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SENSITIVE

Federal Election Commission
Washington, DC 20463

MEMORANDUM

April 19, 2016

TO: The Commission

THROUGH: Alec Palmer *EAP*
Staff Director

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

Lynn M. Fraser *LMF*
Director, ADR Office

BY: Krista J. Roche *KJR*
Assistant Director, ADR Office

SUBJECT: ADR 789 Hawaii Democratic Party and Florence L. Kong
Kee, Treasurer, Recommendation to Approve Settlement
Agreement

RESOLUTION TERMS: Develop and certify implementation of a revised and updated
compliance operations manual which includes internal
controls consistent with those described in the Commission's
Internal Controls and Political Committees advisory
document (2007) and the Best Practices for Committee
Management (published in the April 2009 Record, available
at www.fec.gov/pages/brochures/bestpractices.shtml), as
well as a process to track receipt of, and response to,
communications with the Commission; (b) certify that two
representatives of the Committee participated in an FEC
conference, webinar, or other program developed in
consultation with the FEC's Information Division; and (c)
pay a civil penalty of \$6,375.

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Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to **ADR 789 (RAD 15L-46)**. The ADR Office received this referral on December 3, 2015.

SUMMARY: The Reports Analysis Division referred the Hawaii Democratic Party and Florence L. Kong Kee, Treasurer, (Respondents or the Committee) for cumulative errors during the 2013-2014 election cycle which disclosed the Committee was not in substantial compliance with the FECA. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA.

Respondents contend there were reporting challenges during the 2014 election cycle. Respondents further contend that the Committee made significant procedural changes to ensure future compliance, including retaining an experienced compliance firm to assist with reporting.

NONINFORMATION

RECOMMENDATIONS:

1. Approve the attached settlement agreement Hawaii Democratic Party and Florence L. Kong Kee, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.