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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE**MEMORANDUM**

June 14, 2021

TO: The Commission

THROUGH: Alec Palmer *AP*
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: Recommendation to Approve Negotiated Settlement
ADR 990 - Friends of Dave Joyce (C00527457)
and Natalie Baur, Treasurer

RESOLUTION TERMS: Certify that the internal control procedures consistent with those described in the Commission's Internal Controls and Political Committees advisory document (2007) and the Best Practices for Committee Management have been followed consistently for two (2) years from the effective date of this agreement.

Attached for your review is a signed Negotiated Settlement pertaining to ADR 990 (P-MUR 623). The ADR Office received this referral on January 27, 2021.

SUMMARY: Friends of Dave Joyce and Natalie Baur, Treasurer (the Committee or Respondents) filed a *sua sponte* submission dated February 15, 2019, and a supplement to the *sua sponte* dated October 10, 2019 (collectively, the Submission), to disclose that the former treasurer¹, embezzled \$174,952.40 from the Committee between January 1, 2015 and November 30, 2018, resulting in the Committee filing inaccurate reports with the FEC.

¹ The former treasurer is disclosed as the treasurer on the Committee's Statement of Organization from August 20, 2012 to December 12, 2018.

In the Submission, Respondents state that in response to the embezzlement, a comprehensive financial audit was performed by a professional auditor and a new treasurer has been appointed. In addition, Respondents state that the Committee implemented additional internal controls to help prevent future instances of malfeasance and misappropriation. The Geauga County (Ohio) Prosecutor's Office, conducted a criminal investigation and on August 29, 2019, the former treasurer plead guilty to a grand theft charge and was sentenced to 30 days in jail.

The Committee filed a Form 99 (Miscellaneous Electronic Submission) on August 29, 2019 summarizing the fraudulent activities attributable to the former treasurer and provided itemized transaction information that was either previously not reported or underreported. On October 15, 2019, the Committee filed its 2019 October Quarterly Report and disclosed a cash-on-hand adjustment totaling \$4,695.31. In the report, Respondents state that the cash-on-hand adjustment is due to the findings of its comprehensive financial audit.

RECOMMENDATIONS:

1. Approve the attached Negotiated Settlement of Friends of Dave Joyce and Natalie Baur, Treasurer.
2. Approve the appropriate letters.
3. Close the file on this matter.