



Federal Election Commission  
Washington, DC 20463

September 22, 2014

Laura Richardson, Treasurer  
525 E. Seaside Way #101-C  
Long Beach, CA 90802

Re: ADR 650 (RAD13L-28) and ADR 678 (RR 12L-39)  
Richardson for Congress and Laura Richardson, Treasurer

Dear Ms. Richardson:

Enclosed is the signed copy of the consolidated agreement resolving the referral of ADR 650 initiated on July 8, 2013 and ADR 678 initiated on January 15, 2014 following a transfer from the Office of General Counsel of the Federal Election Commission ("FEC/Commission"). This agreement resolves two referrals from the Reports Analysis Division involving reports filed by Richardson for Congress and Laura Richardson, Treasurer ("Respondents"). The consolidated agreement for **ADR 650 (RAD13L-28) and ADR 678 (RR 12L-39) was approved by the Commission on September 9, 2014** – the effective date of the agreement.

Note the specific time frames for compliance in **paragraph 8** 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 8, and contain the ADR caption and case numbers. **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 October 9, 2014.<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 these referrals, 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

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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.

statute to place on the public record documents in closed enforcement and alternative dispute 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 matters that were 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 and Adam Liu, Finance and Accounting Office  
Room 819



**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 650  
Source: RAD 13L-28  
Case Number: ADR 678  
Source: RR 12L-39  
Case Name: Richardson for Congress

### **NEGOTIATED SETTLEMENT**

These matters were 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 Gary Crummitt, Assistant Treasurer, representing Richardson for Congress and Laura Richardson, in her current official capacity as Treasurer (hereinafter referred to as 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 these referrals. The parties agree to resolve the matters according to the following terms:

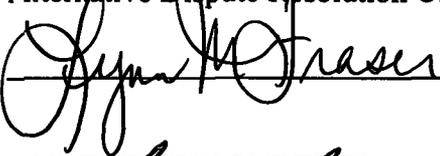
1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 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. In ADR 650, the Reports Analysis Division (RAD) referred Respondents 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.
4. 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.

5. 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."
6. 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.
7. Treasurers of political committees are required to report all financial activity, including all receipts, disbursements, and debts, pursuant to the FECA. 2 U.S.C. §§ 434(b)(2), (4), and (8), 11 C.F.R. §§ 104.3(a), (b), and (d). In addition, the FECA requires that treasurers disclose the amount and nature of outstanding debts and obligations owed by or to the political committee; and where such debts and obligations are settled for less than their reported amount or value, a statement as to the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefore. 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d).
8. Respondents, in an effort to avoid similar errors in the future, agree to: (a) 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](http://www.fec.gov/pages/brochures/bestpractices.shtml)), as well as a process to track receipt of, and response to, communications with the Commission within sixty (60) days of the effective date of this agreement; (b) certify a representative participated in an FEC conference within twelve (12) months of the effective date of this agreement; and (c) pay a civil penalty of \$2,100 applicable to the resolution of ADR 650 within fifteen months of the effective date of this agreement, with the first payment of \$1,000 due 90 days from the effective date of the agreement, and \$275 due every 90 days thereafter until paid in full.
9. 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.
10. 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.

11. 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 8 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.
12. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 650 (RAD 13L-28) and ADR 678 (RR 12L-39), and resolves those issues identified in paragraphs 3 and 5 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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9/09/14  
Date Signed

FOR THE RESPONDENTS:

  
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Gary Crummitt, Assistant Treasurer  
Representing Richardson for Congress  
and Laura Richardson, Treasurer

8/12/14  
Date Signed