



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 18, 2009

David Pierce, Treasurer
New Hampshire Democratic Party
2 1/2 Beacon Street
Concord, NH 03301

Re: ADR 529 (RAD 09L-47)
New Hampshire Democratic Party and David Pierce, Treasurer

Dear Mr. Pierce:

The Reports Analysis Division of the Federal Election Commission (FEC/Commission) determined that matters arising from its recent review of reports filed by the New Hampshire Democratic Party warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission referred this matter to the Alternative Dispute Resolution (ADR) program.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with New Hampshire Democratic Party and David Pierce, Treasurer (Respondents or Committee). The ADR Program provides Respondents with an opportunity to negotiate, and if appropriate, mediate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations and/or mediation are successful, the resulting settlement would conclude the matter.

This case is eligible for processing in the ADR program. If Respondents decide to participate in the Program, i.e., negotiation and/or mediation, you must: 1) indicate in writing a willingness to have your case submitted to the ADR process; 2) agree to participate in the bilateral negotiations and if appropriate, mediation; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADR Office, and the focus of our subsequent negotiations are summarized as follows:

SUMMARY: The Reports Analysis Division referred the New Hampshire Democratic Party and David Pierce, Treasurer (Respondents or the Committee) 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

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determines the reports do not meet the threshold requirements for substantial compliance with the FECA. The Committee's errors included, among other things: mathematical discrepancies, a failure to provide supporting schedules, a failure to properly itemize disbursements, and Federal Election Activity/Levin funds issues.

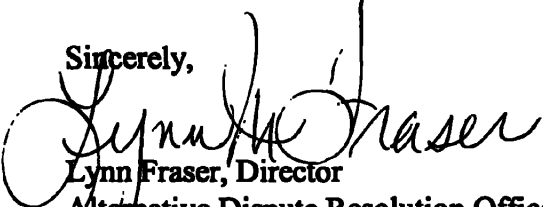
We have attached a list of the relevant errors in each report for your convenience.

If after reviewing this letter and the enclosed brochure, which describes the ADR program, Respondents would like this case selected for ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR form. **Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR.** In that event, your case will be sent to the FEC's Office of General Counsel for further processing, and the likelihood that the Committee will be audited may increase.

If you decide to participate in the ADR Program, please provide any additional responses Respondents would like to make, including proposed stipulations or terms to resolve the matter. **Please also provide some dates and times when you'd be available to discuss this matter in detail on a separate sheet of paper.** I will then review my calendar, so that a time can be scheduled.

This matter has been designated as **ADR 529**. Please refer to this number in future correspondence with the FEC. If you have any questions about the ADR Program, please contact me directly at the number given below.

Sincerely,


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

Enclosures: Brochure
Commitment to Submit Matter to ADR and Designation of Representative/Counsel

VIOLATION DESCRIPTION	REPORT(S)	DETAILS OF VIOLATION
Mathematical Discrepancies	2008 12G	The Committee's report contained mathematical discrepancies totaling \$350,211.26.
Failure to Provide Supporting Schedules	2008 30G	Schedule A of the Committee's report disclosed memo entries totaling \$2,079.94 that did not identify which joint fundraiser the memo entries could be attributed to.
Failure to Provide Supporting Schedules	2008 YE	<p>Schedule A supporting Line 12 of the Committee's report(s) disclosed \$262,589.27 in transfers received from a joint fundraiser. However, the supporting itemized memo entries provided on Schedule A totaled \$33,330.16, creating a discrepancy of \$229,259.11.</p> <p>Schedule A supporting Line 12 of the Committee's report(s) disclosed \$3,598.05 in transfers received from a joint fundraiser. However, there were no supporting itemized memo entries provided on Schedule A.</p> <p>Schedule A supporting Line 12 of the Committee's report(s) disclosed no transfers received from a joint fundraiser. However, the supporting itemized memo entries provided on Schedule A totaled \$315,556.37.</p>
Failure to Properly Itemize Disbursements	Amended 2008 M8, received 9/22/08	The Committee disclosed transfers from a national party committee on Schedule A supporting Line 12 of the Detailed Summary Page. The Committee also disclosed payments for exempt activities on Schedule B supporting Line 30(b) totaling \$11,008.05. The transferred funds may or may not have been for the payment of exempt activities.
Failure to Properly Itemize Disbursements	2008 M10	The Committee disclosed transfers from a national party committee on Schedule A supporting Line 12 of the Detailed Summary Page. The Committee also disclosed payments for exempt activities on Schedule B supporting Line 30(b) totaling \$317,888.33. The transferred funds may or may not have been for the payment of exempt activities.
Failure to Properly Itemize Disbursements	2008 30G	<p>The Committee disclosed transfers from a national party committee on Schedule A supporting Line 12 of the Detailed Summary Page. The Committee also disclosed payments for exempt activities on Schedule B supporting Line 30(b) totaling \$29,072.00. The transferred funds may or may not have been for the payment of exempt activities.</p> <p>On Schedule B, the Committee disclosed \$612,588.28 in disbursements paid to a direct mail firm for "Volunteer exempt mail," "Volunteer Exempt Mail," "Volunteer Exempt Literature," and "Volunteer Exempt Mailing Expenses," but failed to clarify if the activity met the conditions of exempt activity.</p> <p>The Committee disclosed \$27,479.04 in disbursements made for "Event food," "Event Food," "Reimbursement: Sound for Event," "Food," and "Food Cards" on Schedule H4, but failed</p>

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		to clarify whether these disbursements were made on behalf of specifically identified federal candidates.
Federal Election Activity/Levin funds	Amended 2007 M10, received 11/15/07	On Schedule B, the Committee disclosed \$9,550.00 in disbursements made for "Photography" and "Printing: Brochure," but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed Federal candidates or if they expressly advocated the election or defeat of clearly identified Federal candidates.
Federal Election Activity/Levin funds	Amended 2008 M9, received 9/22/08	On Schedule B, the Committee disclosed \$5,000.00 in disbursements made for "Consulting: Communications," but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed Federal candidates or if they expressly advocated the election or defeat of clearly identified Federal candidates. The Committee disclosed \$225.00 in disbursements made for "Equipment Rental" and "event table" on Schedule B, but failed to clarify whether these disbursements were made on behalf of specifically identified Federal candidates.
Federal Election Activity/Levin funds	2008 M10	On Schedule B, the Committee disclosed \$5,000.00 in disbursements made for "Consulting: Communications," but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed Federal candidates or if they expressly advocated the election or defeat of clearly identified Federal candidates. On Schedule H4, the Committee disclosed \$3,599.89 in disbursements made for "Mailing Expenses," but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed Federal candidates or if they expressly advocated the election or defeat of clearly identified Federal candidates.
Federal Election Activity/Levin funds	2008 30G	The Committee disclosed \$8,075.00 in disbursements made for "Catering" on Schedule B, but failed to clarify whether these disbursements were made on behalf of specifically identified federal candidates. On Schedule B, the Committee disclosed \$5,659.00 in disbursements made for "slate card signs" and "Printing: GOVT Flyer," but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed Federal candidates or if they expressly advocated the election or defeat of clearly identified Federal candidates. On Schedule H4, the Committee disclosed \$3,679.97 in disbursements made for "sound equipment rental," "Audio Equipment Rental," and "Mailing Expenses," but failed to clarify whether these disbursements were FEA public communications that promoted, supported, attacked or opposed

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		<p>Federal candidates or if they expressly advocated the election or defeat of clearly identified Federal candidates.</p> <p>The Committee failed to provide an adequate purpose for disbursements to two (2) vendors totaling \$6,500.00.</p>
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