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MEMORANDUM

August 14, 2014

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

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

Lynn M. Frasca *LMF*
Director, ADR Office

SUBJECT: ADR 650 & ADR 678 Richardson for Congress and Laura Richardson, Treasurer, Recommendation to Approve Consolidated Settlement Agreement

RESOLUTION TERMS: Develop and certify implementation of a compliance operations manual which includes internal controls consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at www.fec.gov/pages/brochures/bestpractices.shtml), as well as a process to track receipt of, and response to, communications with the Commission; certify a representative participated in an FEC conference; and pay a civil penalty of \$2,100.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 560 (RAD 13L-28) and ADR 678 (RR 12L-39)**. The ADR Office received ADR 650 from the Reports Analysis Division on July 18, 2013, and ADR 678 from the Office of General Counsel on January 1, 2014.

Recommendation to Approve
Settlement Agreement
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SUMMARY: In ADR 650 the Reports Analysis Division (RAD) referred Richardson for Congress and Laura Richardson, Treasurer (Respondents or the Committee) for failing to disclose all financial activity on their 2012 12 Day Pre-Primary Report filed May 24, 2012. The Committee amended its 2012 12 Day Pre-Primary Report on July 15, 2012 to disclose additional debts of \$52,749.57.

Respondents acknowledge inadvertently omitting some debt in the 2012 12 Day Pre-Primary Report. Respondents contend that a vendor was untimely in sending invoices, and when the invoices were received, the Committee filed an amended report to correct the record. The former candidate was not the Treasurer at the time these errors occurred, and thus was not responsible for the errors which led to the amended 2012 12 Day Pre-Primary Report.

In ADR 678, RAD referred Respondents for failing to disclose all financial transactions in violation of the FECA. The Committee disclosed possible unauthorized activity by Kinde Durkee, the former Treasurer, on its next scheduled filing, when it filed the 2011 October Quarterly Report. Respondents informed the Commission that "prior to September 13, 2011, Richardson for Congress was a client of Kinde Durkee of Durkee & Associates."

The Committee contends it continued to review bank records and reports filed with the Commission by the former Treasurer, Kinde Durkee. On July 13, 2013 Respondents immediately filed an Amended 2011 October Quarterly Report disclosing a disbursement of \$66,342 described as "funds believed to be misappropriated by former treasurer" and adjusted its cash-on-hand balances on subsequent reports accordingly.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Richardson for Congress and Laura Richardson, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.