



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

November 9, 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 586 Democratic Party of Arkansas and Karen Garcia, Treasurer,
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Send a representative to a EEC conference; continue to retain an independent compliance consultant throughout the 2012 and 2014 election cycles; develop and implement a monthly staff compliance training program; develop and implement an updated and expanded compliance operations manual; and pay a civil penalty of \$4,000

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 586 (AD 09-16). The ADR Office received this referral on August 16, 2011.

SUMMARY: In this case, the Audit Division (Audit) referred the Democratic Party of Arkansas and Karen Garcia, Treasurer (Respondents or the Committee) for misstatement of financial activity during calendar year 2007. During fieldwork, Audit made a comparison of Respondent's reported activity with its bank records. The comparison revealed a misstatement of receipts by \$148,974 and disbursements by \$146,561 during 2007.

Respondent acknowledge inadvertently failing to disclose certain funds which passed through their accounts during the 2008 election cycle. Respondents promptly followed the recommendation of Audit and filed amended reports to correct the record.

Recommendation to Approve
Settlement Agreement
ADR 586 (AD 09-16)
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