



**Federal Election Commission  
Washington, DC 20463**

March 11, 2014

Neil P. Reiff, Esq.  
Sandler, Reiff, Young & Lamb PC  
1025 Vermont Avenue NW, Suite 300  
Washington, DC 20005

Re: ADR 666 (Audit A11-10)  
Mississippi Democratic Party and Ryan Brown, Treasurer

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the referral initiated on October 30, 2013 by the Federal Election Commission ("FEC/Commission") involving the Mississippi Democratic Party and Ryan Brown, Treasurer ("Respondents"). The agreement for ADR 666 (AD A11-10) was approved by the Commission on March 6, 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 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 6, and contain the ADR caption and case number.

The civil penalty payment should be sent to the attention of the Accounting and Finance Office of the FEC. The civil penalty under the agreement is due on or before April 7, 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 the referral, 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 statute

<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.

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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 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,

Lynn M. Fraser, Director  
Alternative Dispute Resolution Office  
202-694-1665

Enclosure: Agreement

cc: Gwen Holmes, Finance and Accounting Office  
Room 819

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**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 666  
Source: AD A11-10  
Case Name: Mississippi  
Democratic Party PAC

### **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 Neil Reiff, Esq., representing the Mississippi Democratic Party PAC and Ryan Brown, 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 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 Audit Division referred Respondents for a misstatement of financial activity during calendar years 2009 and 2010. After reviewing the Committee's financial records and reports filed with the Commission, the audit revealed in Finding 1A that a series of understatements and overstatements of receipts and disbursements resulted in an overstatement of the ending cash balance for 2009 of \$45,889. In addition, while the audit revealed a \$228,932 understatement of receipts from January 1, 2009 through December 31, 2010, this Finding was not referred as the Committee amended its report to correct the record prior to notification of this audit.
4. 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)(1)-(5), 11 C.F.R. §§ 104.3(a), (b), and (d).

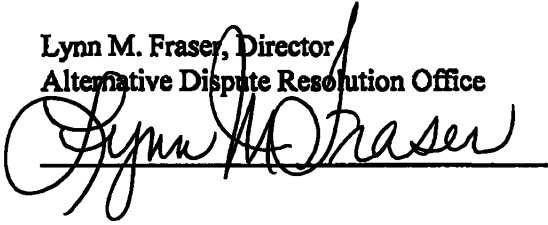
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5. Respondents acknowledge previous errors and omissions during calendar year 2009. Respondents contend that in response to the Interim Audit Report recommendations, they amended reports for 2009 which materially corrected the misstatements. The Committee made significant changes to their personnel and procedures to become compliant. Respondents asserted that in addition to changes in financial procedures, they purchased software that will ensure timely responses to communications with the Commission, hired a Compliance Director, contracted with a compliance consultant, and retained counsel to review reports and training.
6. 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 the Commission's Best Practices for Committee Management (2009 update) and 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) send a representative to a FEC conference within twelve (12) months of the effective date of this agreement; and (c) pay a civil penalty of \$1,150 within thirty (30) 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 666 (AD A11-10), 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:


Lynn M. Frasey, Director  
Alternative Dispute Resolution Office

  
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Date Signed

FOR THE RESPONDENTS:

  
\_\_\_\_\_  
Neil Reiff, Esq.  
Representing the Mississippi Democratic  
Party and Ryan Brown, Treasurer

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Date Signed

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