



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 2, 2012

Maryellen Goodlatte, Esq.
GLENN FELDMANN DARBY GOODLATTE
P.O. Box 2887
Roanoke, VA 24001

Re: ADR 595
Bob Goodlatte for Congress and Kenneth Lorenz Prickitt, Treasurer

Dear Ms. Goodlatte:

Enclosed is the signed copy of the agreement resolving the referral initiated on October 7, 2011 by the Federal Election Commission ("FEC/Commission") involving Bob Goodlatte for Congress and Kenneth Lorenz Prickitt, Treasurer ("Respondents"). The agreement for ADR 595 was approved by the Commission on March 28, 2012 – the effective date of the agreement.

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 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

12190292317

Enclosure: Agreement

cc: Gwen Holmes, Finance and Accounting Office
Room 819

12190292318



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 595
Source: RAD 11L-26
Case Name: Bob Goodlatte for Congress

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 Maryellen Goodlatte representing the Bob Goodlatte for Congress Committee and Kenneth Lorenz Prickett, 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 Reports Analysis Division referred Respondents for failing to disclose all financial activity on their 2011 April Quarterly Report. On April 15, 2011, the Committee electronically filed its original 2011 April Quarterly Report. While the Report was timely filed, the electronic submittal failed to include the summary of receipts. On May 4, 2011, recognizing that failure, the Committee filed an Amended 2011 April Quarterly Report. The amended report corrected the report filed on April 15, 2011 by disclosing \$126,977.75 in receipts.
4. Treasurers of political committees are required to report all financial activity, including all receipts, pursuant to the FECA: 2 U.S.C. §§ 434(a)(1), 434(b)(2), 11 C.F.R. §§ 104.1, 104.3(a).

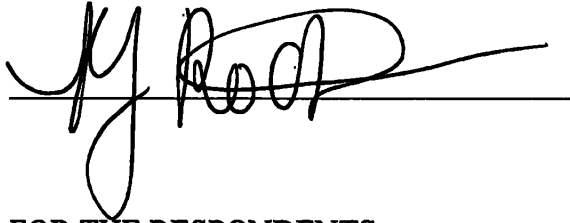
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5. The Committee contends that the error is the result of a software malfunction which occurred during the upload of the data. The Committee contends that a draft report and bank reconciliation identical to the Amended Report filed on May 4, 2011, were reviewed and approved by the Treasurer days before the April 15 filing. The Committee contends that when the employee filed the electronic version she encountered significant difficulty uploading the data and did not receive the customary confirmation that the report was accepted. As a result of the difficulty she encountered when attempting to electronically file the report, the Committee contends the employee contacted the Committee's software vendor who confirmed that the report had been filed. However, the receipts and disbursement portion of the report did not transmit electronically on April 15. The Committee contends that neither the Committee's employee nor the software vendor recognized that the Report electronically submitted on April 15 failed to include the receipt summary information. The Committee subsequently discovered the error on its own, prior to any inquiry by the Commission or the public, and promptly filed a correct Amended Report. The Committee contends that since this error it has adopted additional review procedures following the filing of each report to ensure accuracy and has provided additional training to staff. The Committee contends that it employs a professional accounting firm and approved software to manage finances and prepare and file FEC reports, and, in accordance with the Commission's internal controls policy, the Committee performs monthly bank reconciliations. Reports and bank reconciliations are also reviewed by persons other than those who have access to Committee bank accounts. The Committee contends that during its eighteen year history it has focused on compliance with the FECA and has never been the subject of an FEC audit, enforcement matter, administrative fine, or ADR matter.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) attend an FEC Conference within twelve (12) months of the effective date of this agreement, and (b) pay a civil penalty of \$1,000 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 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 595 (RAD 11L-26), 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



A handwritten signature in black ink, appearing to read 'K. Roche', written over a horizontal line.

3/28/12
Date Signed

FOR THE RESPONDENTS:

Maryellen Goodlatte
Maryellen Goodlatte
Representing Bob Goodlatte for Congress
Committee and Kenneth Lorenz Prickitt,
Treasurer

March 2, 2012
Date Signed

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