



Federal Election Commission
Washington, DC 20463

July 14, 2016

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

Re: ADR 799 (AR 16-01)
Utah State Democratic Committee and Peter Corroon, Treasurer

Dear Mr. Reiff:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on March 31, 2016, by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on July 12, 2016– the effective date of the agreement.

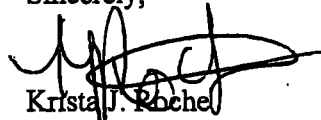
Note the specific time frames for compliance in Paragraph 7 of the agreement. **Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed in Paragraph 7, 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 October 10, 2016.¹ 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 Negotiated Settlement 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 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.

¹ 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.

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,



Kristal J. Roche
Assistant Director
Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 799
Source: AR 16-01
Case Name: Utah State
Democratic 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 Utah State Democratic Committee and Peter Corroon, 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. On February 9, 2016, the Commission approved the Proposed Final Audit Report on the Utah State Democratic Party and Peter Corroon, Treasurer (Respondents or the Committee). In that report the Commission found that the Committee misstated its financial activity, which included receipts in the amount of \$92,203¹. The Commission also found that the Committee failed to maintain monthly payroll logs to document the time employees spent on federal activity, totaling \$62,135.
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).


¹The Committee amended their reports after the audit notification letter was sent. These amendments resulted in a revised misstatement amount of \$89,290.

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5. Political party committees are required to keep a monthly log of the percentage of time each employee spends in connection with a federal election. Employees who spend 25 percent or less of their compensated time in a given month on federal election activities or on activities in connection with a federal election must either be paid only from the federal account or have their expenses allocated between federal and non-federal funds as administrative costs. Employees who spend more than 25 percent of their compensated time in a given month on federal election activities or on activities in connection with a federal election must be paid only from a federal account. Employees who spend none of their compensated time in a given month on federal election activities or on activities in connection with a federal election may be paid entirely with funds that comply with state law. 11 C.F.R. § 106.7(d)(1).
 6. Respondents acknowledge there were reporting challenges during the 2014 election cycle. The Committee contends that it has adopted new employee recordkeeping policies which require employees to sign timesheets tracking the time spent on federal activity.
 7. Respondents, in an effort to avoid similar errors in the future, agree to: (a) circulate a written policy document regarding employee timekeeping log procedures to all employees within thirty (30) days of the effective date of this agreement; (b) develop and implement new allocation procedures focusing on the requirements of 11 C.F.R. § 106.7 and circulate a written copy of those procedures within sixty (60) days of the effective date of this agreement; and (c) pay a civil penalty of \$1,550 within ninety (90) days of the effective date of this agreement.
 8. 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.
 9. 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.
 10. 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 7 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.
 11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 799 (AR 16-01), 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.

**Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office**

YPOZ

7/12/16
Date Signed



Neil Reiff, Esq.
Representing the Utah State Democratic Committee
and Peter Corroon, Treasurer

6/10/16
Date Signed