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Federal Election Commission
Washington, DC 20463

SENSITIVE

MEMORANDUM

September 20, 2013

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

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

Lynn M. Fraser *LMF*
Director, ADR Office

SUBJECT: ADR 646 California Republican Party and Mike Osborn, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Send a representative to an FEC seminar; develop and implement an expanded and updated compliance manual; and pay a civil penalty of \$3,100.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 646 (A09-15). The ADR Office received this referral on June 26, 2013.

SUMMARY: In this case, the Audit Division (Audit) referred Respondents for a misstatement of Levin financial activity in 2008. During audit fieldwork, Audit compared Respondents' reported Levin activity with bank statements, which revealed a material misstatement of receipts in the amount of \$50,071 and disbursements of \$54,000 between August 14 and October 17, 2008.

Respondents contend that the misstatement occurred due to lapse in procedures by Committee staff when staff failed to do a reconciliation of the bank statements to the reports being filed in the run-up to the election. Respondents assert that the Committee complied with the Interim Audit Report recommendation and filed amended disclosure reports that corrected the misstatements of Levin Financial Activity in 2008.

Recommendation to Approve
Settlement Agreement
ADR 646 (A09-15)
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