



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 6, 2020

William Derrough, Treasurer
430 South Capitol Street SE
Washington, DC 20003

**Response Due Date
April 27, 2020**

Re: ADR 961 (RAD 20L-05)
DNC Services Corp./Dem. Nat'l Committee and William Derrough, Treasurer

Dear William Derrough:

The Federal Election Commission (FEC or Commission) referred a compliance issue to the FEC's Alternative Dispute Resolution Office (ADR Office) for processing. The referral by the Reports Analysis Division (RAD) was based on a review of reports filed by DNC Services Corp./Dem. Nat'l Committee which reflect a possible failure to comply with the Federal Election Campaign Act of 1971, as amended.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with DNC Services Corp./Dem. Nat'l Committee and William Derrough, Treasurer (Respondents or the Committee). The ADR Program provides Respondents with an opportunity to negotiate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADR Office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the ADR Program, you must: 1) indicate in writing a willingness to have your case submitted for ADR processing; 2) agree to participate in the bilateral interest based negotiations; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADRO, and the focus of our subsequent negotiations are summarized as follows:

RAD referred DNC Services Corp./Dem. Nat'l Committee and William Q. Derrough, Treasurer (Respondents or the Committee) for failing to disclose all financial activity on its 2019 May Monthly Report, originally filed on May 20, 2019. On June 20, 2019, the

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
1050 FIRST STREET N.E., WASHINGTON, DC 20463
TELEPHONE: 202.694.1136
EMAIL: ADR@FEC.GOV

Committee filed an Amended 2019 May Monthly Report including \$946,780.40 in additional receipts.

In a Form 99 (Miscellaneous Electronic Submission) filed on December 30, 2019, the Committee stated that the failure to include all receipts in the original report was due to an unrecognized technical error in the Committee's new accounting software. The Committee further stated that it has since worked with its software vendor to prevent a similar error in the future.

If after reviewing this letter and the enclosed ADR Frequently Asked Questions, which describe the ADR program, Respondent(s) would like to participate in ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR form. **Failure to respond affirmatively within fifteen (15) business days from the date of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR.** In that event, your case will be sent to the FEC's Office of General Counsel for further processing, and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as **ADR 961**. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,



Joshua A. Rebollozo
ADR Specialist
Alternative Dispute Resolution Office