



**Federal Election Commission  
Washington, DC 20463**

November 13, 2012

Marlis Carson, Esq.  
National Council of Farmer Cooperatives Co-Op PAC  
50 F Street, NW, Suite 900  
Washington, DC 20001

Re: ADR 623 (AR 12-06)  
National Council of Farmer Cooperatives Co-Op PAC and Kelsey Swango,  
Treasurer

Dear Ms. Carson:

Enclosed is the signed copy of the agreement resolving the referral transferred to this office on September 11, 2012 by the Federal Election Commission ("FEC/Commission") involving National Council of Farmer Cooperatives Co-Op PAC and Kelsey Swango, Treasurer ("Respondents"). The agreement for ADR 623 (AR 12-06) was approved by the Commission on November 8, 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 ~~ent~~ or before December 8, 2012.<sup>1</sup> 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

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<sup>1</sup> 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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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

Enclosure: Agreement

cc: Gwen Holmes, Finance and Accounting Office

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Federal Election Commission  
Washington, DC 20463

Case Number: ADR 623  
Source: AR 12-06  
Case Name: National Council of  
Farmer Cooperatives CO-OP/PAC

### 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 Marlis L. Carson, Esq., representing the National Council of Farmer Cooperatives CO-OP/PAC and Kelsey Swango, in her 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 Office of General Council referred Respondents based on a Final Audit Report approved by the Commission on July 24, 2012. In that report the Commission found that during 2009 the Committee understated receipts and disbursements by \$10,770 and \$806, respectively, and overstated ending cash by \$6,500. The Commission found that in 2010 the Committee overstated beginning cash by \$13,001 and disbursements by \$6,500. According to the Final Audit Report, the Committee filed amended reports to materially correct the misstatements. In addition, the Commission found that the Committee failed to adequately disclose the occupation and name of employer for 57 percent of its itemized contributions. According to the Final Audit Report, Respondents filed amended reports to materially correct the inadequate and/or missing disclosure information for occupation and name of employer for itemized contributions from individuals.
4. Treasurers of political committees are required to report all financial activity, including all receipts, disbursements, and the amount of cash on hand at the

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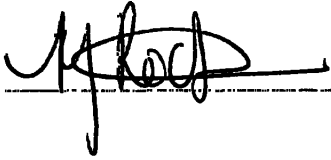
beginning and end of each reporting period. 2 U.S.C. §§ 434(b)(1), (2) and (4), 11 C.F.R. §§ 104.3(a) and (b). The FECA requires that a committee disclose the identification of all individuals who contribute in excess of \$200 in an election cycle. Identification is defined as the full name, complete mailing address, occupation and name of employer. 2 U.S.C. § 434(b)(3), 11 C.F.R. §§ 100.12, 104.3(a)(4), 104.7(b).

5. Respondents do not dispute the audit findings, but contend that significant steps to correct past deficiencies and ensure future compliance have been undertaken. Respondents contend that in response to the Interim Audit Report, the Committee conducted an internal audit and filed amended disclosure reports during the audit to correct the misstatements and include missing occupation and employer information, 89 percent of which the Committee had in its possession already. Additionally, the Committee installed a new Treasurer in May, 2011 who has attended an FEC Conference and an FEC Seminar since her installation. The Committee also installed new officers, put in place a Steering Committee to oversee the Committee's financial affairs and activities, and implemented a procedure whereby an internal audit will be conducted once per election cycle.
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 best efforts procedures within sixty (60) days of the effective date of this agreement; (c) conduct an internal training program regarding compliance procedures for Committee staff within six (6) months of the effective date of this agreement; (d) certify the results of the Committee's 2012 election cycle internal audit and reconciliation to the Commission by March 1, 2013; and (e) pay a civil penalty of \$1,500 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 623 (AR 12-06), 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.

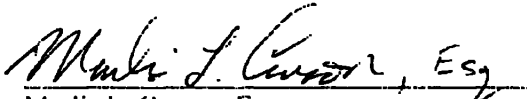
FOR THE COMMISSION:

Krista J. Roche, Assistant Director  
Alternative Dispute Resolution Office



11/8/12  
Date Signed

FOR THE RESPONDENTS:

  
Marlis L. Carson, Esq.  
Representing National Council of Farmer  
Cooperatives CO-OP/PAC and Kelsey  
Swango, Treasurer

10-23-12  
Date Signed

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