



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

November 26, 2018

TO: The Commission

THROUGH: Alec Palmer *AP by MHP*
Staff Director

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

Krista J. Roche *KJR*
Director, ADR Office

Rosa Marshall *RM*
Assistant Director, ADR Office

SUBJECT: ADR 877 Arizona Republican Party and Bob Lettieri, Treasurer,
Recommendation to Approve Negotiated Settlement

RESOLUTION TERMS: Perform corrective action in accordance with the Corrective Action
Plan (Exhibit A of the Negotiated Settlement); complete training in
accordance with the Training Plan (Exhibit B of the Negotiated
Settlement); and pay a civil penalty of \$45,000.

Attached for your review is a signed ADR Negotiated Settlement pertaining to ADR 877 (AR 2-750). The ADR Office opened this matter on July 9, 2018.

SUMMARY: Audit fieldwork of the Committee's 2014 election cycle activity showed that Respondents misstated financial activity in the amount of \$942,594, incorrectly disclosed disbursements in the amount of \$1,926,995, did not maintain employee logs for payroll totaling \$196,606, failed to file 24/48-Hour Reports for apparent independent expenditures totaling \$440,734, received prohibited contributions totaling \$59,435, and received excessive contributions totaling \$86,000. In addition, audit fieldwork of the Committee's Levin fund account showed that financial activity was misstated in the amount of \$33,136, donations exceeded the limit by \$25,000, donations in the amount of \$140,000 were incorrectly disclosed, allocable expenditures totaling \$236,754 were not itemized, and transfers in the amount of \$236,754 were not properly disclosed.

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Respondents contend that subsequent to the audit fieldwork the Committee retained a campaign finance vendor to remediate the issues identified by the Audit Division and to ensure compliance with all applicable federal campaign finance laws.

RECOMMENDATIONS:

1. Approve the attached negotiated settlement of Arizona Republican Party and Bob Lettieri, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.