



FEDERAL ELECTION COMMISSION
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SEC. 10101

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SENSITIVE

MEMORANDUM

March 3, 2010

TO: The Commission

THROUGH: Alec Palmer *AP*
Acting Staff Director

FROM: Patricia Carmona *PC*
Chief Compliance Officer

Lynn M. Fraser *LMF*
Director, ADR Office

SUBJECT: ADR 532 Americans For Democratic Action, Inc. Political Action Committee and Don Kusler, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Appoint a compliance specialist; develop and maintain a compliance operations manual; develop and implement internal controls consistent with the Commission's Internal Controls Policy; send a representative to a FEC conference; and pay a civil penalty of \$1,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 532 (RR 09L-50). The ADR Office received this referral on December 23, 2009.

SUMMARY: In this case, the Reports Analysis Division (RAD) referred Respondents for activities which appeared to be intended to circumvent the Administrative Fines Program (AFP) during the 2007-2008 election cycle. The Committee disclosed no financial activity during the period July 1, 2008 through December 31, 2008. On November 16, 2009, Respondents filed amended reports for the 2008 August Monthly through 2008 Year-End that disclosed total receipts of \$36,490.19 and total disbursements of \$38,641.73. The amended reports showed activity that would have resulted in the Committee's inclusion in the AFP.

Respondents acknowledge inadvertently violating the FECA by not filing their reports timely for the relevant time period. The late filing of these reports resulted from the sudden resignation of the former Treasurer, and her refusal to respond to inquiries from the Committee about its reporting history and the procedures she followed.

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RECOMMENDATIONS:

1. Approve the attached settlement agreement of Americans For Democratic Action, Inc. Political Action Committee and Don Kusler, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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