



Federal Election Commission
Washington, DC 20463

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MEMORANDUM

June 2, 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: ADR 689 & 691 Committee to Re-Elect Linda Sanchez and Jennifer May, 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 689 (P-MUR 538) & ADR 691 (RR 12L-28). The Commission voted to assign this referral to the ADR Office on December 17, 2013.

SUMMARY: In ADR 689, Respondents filed a *sua sponte* submission stating that a former Treasurer, Kinde Durkee, misappropriated Committee funds at various times during her tenure, (2002-2011).

In ADR 691, the Reports Analysis Division referred Respondents for failing to disclose all financial transactions in violation of the FECA. The Committee filed

Recommendation to Approve
Settlement Agreement
ADR 689 (P-MUR 538)
ADR 691 (RR 12L-28)

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its 2011 October Quarterly Report to disclose unauthorized disbursements of \$322,123.22.

Respondents contend that in response to the discovery of unauthorized transactions a comprehensive analysis of financial activity was performed, a new compliance vendor was hired, and new internal controls were implemented.

RECOMMENDATIONS:

- 1: Approve the attached settlement agreement of Committee to Re-Elect Linda Sanchez and Jennifer May, Treasurer.
- 2: Approve the appropriate letters.
- 3: Close the file on this matter.