



Federal Election Commission
Washington, DC 20463

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SENSITIVE

MEMORANDUM

November 1, 2016

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

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

Lynn M. Fraser *LF*
Director, ADR Office

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

SUBJECT: ADR 805 VoteVets.org, Recommendation to Approve
Settlement Agreement

RESOLUTION TERMS: 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; 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, as well as a process to track receipt of, and response to, communications with the Commission; and pay a civil penalty of \$2,000.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 805 (RR 15L-43). The Federal Election Commission voted to refer this matter to the ADR Office on June 14, 2016.

SUMMARY: The Reports Analysis Division (RAD) referred VoteVets.org (Respondent) for failing to timely file the 2014 July Quarterly and Year-End

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Reports to support independent expenditures totaling \$295,086.46 and \$786,219.19, respectively. The independent expenditures were disclosed on Respondent's 24-Hour Reports. On August 8, 2014, Respondent filed the 2014 July Quarterly Report to disclose the independent expenditures totaling \$295,086.46, which were previously reported on the 24-Hour Report filed on June 6, 2014. On September 23, 2015, Respondent filed the 2014 Year-End Report disclosing the independent expenditures totaling \$786,219.19, which were previously reported on the 24-Hour Report filed on October 8, 2014.

Respondent contends it maintains a very small permanent staff that inadvertently failed to timely file the reports due to their general lack of familiarity with the filing requirement. Respondent further contends that because all of its 24-Hour Reports were filed on time, the public was at no time deprived of any relevant information since the quarterly report did not contain any information that had not already been disclosed in a 24-Hour Report. Respondent states that in order to ensure errors of this nature do not occur in the future, it has retained outside counsel and a compliance firm to ensure that all future expenditures are handled and disclosed properly.

RECOMMENDATIONS:

1. Approve the attached settlement agreement of VoteVets.org.
2. Approve the appropriate letters.
3. Close the file on this matter.