



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 079

Source: RR 02L-04

Case Name: Bexar County Democratic Party
and Art A. Hall, Treasurer

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 Federal Election Commission ("Commission") entered into negotiations with Larry Zinn, Esq., representing Bexar County Democratic Party and Art A. Hall, Treasurer ("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 authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondents voluntarily enter into this agreement with the Commission.
3. The Reports Analysis Division ("RAD") determined that Respondents failed to file a Schedule D and note on the summary page of the July 2000 Quarterly Report debts totaling \$62,193.43 owed by Respondents. In addition, RAD also noted that Respondents disclosed a negative ending cash balance of \$55,700 on the 2000 12 Day Pre-General Report, suggesting an incurred debt or obligation which had not been disclosed on Schedule D.
4. Respondents contend that, following an extensive investigation of the reports and records at issue, it appears that the first issue, i.e., the debts of \$62,193.43, were from the 1996 election cycle, and are still outstanding. The previous treasurer, for some reason unknown to the current treasurer,

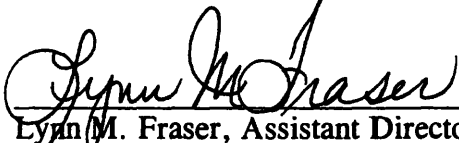
discontinued reporting the debts beginning with the 2000 July Quarterly Report, and ignored the Respondents' requests for additional information and documents to address the inquiry.

5. Respondents contend the second issue, i.e., the \$55,700 negative cash balance on the 2000 12 Day Pre-General Report, appears to have occurred because the previous treasurer failed to allocate or mischaracterized the expenditures. These expenditures appear to have been for local and state GOTV (Get Out the Vote) efforts, but were all allocated to federal activity.
6. Respondents, in an effort to avoid similar errors in the future, agrees to (a) work with RAD staff and file all amended reports as required; (b) appoint committee staff to serve as the FEC compliance officer; and (c) have the compliance officer develop a manual on reporting requirements.
7. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
8. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of the settlement within forty-five (45) days from the effective date of this agreement.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 079 (RR 02L-04), and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office

May 19, 2003
Date Signed

FOR THE RESPONDENTS:


Larry Zinn, Esq.
Counsel for Bexar County Democratic Party and
Art A. Hall, Treasurer

5/8/03
Date Signed

23-19-025-2088