



Federal Election Commission
Washington, DC 20463

May 22, 2014

Ralph W. Holmen
National Association of Realtors
430 North Michigan Avenue
Chicago, IL 60611-4087

Re: ADR 671 (RR 13L-20)
National Association of Realtors Congressional Fund and William Armstrong,
III, Treasurer

Dear Mr. Holmen:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on June 25, 2013 by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on May 19, 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 June 18, 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.

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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



**Federal Election Commission
Washington, DC 20463**

14190294347
Case Number: ADR 671
Source: RR 13L-20
Case Name: National Association of
Realtors Congressional Fund

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 Ralph Holmen, Esq., representing the National Association of Realtors Congressional Fund and Michael C. McGrew, 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 on 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 referred Respondents for failing to disclose all financial activity on the 2012 September Monthly Report and the 2012 30 Day Post-General Report. Respondents filed the original 2012 September Monthly Report on September 18, 2012, and the 2012 30 Day Post-General Report on December 5, 2012. On October 17, 2012, the Committee filed an Amended 2012 September Monthly Report to disclose additional receipts totaling \$700,000 and additional disbursements totaling \$134,854. On January 16, 2013, the Committee filed an Amended 30 Day Post-General Report disclosing additional receipts of \$365,000.
4. Treasurers of political committees are required to report all financial activity, including all receipts and disbursements, and debts, pursuant to the FECA. 2 U.S.C. §§ 434(b)(2) and (4), 11 C.F.R. §§ 104.3(a) and (b).
5. The Committee, through memo texts submitted with the amended reports, indicates that the omissions were inadvertent. Respondents also contend that the employee

responsible for processing the contributions were not the same as those who recorded the transactions in a ledger for the organization, leading to miscommunication at critical times. In response, the Committee has instituted procedural changes to ensure future compliance with the FECA, including centralizing operations, enhancements to reconciliation procedures, and additional levels of review prior to report filing.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) certify implementation of recently updated Committee compliance operations procedures and internal controls consistent with this agreement and the Commission's Best Practices for Committee Management (2009 update) within ninety (90) days of the effective date of this agreement; (b) perform reconciliations of bank statements, ledgers, and reports prior to filing each report, and provide by January 31, 2015 certification that all reconciliations were timely performed during calendar year 2014; and (c) pay a civil penalty of \$13,000 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 671 (13L-20), 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



5/19/14

Date Signed

FOR THE RESPONDENTS:

Ralph W. Holmen
Ralph W. Holmen, Esq.
Representing the National Association of
Realtors Congressional Fund and
Michael C. McGrew, Treasurer

4/2/2014

Date Signed