



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OCT 12 2007

Glenn M. Willard, Esq.
Patton Boggs LLP
2550 M Street, NW
Washington, DC 20037

RE: MUR 5872
Jane Hague for Congress and Jeff
Davis, in his official capacity as
treasurer

Dear Mr. Willard:

On October 4, 2007, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. §§ 432(c)(5), 434(b)(4)(G), and 434(b)(6)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. § 104.3(b). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Kate Belinski".

Kate Belinski
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

MUR 5872

Hague for Congress and Jeff Davis,
in his official capacity as treasurer

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Hague for Congress and the now former treasurer in his official capacity, Lindsey Echelbarger ("Respondents"), violated 2 U.S.C. §§ 432(c)(5), 434(b)(4)(G), and 434(b)(6)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 104.3(b) by failing to accurately account for and report unauthorized disbursements that had been embezzled. Jeff Davis replaced Lindsey Echelbarger as treasurer on March 9, 2007.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

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1. Hague for Congress ("the Committee") is a political committee within the meaning of 2 U.S.C. § 431(4) and is the principal campaign committee for Jane Hague, a candidate for the U.S. House of Representatives from Washington's 1st Congressional District. Lindsey Echelbarger was the treasurer for the Committee during the relevant time, but has been replaced by Jeff Davis.

2. The Act requires political committees, through their treasurers, to file complete and accurate reports with the Commission. 2 U.S.C. § 434; 11 C.F.R. § 104.

3. The Act requires a committee treasurer to keep an account of the name, address, date, amount and purpose of all disbursements made by the committee and to keep copies of receipts, invoices or cancelled checks for each disbursement in excess of \$200. 2 U.S.C. § 432(c)(5).

4. The Act also requires authorized committees to report the name and address of each person who receives a disbursement in an aggregate amount or value in excess of \$200 within an election cycle as well as the date and amount of the disbursement. An authorized committee is also required to report the total amount of all disbursements made by the committee. 2 U.S.C. §§ 434(b)(4)(G) and (6)(A); 11 C.F.R. §104.3(b).

5. The Committee contends that it contracted with a consultant to review the committee's receipts and disbursements, reconcile those receipts and disbursements to the bank statements and accounting records, and file accurate FEC disclosure reports, and that it understood the consultant to be an experienced and reputable campaign finance consultant.

6. Jennifer Hildebrand worked for the Committee from May 2003 to January 2005. The Committee delegated to Hildebrand tasks that would customarily be performed by a campaign manager and bookkeeper. She was responsible for recording all checks that were paid out by the Committee, and had authority to write checks on behalf of the Committee. The

Committee contends that she was given this responsibility because she had been a trusted family friend of Jane Hague.

7. From October 13, 2003, through November 29, 2004, Hildebrand made unauthorized disbursements to herself totaling \$56,409.82 by writing approximately 50 checks payable to "Jennifer Hildebrand" and one check payable to a daycare provider. Hildebrand concurrently reported to the campaign finance consultant false disbursements of Committee Funds. These same inaccurate disbursement reports were reported in a timely manner to the FEC. The Committee contends that Jane Hague reviewed the FEC reports and considered them consistent with what she had authorized.

8. The Committee failed to adequately control its finances. The Committee contends that the consultant failed to monitor Hildebrand's activities and to reconcile the receipts and disbursements with the bank and accounting records, resulting in Hildebrand's ability to misappropriate Committee funds. As a result of Hildebrand's close family connection with Jane Hague and the expectation that the consultant was reconciling Hildebrand's reporting of receipts and disbursements, neither Jane Hague nor anyone else connected with the Committee thought there was reason to question Hildebrand's accounting.

9. In January 2005, Hague asked Hildebrand to deliver to her all of the Committee's financial records. Hildebrand delivered only a portion of the financial records and, shortly thereafter, Jane Hague became aware that Hildebrand had embezzled funds from the Committee's federal campaign account and immediately advised the Office of the U.S. Attorney for the Western District of Washington of this fact. The Committee did not immediately know how much was embezzled so it conducted an internal review that determined that Hildebrand misappropriated \$56,409.82 from the Committee. According to the Committee, the investigation and internal review was a lengthy process due to missing records and having to reconstruct

transactions. In November 2005, the Committee voluntarily notified the Commission about the unauthorized disbursements to Hildebrand and voluntarily filed amended reports with the Commission in February 2006. Hildebrand has paid back to the Committee the entire \$56,409.82.

10. Due to Hildebrand's undiscovered and unauthorized disbursements, the Committee filed inaccurate reports with the Commission for activity occurring between October 2003 and November 2004. The Committee failed to disclose \$45,109.82 in unauthorized disbursements to Hildebrand on its 2003 Year-End Report, 2004 April Quarterly Report, 2004 July Quarterly Report, 2004 October Quarterly Report and 2004 Year-End Report.

11. The Committee is no longer active and has no funds in its campaign account.

V. Respondents violated 2 U.S.C. §§ 432(c)(5), 434(b)(4)(G), 434(b)(6)(A) and 11 C.F.R. § 104.3(b) by failing to timely report disbursements totaling \$45,109.82.

VI. Respondents will take the following actions:

1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of \$1,800 pursuant to 2 U.S.C. § 437g(a)(5)(A).

2. Respondents will cease and desist from violating 2 U.S.C. §§ 432(c)(5), 434(b)(4)(G), 434(b)(6)(A) and 11 C.F.R. §104.3(b)

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Thomasenia Duncan
General Counsel

By: _____


Ann Marie Terzaken
Acting Associate General Counsel
for Enforcement

Date

10/10/07

FOR THE RESPONDENTS:


Glenn M. Willard
Counsel for Respondents

Date

9/25/07