



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,



Lynn M. Fraser, Director  
Alternative Dispute Resolution Office  
202-694-1665

Enclosure: Agreement

cc: Gwen Holmes and Adam Liu, Finance and Accounting Office  
Room 819

4-2010-010101-011



**Federal Election Commission  
Washington, DC 20463**

Case Number: ADR 738  
Source: RR 14L-33  
Case Name: Many Individual Conservatives Helping  
Elect Leaders Everywhere (MICHELEPAC)

**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 Chris Ashby, Esq., representing Many Individual Conservatives Helping Elect Leaders Everywhere (MICHELEPAC) and Nancy H. Watkins, in her 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 52 U.S.C. § 30109 (formerly 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 information on its 2010 October Monthly, 2010 30 Day Post-General, 2010 Year End, 2011 February Monthly, 2011 April Monthly, 2011 May Monthly, and 2011 October Monthly Reports. Respondents filed amended 2010 October Monthly, 2010 30 Day Post-General, 2010 Year End, 2011 February Monthly, 2011 April Monthly, 2011 May Monthly, and 2011 October Monthly Reports that disclosed additional receipts of \$98,576.55 and additional disbursements of \$47,758.32, which were not disclosed in the original reports. The amended reports disclosed an aggregate increase in activity totaling \$146,334.87.
4. Treasurers of political committees are required to report all financial activity, including all receipts and disbursements, pursuant to the FECA. 52 U.S.C. §§ 30104(b)(2) and (4) (formerly 2 U.S.C. §§ 434(b)(2) and (4)), 11 C.F.R. §§ 104.3(a) and (b).

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5. Respondents contend that the majority of the increases in both receipts and disbursements were as a result of fundraising activity. The Committee's former financial compliance team inadvertently did not include all credit card transactions, and other transactions. When the discrepancies came to light, the Committee hired a new financial compliance team, who are conducting reconciliations on a regular basis.
  6. At the time of the violations at issue, Barry Arrington was the Committee's Treasurer. Nancy Watkins became Treasurer after the relevant time period, and did not provide any services in connection with the underlying transactions and reports.
  7. Respondents, in an effort to avoid similar errors in the future, agree to: (a) certify that a representative of the Committee participated in an FEC conference, webinar, or other program developed in consultation with the FEC's Information Division within twelve (12) months of the effective date of this agreement; (b) develop and certify implementation of a compliance operations manual which includes internal controls consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management (published in the April 2009 Record, available at [www.fec.gov/pages/brochures/bestpractices.shtml](http://www.fec.gov/pages/brochures/bestpractices.shtml)), as well as a process to track receipt of, and response to, communications with the Commission within ninety (90) days of the effective date of this agreement; and (c) pay a civil penalty of \$4,000 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 738 (RR 14L-33), 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.

