



Federal Election Commission
Washington, DC 20463

FEDERAL ELECTION
COMMISSION
SECRETARIAT

2015 MAY 20 P 3 26

SENSITIVE

May 20, 2015

MEMORANDUM

TO: The Commission

THROUGH: Alec Palmer *ewh for*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Lynn M. Fraser *lfr*
Director, ADR Office

SUBJECT: ADR 748 Maine Democratic State Committee and Betty Johnson, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Certify the retention of an external compliance specialist to review reports prior to filing with the FEC for a period of two years; certify an annual reconciliation of the Committee's financial records to reports filed with the FEC for a period of two years; and pay a civil penalty of \$2,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 748 (RR 14L-26). The ADR Office received this referral from the Office of General Counsel on January 15, 2015.

SUMMARY: In this case, the Reports Analysis Division (RAD) referred the Maine Democratic State Committee and Betty Johnson, Treasurer (Respondents or the Committee) for failing to disclose all financial activity on their 2010 30 Day Post-General, 2011 February Monthly, 2011 March Monthly, 2011 April Monthly, 2011 May Monthly, 2011 June Monthly, 2011 July Monthly and 2011 August Monthly Reports. The Committee filed amended reports that disclosed additional receipts totaling \$29,281.89 and additional disbursements totaling \$80,916.36, which were not included in the original reports, an aggregate increase in activity of \$110,198.25.

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Respondents filed a Miscellaneous Electronic Submission (Form 99) which stated, in part, that the Committee hired an outside FEC Reporting and Accounting Consultant to review internal controls, implement compliance procedures, and for the preparation and filing of FEC Reports. It further stated that during an internal audit of the Committee accounts and filed reports it was discovered that the Committee inadvertently failed to disclose all financial activity on these reports and that they now have improved systems in place to prevent these errors from happening on future reports.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of the Maine Democratic State Committee and Betty Johnson, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.