



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

FEDERAL ELECTION COMMISSION  
DIVISION OF REGISTRATION  
SECRETARIAT

2011 MAR 22 P 1:47

**SENSITIVE**

**MEMORANDUM**

March 22, 2011

TO: The Commission

THROUGH: Alec Palmer *for Ann*  
Acting Staff Director

FROM: Patricia Carmona *PC*  
Chief Compliance Officer

Lynn M. Fraser *LMF*  
Director, ADR Office

BY: Krista J. Roche *KJR*  
Assistant Director, ADR Office

SUBJECT: ADR 553 Republican Party of Arkansas and Larry W. Walther, Treasurer  
Recommendation to Approve Negotiated Settlement

RESOLUTION TERMS: Develop and implement a compliance operations manual;  
conduct an internal education program for the newly-hired  
accounting firm; retain a consultant familiar with FEC  
reporting procedures; and pay a civil penalty of \$2,500.

Attached for your review is a signed ADR Negotiated Settlement pertaining to ADR 553 (RAD 10L-13). The ADR Office received this referral on November 23, 2010.

**SUMMARY:** The Reports Analysis Division referred the Republican Party of Arkansas and Larry W. Walther, Treasurer, (Respondents or the Committee) for failing to disclose all financial activity. Respondents amended their 2010 April Monthly Report on July 28, 2010, to disclose additional receipts totaling \$160,214.41, a 59.8% increase over the financial activity disclosed in the original 2010 April Monthly Report. Respondents contend that the omission of the additional receipts resulted from the unavailability of key accounting staff due to the severe illness of a family member.

Recommendation to Approve  
Negotiated Settlement  
ADR 553 (RAD 10L-13)  
Page 1

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**RECOMMENDATIONS:**

1. Approve the attached Negotiated Settlement of the Republican Party of Arkansas and Larry W. Walther.
2. Approve the appropriate letters.
3. Close the file on this matter.

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