



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 31, 2020

Neil Reiff  
1090 Vermont Avenue, NW  
Suite 750  
Washington, DC 20005

Re: ADR 923 (AD 17-19) & ADR 934 (RAD 19L-32)  
Oklahoma Democratic Party and Rachael Hunsucker, Treasurer (C00190934)

Dear Neil Reiff:

Enclosed is the signed copy of the Negotiated Settlement resolving the above-shown matters. The Negotiated Settlement was approved by the Commission on July 15, 2020 – the effective date of the agreement.

Note the specific time frames for compliance detailed in the agreement. Please forward to this office, a statement confirming Respondent's compliance with each term. The letter should note the dates on which Respondents satisfied each of the terms and contain the ADR case numbers. For your convenience, a compliance chart is attached.

Under the terms of the agreement, a civil penalty in the amount of \$19,450 is due on August 14, 2020. Kindly review the attached payment instructions for details on payment methods and the collection of unpaid debts.

As you are aware, the Negotiated Settlement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our negotiations, and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Records Office.

This agreement resolves these matters. I appreciate your assistance in effectively resolving these matters and bringing the case to a mutually acceptable conclusion.

Sincerely,



Krista J. Roche  
Director  
Alternative Dispute Resolution Office

Enc: Payment Instructions  
Compliance Chart  
Negotiated Settlement

## **ADRO Civil Penalty Payment Instructions**

You may remit payment by credit card, debit card, or ACH withdrawal from your bank account through Pay.gov, the federal government's secure portal for online collections. Visit [www.fec.gov/adrpayment](http://www.fec.gov/adrpayment) to be directed to Pay.gov's FEC ADR Payment form.

This penalty may also be paid by check or money order made payable to the Federal Election Commission. It should be sent by mail to:

Federal Election Commission  
 Attn: Finance Office  
 1050 First Street, NE  
 Washington, DC 20463

### **Unpaid Civil Penalties**

Unpaid civil money penalties will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 et seq. If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact you to request payment. Treasury currently charges a fee of 30% of the civil money penalty amount for its collection services. If the age of the debt is greater than or equal to two years old, Treasury will charge a fee of 32% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

**ADR 923 Compliance Chart**

| <b>Type</b>  | <b>Date Due</b>  |
|--|------------------|
| Complete training in accordance with the Training Plan         | January 15, 2021 |
| Develop and certify implementation of a process to track RFAIs | August 14, 2020  |



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Case Numbers: ADR 923 (AD 17-19) &  
ADR 934 (RAD 19L-32)  
Case Name: Oklahoma Democratic Party

### NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission (Commission) pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, (FECA) and resolve this matter, the Commission entered into negotiations with Neil P. Reiff, Esq., representing the Oklahoma Democratic Party and Rachael Hunsucker, in the official capacity of Treasurer (the Committee or Respondents). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondents addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondents. The Commission's use of alternative dispute resolution procedures (ADR) is guided by "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 52 U.S.C. § 30109.
2. Respondents voluntarily enter into this agreement with the Commission.
3. In ADR 934 (AD 17-19), the Audit Division referred Respondents 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 totaling \$39,410 to document the percentage of time each employee spent in connection with a federal election for calendar years 2015 and 2016.
4. Treasurers of political committees are required to report all financial activity, including all receipts and disbursements, pursuant to the FECA. 52 U.S.C. §§ 30104(b)(2) and (4), 11 C.F.R. §§ 104.3(a) and (b).
5. Political party committees are required to keep a monthly log of the percentage of time each employee spends in connection with a federal election. Employees who spend 25

percent or less of their compensated time in a given month on federal election activities or on activities in connection with a federal election must either be paid only from the federal account or have their expenses allocated between federal and non-federal funds as administrative costs. Employees who spend more than 25 percent of their compensated time in a given month on federal election activities or on activities in connection with a federal election must be paid only from a federal account. Employees who spend none of their compensated time in a given month on federal election activities or on activities in connection with a federal election may be paid entirely with funds that comply with state law. 11 C.F.R. § 106.7(d)(1).

6. 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.
7. 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 2017-2018 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.
8. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA. 52 U.S.C. § 30109.
9. In response to the referral, the Committee filed amendments to correct the public record for the 2017-2018 election cycle reporting errors. RAD reviewed these amendments and determined that no further corrective action is required.
10. Respondents, in an effort to avoid similar errors in the future, agree to: (a) complete training in accordance with the Training Plan (Exhibit A) within six (6) months of the effective date of this agreement; (b) develop and certify implementation of a process to track receipt of, and response to, communications with the Commission within thirty (30) days of the effective date of this agreement; and (c) pay a civil penalty of \$19,450 within thirty (30) days of the effective date of this agreement.
11. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
12. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
13. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this agreement as set out in paragraph 10 above, and shall certify compliance with the above settlement terms in

writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.

14. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 923 (AD 17-19) and ADR 934 (RAD 19L-32), and resolves those issues identified within paragraphs 3 and 7 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Krista J. Roche, Director  
Alternative Dispute Resolution Office

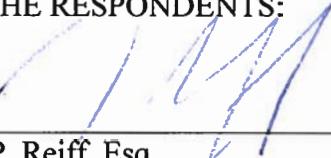


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7/15/20

Date Signed

FOR THE RESPONDENTS:



Neil P. Reiff, Esq.  
Representing Oklahoma Democratic Party and  
Rachael Hunsucker, Treasurer

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10/3/19

Date Signed



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**Training Plan  
Oklahoma Democratic Party (C00190934)  
Exhibit A**

Rachael Hunsucker, Treasurer  
3700 N Classen, Suite 100  
Oklahoma City, OK 73118

Neil P. Reiff, Counsel  
1090 Vermont Avenue NW, Suite 750  
Washington, DC 20005

Re: ADR 923 & 934: Oklahoma Democratic Party and Rachael Hunsucker, Treasurer

Below is a general overview of the training that will be completed by the Oklahoma Democratic Party per the Negotiated Settlement.

**I. Party Committee Disbursements**

- A. Proper Disclosure of Disbursements

**II. Federal Election Activity (FEA)**

- A. Types of FEA
- B. Allocating and Disclosing FEA Expenses
- C. Monthly Payroll Logs and Payroll Disclosure

**III. Common Reporting Errors**

- A. Original Report Disclosure
- B. Mathematical Discrepancies

**IV. Best Practices for FEC Compliance**

- A. Bank Reconciliation

It is estimated that the required training will take approximately four to seven hours. Please contact Rosa Marshall at (202) 694-1152 within thirty (30) days of the effective date of this agreement to provide attendee information and schedule a training date and time.