



Federal Election Commission
Washington, DC 20463

March 22, 2012

Neil Reiff, Esq.
Sandler, Reiff, Young & Lamb
1025 Vermont Avenue NW, Suite 300
Washington, DC 20005

Re: ADR 596 (RAD 11L-30)
Minnesota Democratic-Farmer-Labor Party and Thomas Hamilton, Treasurer

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the referral initiated on November 7, 2011 by the Federal Election Commission ("FEC/Commission") involving the Minnesota Democratic-Farmer-Labor Party and Thomas Hamilton, Treasurer ("Respondents"). The agreement for **ADR 596 (RAD 11L-30)** was approved by the Commission on **March 19, 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 19, 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 596
Source: RAD 11L-30
Case Name: Minnesota Democratic-
Farmer-Labor 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 Commission entered into negotiations with Neil Reiff, Esq., representing the Minnesota Democratic-Farmer-Labor Party and Thomas Hamilton, 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 (RAD) referred Respondents for a series of reporting errors and other FECA violations during the 2010 election cycle.
4. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA. 2 U.S.C. § 437(g).
5. Respondents acknowledge reporting challenges became more acute during the 2008 election cycle due to the loss of their experienced bookkeeper at the height of the general election activities. While a former bookkeeper returned, Respondents contend the transition created challenges of its own. The Committee made a significant commitment

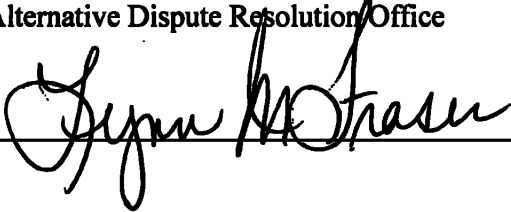
to improving compliance by contracting with an external compliance firm to conduct a reconciliation of financial activities and file amended reports from 2007 to the present time. In addition, the Committee sent a representative to a FEC reporting conference to further increase future compliance.


6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) verify the annual retention of an independent compliance specialist through the 2014 election cycle, with the first verification within thirty (30) days of the effective date of this agreement, followed by annual verifications by January 1 of each subsequent year through January 1, 2014; (b) develop and certify implementation of an internal compliance program to review compliance procedures, updates and/or changes in the law or regulations which will occur on a quarterly basis within thirty (30) days of the effective date of this agreement; (c) 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; and (d) pay a civil penalty of \$6,000 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 596 (RAD 11L-30), 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.

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FOR THE COMMISSION:


Lynn M. Fraser, Director
Alternative Dispute Resolution Office





Date Signed

FOR THE RESPONDENTS:



Neil Reiff, Esq.
Representing the Minnesota Democratic-Farmer-Labor
Party and Thomas Hamilton, Treasurer



Date Signed

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