



Federal Election Commission
Washington, DC 20463

April 28, 2014

Vincent DeVito, Esq.
Bowditch & Dewey, LLP
One International Place, 44th Floor
Boston, MA 02110

Re: ADR 655 (RR 13L-06)
Massachusetts Republican Party and Brent Andersen, Treasurer

Dear Mr. DeVito:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on April 12, 2013 by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on April 22, 2014— 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 confirming 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 July 20, 2014.¹ 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 Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our 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 resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

¹ 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.

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,



Krista J. Roche
Assistant Director

Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office

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Federal Election Commission
Washington, DC 20463

Case Number: ADR 655
Source: RR 13L-06
Case Name: Massachusetts 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 Vincent DeVito, Esq. representing the Massachusetts Republican Party and Brent Anderson, 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 complaint/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 Reports Analysis Division (RAD) referred Respondents for failure to disclose all financial activity during the 2009-2010 election cycle. In the referral, RAD indicated that the Committee failed to timely file three 48-Hour Reports totaling \$141,103.10 and two 24-Hour Reports totaling \$487,923.22. Additionally, the Committee amended its 2009 Year-End, 2010 March Monthly, 2010 August Monthly, 2010 September Monthly, 2010 October Monthly, 2010 12 Day Pre-General, and 2010 Year-End Reports to disclose additional receipts totaling \$60,279.50, additional disbursements totaling \$218,227.61, and additional debts totaling \$141,103.10, a total increase in activity of \$419,610.21. The Committee also received excessive contributions totaling \$31,000 during the 2009-2010 election cycle.
4. Treasurers of political committees are required to report, in the manner and time set forth, all financial activity in accordance with the FECA. 2 U.S.C. § 434(a)(1)-(2), 11 C.F.R. §§ 104.1, 104.5, 104.18. A party committee may not receive a total of more than \$10,000 per year from any individual. 2 U.S.C. §441a(a)(1)(D) and (f) and 11

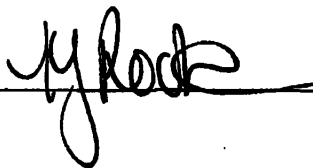
C.F.R. §§110.1(a) and (c)(5), 110.2(d) and 110.9. A political committee that makes or contracts to make independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before the date of an election shall file a report describing the expenditures within 24 hours. 2 U.S.C. § 434(g), 11 C.F.R. § 104.4(c). A political committee that makes or contracts to make independent expenditures aggregating \$10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours. 2 U.S.C. § 434(g), 11 C.F.R. § 104.4(b).

5. The Committee contends that the reporting errors occurred during a period of unprecedented activity defined by a special election for the United States Senate while reporting was being performed by inexperienced staff. In order to remedy the reporting errors the Committee contends it has taken significant remedial actions including: prioritizing compliance and transparency as a serious component of its operational function; hiring an external comprehensive treasury, budgeting and compliance firm with effective software and reporting experience; contacting its legal counsel with any concerns raised by the Commission and seeking counsel's review of responses prior to submission to the Commission; committing to training all individuals responsible for compliance and securing validation that they have reviewed guidance materials, seminars, webinars, and other educational opportunities; conducting an administrative audit of Committee procedure; performing a forensic investigation of Committee files subsequent to leadership turnover; and, filing amendments to reports in order to ensure the public record is correct. As such, the Committee contends that its internal and immediate remediation efforts have led to the self-reporting of errors to the Commission and prevent reporting errors going forward. The Committee contends to understand the seriousness of failing to appropriately report contributions and expenditures and demonstrative of that understanding is its self-initiated remedial actions that carry at a significant financial expense to the Committee. Further, the Committee contends commitment to maintaining consistently responsible and accurate reporting protocols.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) perform an annual internal audit and reconciliation, providing annual certification of that review on the anniversary of the effective date of this agreement each year for the next two years; (b) designate a compliance specialist within the organization within thirty (30) days of the effective date of this agreement; (c) continue to retain the services of an outside compliance vendor who shall be responsible for reviewing reports and FEC correspondence for a period of two years, certifying that retention on the anniversary date of this agreement each year for the next two years; and (d) pay a civil penalty of \$31,000 within ninety (90) 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 655 (RAD 13L-06), 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:


Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office






Date Signed

FOR THE RESPONDENTS:



Vincent DeVito, Esq.
Representing the Massachusetts Republican
Party and Brent Anderson, Treasurer



Date Signed

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