



Federal Election Commission
Washington, DC 20463

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SENSITIVE

MEMORANDUM

September 20, 2012

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TO: The Commission
THROUGH: Alec Palmer *AP*
Staff Director
FROM: Patricia C. Orrick *PCO*
Chief Compliance Officer
Lynn M. Fraser *LMF*
Director, ADR Office

SUBJECT: ADR 622 Friends of Todd Young and Larry Ness, 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; disgorge \$16,958 to the US Treasury within thirty (30) days of the effective date of this agreement; and (c) pay a civil penalty of \$5,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 622 (AD 11-06). The ADR Office received this referral on August 8, 2012.

SUMMARY: In this case, the Audit Division (Audit) referred Friends of Todd Young and Larry Ness, Treasurer (Respondents) for accepting apparent excessive contributions totaling \$94,854. Audit determined that the errors occurred as a result of the Committee not resolving the excessive portion of contributions timely by either sending a presumptive letter to contributors or by issuing a refund.

Respondents contend that errors and omissions occurred due to the fact that the first time campaign committee, staffed mostly with volunteers, had no federal election experience. After the election, the Committee changed software, hired new staff and changed financial procedures.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Friends of Todd Young and Larry Ness, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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