



**Federal Election Commission
Washington, DC 20463**

March 26, 2012

David L. Gould, Treasurer
Democratic Party of Orange County FED PAC
3700 Wilshire Boulevard, Suite 1050B
Los Angeles, CA 90010

Re: ADR 594 (Audit 09-12)
Democratic Party of Orange County FED PAC and David L. Gould, Treasurer

Dear Mr. Gould:

Enclosed is the signed copy of the agreement resolving the referral initiated on October 6, 2011 by the Federal Election Commission ("FEC/Commission") involving the Democratic Party of Orange County FED PAC. The agreement for **ADR 594 (Audit 09-12)** was approved by the Commission on March 20, 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 certifying 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 April 20, 2012.¹ 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 settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referral, correspondence exchanged between your office and this office prior to our entry into settlement 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

¹ Please note, if the Commission refers an unpaid civil penalty to the US Treasury or third party collection agent, additional costs and fees will be assessed.

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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,

Lynn M. Fraser, Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

cc: Gwen Holmes, Finance and Accounting Office
Room 819

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 594
Source: Audit 09-12
Case Name: Democratic Party of
Orange County FED PAC

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 Commission entered into negotiations with David L. Gould representing the Democratic Party of Orange County FED PAC and David L. Gould, 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. The Audit Division (Audit) referred Respondents based on an audit that indicated the Treasurer failed to deposit, within 10 days of receipt, 58 percent of the contributions received during the 2008 election cycle. The delays for the credit card deposits spanned the entire election cycle, and averaged 41 days.
4. The Treasurer of the committee shall be responsible for making deposits of receipts. All deposits shall be made within ten (10) days of the Treasurer's receipt, or returned to the contributor without being deposited. 11 C.F.R. § 103.3.
5. Respondents acknowledge the former Treasurer did not deposit all contributions in a timely manner. Respondents were unable to fully explain to Audit why the untimely deposit issue was not identified and resolved more quickly, since the former Treasurer's company, Dunkee and Associates, both processed the Committee's credit card contributions and regularly reconciled its bank accounts. In response to the

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Interim Audit Report, Respondents made assurances that the changes made after the audit, such as retaining the services of a new Treasurer and new financial procedures, will prevent this problem from recurring.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) develop and certify implementation of a compliance operations manual which includes internal controls consistent with the Commission's Best Practices for Committee Management (2009 update) and a process to track receipt of, and response to, communications with the Commission within sixty (60) days of the effective date of this agreement; (b) develop and certify implementation of a process whereby the Chair of the board of directors and the Treasurer receive and review monthly bank statements and account reconciliations, and have on-line banking access with the necessary training within thirty (30) days of the effective date of this agreement; (c) develop and certify implementation of a financial overview process whereby the Chair of the board of directors and the Treasurer have access to Netfile, and that both individuals review each report prior to it being filed with the FEC within thirty (30) days of the effective date of this agreement; (d) send two representatives, one of whom will be a member of the board of directors, to a FEC conference within twelve (12) months of the effective date of this agreement; and (e) pay a civil penalty of \$2,500 within thirty (30) 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 6 above, and shall certify compliance with the above settlement terms in writing to the Commission's 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 594 (Audit 09-12), and resolves the issue 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.

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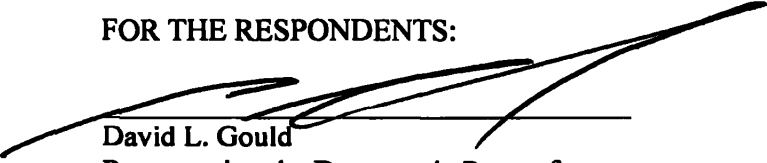
FOR THE COMMISSION:

Lynn M. Fraser, Director
Alternative Dispute Resolution Office



3-20-2012
Date Signed

FOR THE RESPONDENTS:



David L. Gould
Representing the Democratic Party of
Orange County FED PAC and
David L. Gould, Treasurer

01-17-12
Date Signed

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