



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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C. L. J.
SECRETARIAL

2011 SEP 27 A 9:15

SENSITIVE

MEMORANDUM

September 26, 2011

TO: The Commission

THROUGH: *Alec Palmer*
- Staff Director

FROM: *Patricia Carmona* *PC*
Chief Compliance Officer

Lynn M. Fraser
Director, ADR Office

SUBJECT: ADR 580 Rock City PAC and Kim Kaegi, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Develop and implement a compliance operations manual which includes internal controls consistent with the Commission's Internal Controls Policy (2007) and a process to track receipt of, and response to, communications with the Commission; send a representative to a FEC conference; and pay a civil penalty of \$3,500.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 580 (11L-17). The ADR Office received this referral on June 30, 2011.

SUMMARY: In this case, the Reports Analysis Division (RAD) referred the Rock City PAC and Kim Keegi, Treasurer (Respondents or the Committee) for failing to disclose all financial activity on their 2010 October Quarterly Report. Respondents filed the original 2010 October Quarterly Report on October 15, 2010. On October 27, 2010, the Committee filed an amended report that disclosed additional receipts totaling \$70,000 and additional disbursements totaling \$53,638.15.

Respondents acknowledge inadvertent omissions due to a coding error after they changed software. In addition, Respondents contend they found the error and filed the amended reports before the election.

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