



Federal Election Commission  
Washington, DC 20463

June 4, 2015

Neil P. Reiff, Esq.  
Sandler, Reiff, Lamb, Rosenstein & Birkenstock  
1025 Vermont Avenue NW Suite 300  
Washington, DC 20005

Re: ADR 748 (RR 14L-26)  
Maine Democratic State Committee and Betty Johnson, Treasurer

Dear Mr. Reiff:

Enclosed is the signed copy of the agreement resolving the referral initiated on January 15, 2015 by the Federal Election Commission ("FEC/Commission") involving the Maine Democratic State Committee and Betty Johnson, Treasurer ("Respondents"). The agreement for ADR 748 (RR 14L-26) was approved by the Commission on June 4, 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 certifying 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 ---- July 4, 2015.<sup>1</sup> 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 settlement agreement 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 entry into settlement 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

<sup>1</sup> 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.

alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

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,

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



Federal Election Commission  
Washington, DC 20463

Case Number: ADR 748

Source: RR 14L-26

Case Name: Maine Democratic State Committee

### 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 Neil Reiff, Esq., representing the Maine Democratic State Committee and Betty Johnson, 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.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division (RAD) referred Respondents 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.
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), 11 C.F.R. §§ 104.3(a) and (b).
5. Respondents filed a Miscellaneous Electronic Submission (Form 99) which stated, "[t]he Committee has hired an outside FEC Reporting and Accounting Consultant to review internal controls, implement compliance procedures, and for the preparation and filing of FEC Reports. 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."

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) certify the retention of an external compliance specialist to review reports prior to filing with the FEC for a period of two years, with the first certification due twelve months from the effective date of this agreement, and the second certification due twelve months thereafter; (b) certify an annual reconciliation of the Committee's financial records to reports filed with the FEC for a period of two years, with the first certification due twelve months from the effective date of this agreement, and the second certification due twelve months thereafter; and (c) pay a civil penalty of \$2,000 within thirty (30) days of the effective date of this agreement.
7. 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.
8. 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.
9. 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.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 748 (RR 14L-26), 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:

Lynn M. Fraser, Director  
Alternative Dispute Resolution Office

  
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6/4/2015  
Date Signed

FOR THE RESPONDENTS:

  
Neil Reiff, Esq.  
Representing the Maine Democratic State Committee  
and Betty Johnson, Treasurer

5/8/15  
Date Signed