



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

February 22, 2012

Clayton Barker  
Kansas Republican Party  
P.O. Box 4157  
Topeka, KS 4157

Re: ADR 585  
Kansas Republican Party and T.C. Andersen, Treasurer

Dear Mr. Barker:

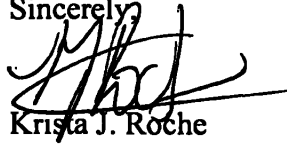
Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on June 9, 2011, by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on **February 16, 2012** – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 6 of the agreement. **Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6, and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on or before May 16, 2012. Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.**

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our negotiations, and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Krista J. Roche

Assistant Director

Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office

12190292464



**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 585  
Source: AR 11-02  
Case Name: Kansas Republican Party

### **NEGOTIATED SETTLEMENT**

This matter was initiated by the Federal Election Commission (Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Federal Election Commission (Commission) entered into negotiations with Clayton Barker representing the Kansas Republican Party and T.C. Andersen, in his official capacity as Treasurer (the Committee or Respondents). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

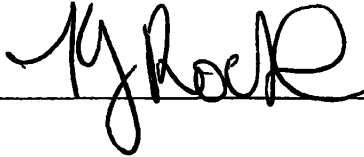
1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. Respondents were referred to the ADR Office for violations occurring during the 2007-2008 election cycle, specifically Findings 1 and 2 of the Final Audit Report approved on May 26, 2011. Finding 1 concludes that the Committee overstated beginning cash on hand by \$4,628, overstated receipts by \$11,885, understated disbursements by \$11,370, and overstated ending cash on hand by \$27,883 in 2007; and, in 2008, overstated receipts by \$137,625, disbursements by \$71,812, and ending cash on hand by \$93,696. Finding 2 concludes that the Committee received a prohibited contribution in the amount of \$10,000 from a limited liability company that elected to be treated as a corporation for taxation purposes.
4. Treasurers of political committees are required to report, in the manner and time set forth, all financial activity in accordance with the FECA. 2 U.S.C. § 434(a)(1)-(2), 11 C.F.R. §§ 104.1, 104.5, 104.1b. Limited liability companies that elect to be treated as a corporation for taxation purposes shall be considered a corporation and thus

prohibited from making contributions in connection with federal elections. 11 C.F.R. § 110.1(g)(3). No candidate or political committee shall knowingly accept any contributions prohibited by the FECA. 2 U.S.C. §441a(f), 11 C.F.R. § 114.2(d).

5. In response to the Interim Audit Report, the Committee amended its reports correcting the misreporting described in Finding 1. With regard to Finding 2, the Committee acknowledged that it errantly deposited this contribution from a limited liability company treated as a corporation for taxation purposes to its federal account rather than its nonfederal account. The contribution was transferred to the nonfederal account in order to resolve the issue.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) designate a compliance specialist within thirty (30) days of the effective date of this agreement; (b) draft and certify implementation of internal control procedures consistent with the Commission's Best Practices for Committee Management (2009 update) within thirty (30) days of the effective date of this agreement; (c) file an annual certification of Committee's audit of reports and banking records for calendar years 2011 and 2012 by May 15, 2012 for calendar year 2011 and by May 15, 2013 for calendar year 2012; and (d) pay a civil penalty of \$6,500 within ninety (90) days of the effective date of this agreement.
7. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
8. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
9. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this agreement as set out in paragraph 5 above, and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 585 (11-02), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

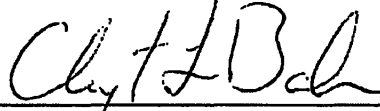
FOR THE COMMISSION:

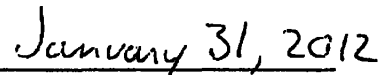
Krista J. Roche, Assistant Director  
Alternative Dispute Resolution Office

  
\_\_\_\_\_

  
\_\_\_\_\_  
Date Signed

FOR THE RESPONDENTS:

  
\_\_\_\_\_  
Clayton Barker  
Representing the Kansas Republican Party  
and T.C. Andersen, Treasurer

  
\_\_\_\_\_  
Date Signed