



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

March 13, 2018

TO: The Commission

THROUGH: Alec Palmer *PCO*
Staff Director

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

Krista J. Roche *KJR*
Director, ADR Office

SUBJECT: ADR 849 & ADR 856 The Committee to Defend the President and Dan Backer, Treasurer, Recommendation to Approve Negotiated Settlement

RESOLUTION TERMS: Amend relevant 2015-2016 reports to address any inadequate responses and nonresponses to Requests for Additional Information from RAD; and pay a civil penalty of \$3,700.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 849 (RR 16L-17) and ADR 856 (AD 17-25). The ADR Office received these matters on October 24, 2017 and November 8, 2017, respectively.

SUMMARY: The Reports Analysis Division (RAD) referred and the Audit Division transferred Respondents for a series of reporting errors and other FECA violations during the 2015-2016 election cycle. The Committee's reporting errors included, among other items: mathematical discrepancies, failure to provide supporting schedules, failure to properly itemize disbursements, and independent expenditure reporting problems. In addition, RAD referred Respondents for failing to disclose all financial activity on the 2015 Year-End Report, originally filed on February 1, 2016. On February 21, 2016, the Committee filed an Amended 2015 Year-End Report disclosing additional disbursements of \$163,732.16.

Recommendation to Approve
Settlement Agreement
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Respondents contend that there were reporting challenges during the 2016 election cycle. Specifically, Respondents indicate that since these reporting errors occurred, the Committee disciplined personnel responsible for the errors and omissions, retained a new compliance firm, and implemented new procedures including performing more frequent reconciliations. With regard to the additional disbursements reported on the Amended 2015 Year-End Report, Respondents contend that the discrepancy on the 2015 Year-End Report was the result of underestimating amounts owed to vendors by \$84,187.64, and other errors which it corrected.

RECOMMENDATIONS:

1. Approve the attached negotiated settlement of The Committee to Defend the President and Dan Backer, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.