



FEDERAL ELECTION
COMMISSION
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SENSITIVE

Federal Election Commission
Washington, DC 20463

MEMORANDUM

July 16, 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

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

SUBJECT: ADRs 683, 685 & 687 Feinstein for Senate, Fund for the Majority, and William Wardlaw, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Certify the implementation of internal controls consistent with the Commission's Best Practices for Committee Management (2009 update).

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 683 (P-MUR 534), ADR 685 (RR 12L-18), and ADR 687 (RR 12L-43)**. The Commission voted to assign this referral to the ADR Office on December 17, 2013.

SUMMARY: These matters involve unauthorized financial transactions reported by Feinstein for Senate, Fund for the Majority, and William Wardlaw, Treasurer of both (Respondents or the Committees). In ADR 683, Respondents filed a joint *sua sponte* submission indicating that a former Treasurer, Kinde Durkee, misappropriated funds at various times during her tenure. Ms. Durkee served as Treasurer of Feinstein for Senate from January 2011 through September 2011.

Recommendation to Approve
Settlement Agreement
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Ms. Durkee served as Treasurer of Fund for the Majority from March 2007 through September 2011.

In ADR 685, the Reports Analysis Division (RAD) referred Respondent Feinstein for Senate for failing to disclose all financial transactions in violation of the FECA. The Committee filed its 2011 October Quarterly Report to disclose unauthorized receipts of \$100,000 and unauthorized disbursements of \$4,645,386.12.

In ADR 687, RAD referred Respondent Fund for the Majority for failing to disclose all financial transactions in violation of the FECA. The Committee filed its 2011 Year End Report to disclose unauthorized receipts of \$1,847.10 and unauthorized disbursements of \$25,000.

Respondents contend that upon the discovery of the unauthorized transactions the Committees retained a law firm to review financial records and file amended reports and implemented new internal controls.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Feinstein for Senate, Fund for the Majority, and William Wardlaw, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.