked with RAD to find ways to decrease the need to seek clarification in future reports, hired additional staff, upgraded its data base and implemented a process to track the receipt and response for all communications from the Commission.

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6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) appoint a compliance specialist within thirty (30) days of the effective date of this agreement; (b) implement cross-training of administrative staff within thirty (30) days of the effective date of this agreement; (c) develop and implement a compliance/operations manual within thirty (30) days of the effective date of this agreement; (d) send a representative to a FEC conference within twelve (12) months of the effective date of this agreement; and (e) pay a civil penalty of \$2,500 within thirty (30) days of the effective date of this agreement.
 7. 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.
 8. 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.
 9. 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 6 above.
 10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 528 (RAD 09L-46), and resolves those issues identified in paragraph 3 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



5/10/10
Date Signed

FOR THE RESPONDENTS:



Judith L. Corley, Esq.
Representing the DNC Services Corporation
/Democratic National Committee
and Andrew Tobias, Treasurer

4/20/10
Date Signed