



Sincerely,



Krista J. Roche  
Assistant Director  
Alternative Dispute Resolution Office

Enc: Negotiated Settlement

10-10000000-01



Federal Election Commission  
Washington, DC 20463

Case Number: ADR 785  
Source: RR 15L-12  
Case Name: House Conservatives Fund

### 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 Glenn Willard, Esq., representing the House Conservatives Fund and Lisa Lisker, 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 the failure to fully and accurately report all financial activity during the 2013-2014 election cycle. The Committee filed its 2014 Year End Report which included a partial repayment of funds totaling \$7,210 diverted from the Committee by an outside vendor. The diversion of those funds resulted in the Committee filing incomplete disclosure reports with the FEC. The Committee amended its 2014 12 Day Pre- General and 30 Day Post-General Reports on January 30, 2015 to disclose contributions and disbursements not previously provided by the vendor.
4. Treasurers of political committees are required to report all financial activity, including all receipts, pursuant to the FECA. 52 U.S.C. §§ 30104(a)(1), 30104(b)(2), 11 C.F.R. §§ 104.1, 104.3(a).

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5. Respondents indicate that the Committee had retained an outside caging vendor to process all contributions received by direct mail. The Committee explains that this vendor embezzled funds by opening and depositing contribution checks into a separate bank account in the Committee's name for which the vendor had signature authority. After the Committee became aware of the unauthorized activity, it retained a new caging vendor to process direct mail contributions. The new vendor was not given signature authority on the Committee's bank accounts.
6. Respondents, in order to prevent any misappropriation in the future, agree to: (a) certify the implementation of internal controls consistent with the Commission's Best Practices for Committee Management (2009 update) within thirty (30) days of the effective date of this agreement; and (b) file any amended report(s) promptly upon receipt of any additional information regarding additional embezzled contributions. The Committee shall provide a certification that report(s) have been filed or that no additional information has been received one (1) year from 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 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 785 (RR 15L-12), 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



3/21/16

Date Signed

FOR THE RESPONDENTS:



February 8, 2016

Glenn M. Willard, Esq.  
Representing the House Conservatives Fund and  
Lisa Lisker, Treasurer

Date Signed

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