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**SENSITIVE**

Federal Election Commission  
Washington, DC 20463

**MEMORANDUM**

November 29, 2016

17100004121

TO: The Commission

THROUGH: Alec Palmer *EW/HF*  
Staff Director

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

Lynn M. Fraser *JH*  
Director, ADR Office

SUBJECT: ADR 808 Southwest Regional Council of Carpenters  
Legislative Improvement Committee United Brotherhood  
of Carpenters & Joiners of America and Randy Thornhill,  
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, 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 \$2,500.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 808 (RR 15L-26). The ADR Office received this referral from the Office of the General Counsel (OGC) on July 12, 2016.

**SUMMARY:** In this case, the Reports Analysis Division (RAD) referred the Southwest Regional Council of Carpenters Legislative Improvement Committee United Brotherhood of Carpenters & Joiners of America and Randy Thornhill, Treasurer (Respondents or the Committee), for failing to disclose all financial activity on their 2014 August Monthly Report. Respondents filed their original 2014 August Monthly Report on August 20, 2014, followed by an Amended 2014 August Monthly Report on September 19, 2014. The amended report disclosed \$226,932.34 in additional receipts.

The Committee contends it was a single time staff-level decision to delay depositing a single, semi-annual member vacation pay deduction contribution transmittal check. The Committee asserts that it alerted the Commission to the potential violation, took immediate and appropriate corrective action, and amended reports to correct the record. Respondents further contend that the unusual circumstances arose toward the end of an extensive, months-long review of potentially misallocated authorized contributions between two affiliated committees caused by an obscure accounting software error over a 20-year period.

**RECOMMENDATIONS:**

1. Approve the attached settlement agreement of the Southwest Regional Council of Carpenters Legislative Improvement Committee United Brotherhood of Carpenters & Joiners of America and Randy Thornhill, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.