



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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**SENSITIVE**

**MEMORANDUM**

August 13, 2012

TO: The Commission

THROUGH: Alec Palmer *AP*  
Staff Director

FROM: Patricia C. Orroek *PCO*  
Chief Compliance Officer

Lynn M. Fraser *LS/MP*  
Director, ADR Office

BY: Krista J. Roche *KJR*  
Assistant Director, ADR Office

SUBJECT: ADR 615 National Committee to Preserve Social Security & Medicare PAC  
and Christine Kim, Treasurer, Recommendation to Approve Settlement  
Agreement

RESOLUTION TERMS: 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; circulate to the collecting organization's Board of Directors a written policy and procedure document, including a detailed explanation of the law, regarding transfers between the Committee and its connected organization; and pay a civil penalty of \$7,500.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 615 (RAD 12L-21). The ADR Office received this referral on May 11, 2012.

**SUMMARY:** In this case, National Committee to Preserve Social Security & Medicare PAC and Christine Kim, Treasurer (Respondents or the Committee) for

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receiving \$98,888.24 from its connected organization for the reimbursement of salary and benefits paid by the Committee. The reimbursement occurred ninety-four (94) days after it was received, outside the permissible timeframe of thirty (30) days.

Respondents contend that this is a one-time, isolated error. Respondents further contend that prompt action was taken to correct the error. The Committee was notified of the error by letter dated June 1, 2011, and refunded the administrative expense in question on June 9, 2011. Respondents contend that the Board of Directors that authorized the transfer of funds to the Committee was unaware of the thirty day requirement to make such transfers. Respondents contend that the Committee has subsequently amended its procedures. Now, major decisions by the connected organization's Board of Directors on Committee matters may not be implemented without prior notification and review by the Committee's treasurer and administrator.

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of National Committee to Preserve Social Security & Medicare PAC and Christine Kim, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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