



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 6, 2018

Richard Rios, Esq.
3605 Long Beach Blvd.
Suite 426
Long Beach, CA 90807

Re: ADR 844
Jimmy Gomez for Congress and Mary Hodge, Treasurer

Dear Mr. Rios:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matter. The Negotiated Settlement was approved by the Commission on 1/31/2018 – the effective date of the agreement.

Note the specific time frames for compliance detailed in the agreement. Please forward to this office, a statement confirming Respondent's compliance with each term. The letter should note the dates on which Respondents satisfied each of the terms and contain the ADR case number. For your convenience, a compliance chart is attached.

Under the terms of the agreement, a civil penalty in the amount of \$2,400.00 is due on 3/5/2018. Kindly review the attached payment instructions for details on payment methods and the collection of unpaid debts.

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 Records Office.

This agreement resolves this matter. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,

Krista J. Roche
Director
Alternative Dispute Resolution Office

Enc: Payment Instructions
Compliance Chart
Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office



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Case Number: ADR 844
Source: RAD 17L-38
Case Name: Jimmy Gomez for Congress

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 Richard Rios, Esq., representing Jimmy Gomez for Congress and Mary Hodge, in her 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. The Reports Analysis Division (RAD) referred Respondents for failing to disclose all financial activity on their original 2017 12 Day Pre-Special General Report filed on March 23, 2017. The Committee filed an Amended 2017 12 Day Pre-Special General Report disclosing \$113,127 in debts on Line 10 not previously disclosed on March 31, 2017, eight days after the original report and four days prior to the election. Subsequently, the Committee amended their 2017 12 Day Pre-Special General Report several times disclosing \$16,978.76 in additional debts, for a combined total of \$130,114.76 in debts not included on the original report.
4. Treasurers of political committees are required to disclose all financial activity, including the amount and nature of outstanding debts and obligations owed by or to the political committee. 52 U.S.C. § 30104(b)(8), 11 C.F.R. § 104.3(d).
5. Respondents contend in a Miscellaneous Electronic Submission (FEC Form 99) filed on September 5, 2017, in response to a Request For Additional Information that most of the

errors occurred due to a staff misunderstanding of reporting requirements regarding debt owed to vendors, and that as soon as the error was discovered an amended report was filed which disclosed most of the debt at issue. Respondents contend that the remainder of the debt at issue was inadvertently omitted from the original report due to invoices not being timely received from vendors, despite the good faith efforts of staff to request them. The Committee indicates that it has instituted training for campaign staff members and volunteers regarding disclosure requirements and instituted procedures regarding vendor invoices to ensure accurate and timely reporting.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) 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 within ninety (90) days of the effective date of this agreement; and (b) pay a civil penalty of \$2,400 within thirty (30) days of the effective date of this agreement.
7. 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.
8. 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.
9. 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 6 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.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 844 (RAD 17L-38), 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.

