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**SENSITIVE**

Federal Election Commission  
Washington, DC 20463

**MEMORANDUM**

August 14, 2013

TO: The Commission

THROUGH: Alec Palmer *for PCO*  
Staff Director

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

Lynn M. Fraser *LMF*  
Director, ADR Office

SUBJECT: ADR 648 Powell for Congress and Frederick A. Hodnett, Jr., Treasurer,  
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Send a representative to an FEC conference; 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; and pay a civil penalty of \$2,750.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 648 (RAD 13L-24). The ADR Office received this referral on July 11, 2013.

**SUMMARY:** In this case, the Reports Analysis Division referred Powell for Congress and Frederick A. Hodnett, Jr., Treasurer (Respondents or the Committee) for failing to disclose all financial activity on their 2012 12 Day Pre-General Report. The Committee filed its original 2012 12 Day Pre-General Report on October 25, 2012. An Amended 2012 12 Day Pre-General Report was filed on January 25, 2013 that disclosed additional disbursements of \$80,000.

Respondents acknowledge omissions in the 2012 12 Day Pre-General Report, but contend that an inexperienced finance director failed to include all financial activity. As soon as the Committee discovered the omissions, changes in financial procedures were instituted, and amended reports filed.

Recommendation to Approve  
Settlement Agreement  
ADR 648 (RAD 13L-24)  
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