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Federal Election Commission  
Washington, DC 20463

**SENSITIVE**

**MEMORANDUM**

February 6, 2014

TO: The Commission

THROUGH: Alec Palmer *AP*  
Staff Director

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

Lynn M. Fraser *LMF*  
Director, ADR Office

Krista J. Roche *KJR*  
Assistant Director, ADR Office

SUBJECT: ADR 663 CF Industries, Inc. Employees' Good  
Government Fund and Renee Cardella, Treasurer,  
Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Send a representative to an FEC seminar and pay a  
civil penalty of \$2,100.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 663 (RAD 13L-44). The ADR Office received this referral on September 27, 2013.

**SUMMARY:** The Reports Analysis Division referred Respondents for failing to disclose all financial activity on the 2012 October Monthly Report originally filed on October 12, 2012. On November 20, 2012 the Committee filed an Amended 2012 October Monthly Report disclosing additional disbursements of \$60,000.

In two Miscellaneous Electronic Submissions (Form 99) dated May 6, 2013, and June 12, 2013, the Committee explained that it experienced software problems wherein the application did not validate disbursements despite repeated attempts to properly enter all required information. Additionally, the Committee contends this difficulty was compounded by the fact that the individual responsible for

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Settlement Agreement  
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submitting the 2012 October Monthly Report left for vacation immediately following her unsuccessful attempt to file the report, and those supervising her were key members of a team involved in a complex information technology overhaul at the time. The Committee further contends that the source of the error was discovered and the relevant report was amended shortly after the responsible employee returned from vacation. This corrective amendment was submitted upon the Committee's own initiative without prompting by any inquiry from the Commission. Furthermore, remedial measures, including the hiring of legal counsel experienced in FEC reporting to prepare and file reports, perform regular reconciliations, and offer legal guidance and compliance training, have been taken to ensure errors of this nature do not occur in the future.

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of CF Industries, Inc. Employees' Good Government Fund and Renee Cardella, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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