



FEDERAL ELECTION COMMISSION  
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**SENSITIVE**

**MEMORANDUM**

November 3, 2011

TO: The Commission

THROUGH: Alec Palmer *AP*  
Staff Director

FROM: Patricia Carmona *PC*  
Chief Compliance Officer

Lynn M. Fraser *LMF*  
Director, ADR Office

SUBJECT: ADR 584 Ed Royce For Congress and Kelly Lawler, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Appoint an Assistant Treasurer to protect the Committee's ability to function should its Treasurer become unavailable; develop and implement a compliance operations manual which includes the codification of internal controls consistent with the Commission's Internal Controls Policy (2007) and a process to track the receipt of, and responses to, communications with the Commission; conduct an internal reconciliation of the Committee's records to the reports filed with the FEC covering the period November 2, 2010 through December 31, 2011, and certify the results of that reconciliation with the Commission; and pay a civil penalty of \$2,000

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 584 (RAD 11L-20). The ADR Office received this referral on July 27, 2011.

**SUMMARY:** In this case, The Reports Analysis Division (RAD) referred Ed Royce for Congress and Kelly Lawler, Treasurer (Respondents or the Committee) for failing to disclose all financial activity on their 2010 October Quarterly Report based on amended reports to correct the record. The Committee filed three amended 2010 October Quarterly Reports beginning on

Recommendation to Approve  
Settlement Agreement  
ADR 584 (RAD 11L-20)  
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