



Federal Election Commission  
Washington, DC 20463

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**SENSITIVE**

MEMORANDUM

July 8, 2013

TO: The Commission

THROUGH: Alec Palmer *for PCO*  
Staff Director

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

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

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

SUBJECT: ADR 627 Sherman for Congress and Stephen J. Kaufman Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Circulate a memo to all Committee staff reiterating the policies and procedures for requesting vendor invoices; 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; send a Committee staff member to an FEC seminar.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 627 (RAD 13L-04)**. The ADR Office received this referral on February 26, 2013

**SUMMARY:** The Reports Analysis Division (RAD) referred Respondents for failing to disclose all financial information. On October 25, 2012, the Committee amended its 2012 October Quarterly Report, initially filed on October 15, 2012, to disclose additional debts of \$86,679.35.

Respondents acknowledge that the debts were not disclosed in the originally-filed 2012 October Quarterly Report. Respondents contend that the relevant invoices were not received by the

Recommendation to Approve  
Settlement Agreement  
ADR 627 (RAD 13L-04)

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Committee until after it filed the original report. The Committee indicates it amended the report upon receipt of the invoices to ensure that the debts were disclosed prior to the election

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of Sherman for Congress and Stephen J. Kaufman, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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