



Federal Election Commission
Washington, DC 20463

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SENSITIVE

MEMORANDUM

May 6, 2016

TO: The Commission

THROUGH: Alec Palmer *PCO*
Staff Director

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

Lynn M. Frager *LMF*
Director, ADR Office

SUBJECT: ADR 792 Oakland County Democratic Party and Phillip W. Reid, Treasurer, Recommendation to Approve Settlement Agreement

RESOLUTION TERMS: Develop and certify implementation of a 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; certify that a representative of the Committee participated in an FEC conference, webinar, or other program developed in consultation with the FEC's Information Division; and pay a civil penalty of \$10,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 792 (RAD 15L-49). The ADR Office received this referral on December 3, 2015.

SUMMARY: The Reports Analysis Division referred the Committee for cumulative errors during the 2013-2014 election cycle which disclosed the

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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 acknowledge reporting challenges due, in part, to a significant increase in the volume of transactions and dollars required by the Commission to be included in their disclosure reports. This resulted in the Committee hiring a new bookkeeper and electing a new Treasurer. Respondents contend that the Committee consulted with an FEC auditor, as well as a RAD analyst, to develop and implement significant operational changes and technological upgrades. The Committee asserts that it has only one (1) full time staff person, supplemented by several part time and contract workers.

