



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 13, 2012

Charlie Spies, Esq.
Clark Hill
1250 Eye Street, NW
Washington, DC 20005

Re: ADR 599 (A09-10)
New Hampshire Republican State Committee and Robert Scott, Treasurer

Dear Mr. Spies:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on November 10, 2011 by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on April 12, 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 October 12, 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

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Federal Election Commission
Washington, DC 20463

Case Number: ADR 599

Source: Audit 09-10

Case Name: New Hampshire Republican State Committee

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 Charlie Spies, Esq. representing the New Hampshire Republican State Committee and Robert Scott, 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 referred Respondents or the Committee for a violation detailed in Finding 2 of the Final Audit Report approved by the Commission on October 24, 2011. Specifically, the Committee failed to disclose a debt for legal services in the amount of \$375,082, which was outstanding as of January 1, 2007.
4. A debt or obligation, including a loan, written agreement to make an expenditure, the amount of which is over \$500 shall be reported as of the date on which the debt or obligation is incurred. 11 C.F.R. § 104.11(b).
5. In response to the Interim Audit Report, the Committee materially amended its reports to disclose the debt in question. The Committee contends that it has taken significant remedial measures and invested a vast amount of its financial and personnel resources to address the Commission's audit. The Committee contends that it consulted legal counsel during the audit and engaged counsel to provide monthly consultation on an ongoing basis. The Committee also contends that it purchased a professional reporting

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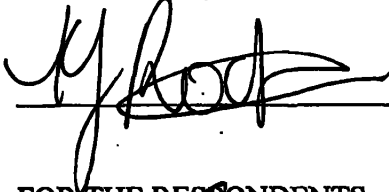
database and software to better assist in ongoing compliance. The Committee further contends that internal procedures have been adjusted to ensure future compliance with the Commission's reporting requirements.

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 an independent compliance specialist reviews each FEC report prior to filing within 30 days of the effective date of this agreement; (c) provide annual certification of the review of all FEC reports by the independent compliance specialist by January 31st of each year (January 31, 2013 and January 31, 2014); and (d) pay a civil penalty of \$6,000 within six (6) months 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 599 (Audit 09-10), 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:

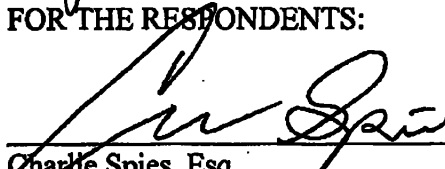
Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office



4/12/12

Date Signed

FOR THE RESPONDENTS:



Charlie Spies, Esq.
Representing New Hampshire Republican
State Committee and Robert Scott, Treasurer

4/2/12

Date Signed

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