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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM

October 29, 2018

TO: The Commission

THROUGH: Alec Palmer *AP* by *BAH*
Staff Director

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

Krista J. Roche *KJR*
Director, ADR Office

SUBJECT: ADR 874 Restore American Freedom and Liberty and Alexander Hornaday, Treasurer, Recommendation to Approve Negotiated Settlement

RESOLUTION TERMS: Perform an annual internal audit and reconciliation, providing certification of same; and pay a civil penalty of \$2,650.

Attached for your review is a signed negotiated ADR Settlement Agreement pertaining to ADR 874 (RAD 18L-20). The ADR Office received this referral on June 11, 2018.

SUMMARY: RAD referred Restore American Freedom and Liberty and Alexander Hornaday, Treasurer (Respondents or the Committee) for failing to disclose all financial activity on its Amended 2016 October Quarterly Report, filed on October 16, 2016. On January 24, 2018, the Committee filed an Amended 2016 October Quarterly Report including \$64,958.07 in additional disbursements.

The Committee filed a Miscellaneous Electronic Submission (Form 99) on April 3, 2018, indicating that the Respondent did not have access to the statements for one of the committee's bank accounts and relied on what turned out to be incomplete invoicing from vendors when filing reports in 2016. The Respondent indicates that the anomaly was discovered in 2017 after he got full access to the banking records. In addition, the Committee contends that in the latter half of 2017 the committee conducted an internal audit, and amended the filings accordingly.

Recommendation to Approve
Settlement Agreement
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RECOMMENDATIONS:

1. Approve the attached negotiated settlement of Restore American Freedom and Liberty and Alexander Hornaday, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.