

Federal Election Commission
Washington, DC 20463

March 25, 2016

Donald McGahn, Esq.
Jones Day
51 Louisiana Avenue NW
Washington, DC 20001

Re: ADR 786 (RR 15L-16)
David Vitter for US Senate and William Vanderbrook, Treasurer

Dear Mr. McGahn:

Enclosed is the signed copy of the agreement resolving the referral initiated on **–November 4, 2015 –** by the Federal Election Commission The agreement for **ADR 786 (RR 15L-03)** was approved by the Commission on **March 23, 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.

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 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



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 786
Source: RR 15L-16
Case Name: David Vitter for US Senate

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 Donald F. McGahn II, Esq. representing David Vitter for US Senate and William Vanderbrook, 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.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division referred Respondents for a 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 \$14,420 diverted from the Committee by an outside subvendor into a "ghost" account.
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).
5. Respondents contend that the Committee maintained appropriate internal controls and safeguards ensuring its full compliance with Federal Election Commission reporting and record-keeping obligations. Despite these safeguards, however, an outside subvendor of the Committee diverted direct mail contributions directly from the mail into an unauthorized "ghost account" which the subvendor was neither authorized to open nor to operate.

Introduction

- FOR THE COMMISSION:**

Gyanendra Prasad

FOR THE RESPONDENTS:

3-11-16
Date Signed