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**SENSITIVE**



Federal Election Commission  
Washington, DC 20463

**MEMORANDUM**

April 24, 2014

TO: The Commission

THROUGH: Alec Palmer  
Staff Director *AP*

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

Lynn M. Fraser *LMF*  
Director, ADR Office

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

SUBJECT: ADR 667 Democratic Party of South Carolina and Allison B. Bullard, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: 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; certify that a representative of the Committee participated in an FEC conference; develop and certify implementation of a quarterly compliance update training program; and pay a civil penalty of \$7,250.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 667 (RAD 13L-48). The ADR Office received this referral on November 19, 2013.

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**SUMMARY:** The Reports Analysis Division referred the Democratic Party of South Carolina and Allison B. Bullard, Treasurer (Respondents or the Committee) for cumulative errors during the 2011-2012 election cycle which disclosed the Committee was not in substantial compliance with the FECA. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA. 2 U.S.C. § 437(g).

Respondents contend that the issues occurred because they did not have adequate staff or training. The Committee contends it made changes to its financial procedures, and updated software.

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of Democratic Party of South Carolina and Allison B. Bullard, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.

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