



FEDERAL ELECTION COMMISSION
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SENSITIVE

MEMORANDUM

December 6, 2019

TO: The Commission

THROUGH: Alec Palmer *AP 12/1 MAA*
Staff Director

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

Krista J. Roche *KJR*
Director, ADR Office

SUBJECT: Recommendation to Approve Negotiated Settlement
ADR 923 & ADR 934 — Oklahoma Democratic Party and
Rachael Hunsucker, Treasurer (C00190934)

RESOLUTION TERMS: Complete training in accordance with the Training Plan
(Exhibit A of the Negotiated Settlement); develop and
certify implementation of a process to track receipt of, and
response to, communications with the Commission; and pay
a civil penalty of \$19,450.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 923 (AD 17-19) and ADR 934 (RAD 19L-32). The ADR Office received the referral in ADR 923 on July 23, 2019, and the referral in ADR 934 on September 12, 2019.

SUMMARY: In ADR 923 (AD 17-19), the Audit Division referred the Oklahoma Democratic Party and Rachael Hunsucker, Treasurer (Respondents or the Committee) for 2016 election cycle findings included in the Final Audit Report of the Commission, as approved on July 5, 2019. The Commission found that the Committee misstated disbursements by \$36,852 for calendar year 2015. The Commission also found that the Committee understated receipts by \$1,796,094 and disbursements by \$1,759,832 on the original reports filed over the two-year period, ending December 31, 2016. Lastly, the Commission found that the Committee did not maintain monthly payroll logs or equivalent records for payments to employees totaling \$39,410 to document the percentage of time each employee spent in connection with a federal election for calendar years 2015 and 2016.

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ADR 923 (AD 17-19)
ADR 934 (RAD 19L-32)

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The Committee amended its disclosure reports to correct the misstatements of financial activity at issue in the 2016 election cycle audit. In addition, the Committee states that while it did not maintain payroll logs for employees, it has since implemented a process to record this information in conjunction with employees' timesheets.

In ADR 934 (RAD 19L-32), the Reports Analysis Division (RAD) referred Respondents for a series of reporting errors and other FECA violations during the 2018 election cycle. The Committee's errors included, among other items: mathematical discrepancies, failure to provide supporting schedules, failure to properly itemize disbursements, Federal Election Activity/Levin Funds and allocated federal and non-federal activity.

In response to the RAD referral, the Committee filed amendments to correct the public record for the 2018 election cycle reporting errors. RAD reviewed these amendments and determined that no further corrective action is required.

RECOMMENDATIONS:

1. Approve the attached Negotiated Settlement of the Oklahoma Democratic Party and Rachael Hunsucker, Treasurer.
2. Approve the appropriate letters.
3. Close the file on these matters.