



Federal Election Commission
Washington, DC 20463

August 1, 2014

Brian Svoboda, Esq.
Perkins Coie
700 13th Street NW Suite 600
Washington, DC 20005-3960

Re: ADR 674 (RAD 13L-53)
Friends of Jim Clyburn and James Bennett, Treasurer

Dear Mr. Svoboda:

Enclosed is the signed copy of the agreement resolving the referral initiated on December 20, 2013 by the Federal Election Commission ("FEC/Commission") involving Friends of Jim Clyburn and James Bennett, Treasurer ("Respondents"). The agreement for **ADR 674 (RAD 13L-53)** was approved by the Commission on **July 31, 2014** – the effective date of the agreement.

Note the specific time frames for compliance in **paragraph 7** 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 7, 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 August 31, 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 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 complaint/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 to place on the public record documents in closed enforcement and

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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Case Number: ADR 674
Source: RAD13L-53
Case Name: Friends of Jim Clyburn

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 Brian G. Svoboda, Esq. and Aria C. Branch, Esq., representing the Friends of Jim Clyburn and James A. Bennett, 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 Reports Analysis Division (RAD) referred Respondents for failing to disclose all financial activity on their 2013 April Quarterly Report. The Committee filed its original 2013 April Quarterly Report on April 15, 2013. Respondents filed an amended 2013 April Quarterly Report on July 15, 2013 that disclosed additional disbursements in the amount of \$100,775.
4. Treasurers of political committees are required to report all financial activity, including all disbursements, pursuant to the FECA. 2 U.S.C. § 434(b)(4), 11 C.F.R. § 104.3 (b).
5. Respondents contend that the report filed on April 15, 2013 omitted a \$100,000 unlimited transfer to a national party committee, made pursuant to 2 U.S.C. § 439a(a)(4) on March 29, 2013, which was not communicated at the time to the person

preparing the report, and which was not reflected on the bank statements issued before the report was filed. Respondents contend further that the recipient disclosed the transfer on its own report, which was filed on April 19, 2013. Finally, Respondents contend that it discovered the omission itself, amended the report to correct the omission on its own initiative, and continue to enhance their internal procedures to ensure that similar omissions do not recur.

6. James A. Bennett is a Respondent solely in his representative capacity as Treasurer of Friends of Jim Clyburn. Representative James E. Clyburn is not a Respondent in this matter.
7. 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; and (b) pay a civil penalty of \$3,100 within thirty (30) days of the effective date of this agreement.
8. 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.
9. 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.
10. 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.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 674 (RAD 13L-53), 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.

