



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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SENSITIVE

MEMORANDUM

December 3, 2018

TO: The Commission

THROUGH: Alec Palmer *AP by MHH*
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 881 Democratic Party of South Carolina and Velva E. George, Interim Treasurer, Recommendation to Approve Negotiated Settlement

RESOLUTION TERMS: Perform required 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 \$9,000.

Attached for your review is a signed ADR Negotiated Settlement pertaining to ADR 881 (AR 2-752). The ADR Office opened this matter on July 18, 2018.

SUMMARY: Audit fieldwork of the Committee's 2014 election cycle activity showed that Respondents received prohibited contributions totaling \$16,925, misstated financial activity in the amount of \$100,000, and failed to maintain monthly payroll logs totaling \$538,853.

Respondents contend that the prohibited contributions in question will continue to be reported as debts until such time as the Committee has the resources to issue refunds. With regard to the misstatement, the Audit Division confirms that disclosure reports have been amended to materially correct these misstatements.

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The Committee also contends that it has now instituted procedures to ensure that time records are maintained for all employees who are paid entirely or in part with non-federal funds.

RECOMMENDATIONS:

1. Approve the attached negotiated settlement of Democratic Party of South Carolina and Velva E. George, Interim Treasurer.

2. Approve the appropriate letters.
3. Close the file on this matter.