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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE****MEMORANDUM**

August 7, 2020

TO: The Commission

THROUGH: Alec Palmer *AP*  
Staff Director

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

Krista J. Roche *KJR*  
Director, ADR Office

Joshua A. Rebollozo *JAR*  
ADR Specialist, ADR Office

SUBJECT: Recommendation to Approve Negotiated Settlement  
ADR 961 - DNC Services Corp/Democratic National Committee and William Derrough, Treasurer (C00010603)

RESOLUTION TERMS: Certify that a representative of the Committee participated in an FEC conference, webinar, or other program developed in consultation with the FEC's Information Division and pay a civil penalty of \$10,500.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 961 (RAD 20L-05). The ADR Office received this referral on March 23, 2020.

**SUMMARY:** The Reports Analysis Division (RAD) referred DNC Services Corp/Democratic National Committee and William 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 Committee filed an Amended 2019 May Monthly Report including \$946,780.40 in additional receipts.

Respondents state, as previously detailed in a Form 99 (Miscellaneous Electronic Submission) filed on December 30, 2019, that the unintentional omission was due to an unrecognized technical error in the Committee's new accounting software.

Respondents additionally state that the Committee has since corrected the error with the software vendor and implemented additional procedures to prevent a similar error in the future.

**RECOMMENDATIONS:**

1. Approve the attached negotiated settlement of DNC Services Corp/Democratic National Committee and William Derrough, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.