



Federal Election Commission  
Washington, DC 20463

October 23, 2013

Charles H. Bell, Jr., Esq.  
Bell, McAndrews & Hiltachk, LLP  
455 Capitol Mall, Suite 600  
Sacramento, CA 95814

Re: ADR 646 (A09-15)  
California Republican Party and Mike Osborn, Treasurer

Dear Mr. Bell:

Enclosed is the signed copy of the agreement resolving the referral initiated on June 26, 2013 by the Federal Election Commission ("FEC/Commission") involving the California Republican Party and Mike Osborn, Treasurer ("Respondents"). The agreement for ADR 646 (A09-15) was approved by the Commission on October 22, 2013 – 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 on or before November 23, 2013.<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 to place on the public record documents in closed enforcement and alternative dispute

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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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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,

Lynn M. Fraser, Director  
Alternative Dispute Resolution Office  
202-694-1665

Enclosure: Agreement

cc: Gwen Holmes, Finance and Accounting Office  
Room 819

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Federal Election Commission  
Washington, DC 20463

Case Number: ADR 646  
Source: A09-15  
Case Name: California Republican Party

### 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 Charles Bell, Esq. representing the California Republican Party and Mike Osborn, in his 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 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.
4. If a state, district or local party committee's combined annual receipts and disbursements for federal election activity (FEA) are \$5,000 or more during the calendar year, then it must disclose receipts and disbursements of federal funds and Levin funds used for FEA. 11 C.F.R. § 300.36(b)(2).
5. 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

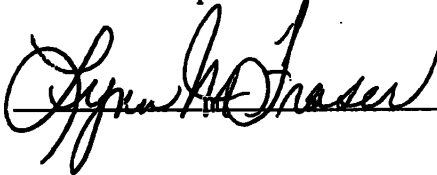
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amended disclosure reports that corrected the misstatements of Levin Financial Activity in 2008.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) send a representative to an FEC seminar within twelve (12) months of the effective date of this agreement; (b) develop and implement an expanded and updated compliance manual within sixty (60) days of the effective date of this agreement; and (c) pay a civil penalty of \$3,100 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 646 (A09-15), 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.

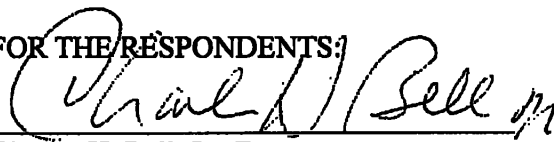
FOR THE COMMISSION:

Lynn M. Fraser, Director  
Alternative Dispute Resolution Office

  
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10/22/13  
Date Signed

FOR THE RESPONDENTS:

  
Charles H. Bell, Jr., Esq.  
Representing the California Republican Party  
And Mike Osborn, Treasurer

9/16/13  
Date Signed

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