



FEDERAL ELECTION
COMMISSION
SECRETARIAT

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SENSITIVE

Federal Election Commission
Washington, DC 20463

MEMORANDUM

September 23, 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 717 Defend America PAC and John J. Lloyd,
Treasurer, Recommendation to Approve Settlement
Agreement

RESOLUTION TERMS: Certify that a representative of the Committee participated
in an FEC conference; and pay a civil penalty of \$4,500.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 717 (RAD 14L-13). The ADR Office received this referral on May 7, 2014.

SUMMARY: The Reports Analysis Division referred Defend America PAC and John J. Lloyd, Treasurer, (Respondents or the Committee) for failing to disclose all financial activity on the original 2012 June Monthly Report. On July 15, 2012, the Committee filed an Amended 2012 June Monthly Report disclosing \$204,250 in additional receipts.

The Committee filed its 2012 June Monthly Report on June 16, 2012. The Committee contends it realized the error at issue on its own the following month and, on July 15, 2012, the same date the errors were discovered,

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amended the 2012 June Monthly Report to disclose \$204,250 in additional receipts.

On November 1, 2012, the Reports Analysis Division requested additional information concerning the amended 2012 June Monthly Report. The Committee responded in a timely manner on December 6, 2012, filing a Miscellaneous Electronic Submission (Form 99) stating that dates for four contribution/deposit batches were incorrectly entered into reporting software causing the omission of these receipts on the original 2012 June Monthly Report. Respondents assert that the Committee has a strong reporting history, with no previous reporting violations. They emphasize that prior to any request for information by the Reports Analysis Division, the Committee properly amended the monthly report on its own initiative. Respondents also contend that the harm to the public was minimal because the omission was a clerical error and the report was amended immediately upon discovery of the error, prior to the next monthly report and well before any election. In addition, in response to the omission Respondents contend they revised financial procedures to include using bank statements to verify deposits and maintaining internal spreadsheets to balance totals.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of Defend America PAC and John J. Lloyd, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.