



Federal Election Commission
Washington, DC 20463

April 9, 2015

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

Re: ADR 745 (A 11-15)
Democratic Party of Illinois and Michael Kasper, Treasurer

Dear Mr. Svoboda:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on November 6, 2014 by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on April 9, 2015– the effective date of the agreement.

Note the specific time frames for compliance in Paragraph 6 of the agreement. **Please forward to this office, a statement confirming 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 6, 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 May 9, 2015.¹ 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 Negotiated Settlement 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 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 alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

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.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory 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,



Krista J. Roche
Assistant Director
Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office



Federal Election Commission
Washington, DC 20463

Case Number: ADR 745

Source: A11-15

Case Name: Democratic Party of Illinois

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 Svoboda, Esq., representing the Democratic Party of Illinois and Michael Kasper, 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:

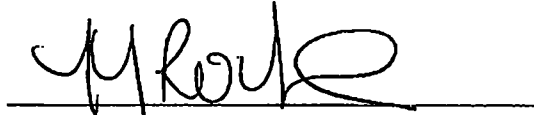
1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 52 U.S.C. § 30109 (formerly 2 U.S.C. § 437g).
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Audit Division referred Respondents for two findings detailed in the Final Audit Report approved by the Commission on October 23, 2014. Finding 1 states that the Committee misstated its receipts and disbursements for calendar year 2010, by underreporting \$203,666 in receipts and \$215,677 in disbursements. The second referred Finding states that the Committee did not report Levin funds totaling \$115,274 and incorrectly disclosed a shared federal election activity expenditure in the amount of \$144,375 as a shared operating expense.
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), (4), and (8) (formerly 2 U.S.C. §§ 434(b)(2) and (4)), 11 C.F.R. §§ 104.3(a) and (b). If a state, district or local party committee's combined annual receipts and disbursements for federal election activity (FEA) are \$5,000 or more during the calendar year, then it must disclose receipts and disbursements of federal funds and Levin funds used for FEA. 11 C.F.R. § 300.36(b)(2).

5. Respondents contend that the majority of misstated activity in Finding 1 arose from one erroneous wire transfer of \$137,089, which was followed by the return of those same funds within six days. Respondents contend that the activity in the second Finding arose from a single mailing that was reported on Schedule H4 instead of Schedule H6, that the mailing was financed correctly, and that the funds used to pay the non-federal share were disclosed separately under Illinois state law.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) perform an internal review of Committee procedures and certify that the Committee is operating in accordance with its compliance operations manual, as revised in recent ADR agreements, within sixty (60) days of the effective date of this agreement; and (b) pay a civil penalty of \$6,200 within thirty (30) days of the effective date of this agreement.
7. Michael Kasper is a Respondent solely in his representative capacity as Treasurer of the Democratic Party of Illinois.
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 745 (A11-15), 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.


FOR THE COMMISSION:

Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office



4/9/15
Date Signed

FOR THE RESPONDENTS:



Brian Svoboda, Esq.,
Representing Democratic Party of Illinois and
Michael Kasper, Treasurer

24 Mar 2015
Date Signed

110001-010101-01