



FEDERAL ELECTION COMMISSION
Washington, DC 20463

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COMMISSION
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2005 MAY -9 A 9:40

May 6, 2005

MEMORANDUM

SENSITIVE

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

**SUBJECT: ADR 226 Nebraska Republican Federal Campaign Committee and
Demarus Carlson, Treasurer, Settlement Agreement**

Attached for your review is a signed negotiated ADR settlement agreement pertaining to **ADR 226** (RR 04L-11), Nebraska Republican Federal Campaign Committee and Demarus Carlson, Treasurer (the "Respondents" or "Committee"). This matter was opened on January 21, 2005 and assigned to the ADR Office on February 7, 2005.

ADR 226: RAD determined that the Committee failed to disclose all its financial activity on its original 2003 Mid Year Report. Specifically, RAD concluded that Respondents omitted \$100,811.10 in additional disbursements from their original 2003 Mid-Year Report that was subsequently disclosed on an amended report filed on 5/14/04. In response to a Request for Additional Information, dated 6/23/04, requesting clarification regarding the additional disbursements, Respondents advised that errors in their 2003 Mid Year Report were due to staff turnover and software problems, which caused several disbursements to be omitted on the Committee's original Mid Year Report.

Recommendations:

1. Approve the attached settlement agreement pertaining to Nebraska Federal Campaign Committee and Demarus Carlson, Treasurer;
2. Send the appropriate letters and close the file.

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Case Number ADR 226
Source RR 04L-11
Case Name NE Republican Federal
Campaign Committee

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following a review of the record and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended ("the FECA" or "Act"), and to resolve this matter, the Commission entered into negotiations with Jessica Moenning on behalf of the Nebraska Republican Party and Demarus Carlson, Treasurer (the "Respondents" or the "Committee"). 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 have addressed all the issues raised in this matter. The parties have agreed to resolve the matter according to the following terms:

1. The Commission has entered into this agreement as part of its responsibility for administering the Federal Election Campaign Act and in an effort to promote compliance with the FECA on the part of Respondents. The Commission's use of ADR procedures 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. The Respondents have voluntarily entered into this agreement with the Commission.
3. The Reports Analysis Division (RAD) determined that Respondents failed to disclose all the Committee's financial activity on its original 2003 Mid Year Report. RAD concluded that Respondents disclosed additional disbursements of \$100,811.10 on an amended 2003 Mid Year Report representing an increase of 160% over the total amount reported on the initial Report.
4. Treasurers of political committees are required to file reports of receipts and disbursements in accordance with the provisions of the Act and regulations. Each report shall disclose for the reporting period and the calendar year the total amount of all disbursements, all expenditures made to meet a committee's operating expenses and any other disbursements. 2 U.S.C. §§ 434(a)(1), 434(b)(4)(A) and 434(b)(4)(H)(v) and 11 C.F.R. §§ 104.3(b)(1)(i)(A), (B) and (b)(1)(ix)(A), (B) and (C).
5. A State, district, or local committee of a political party that pays allocable expenses in accordance with 11 C.F.R. § 106.7 shall report each disbursement from its Federal account for allocable expenses, or each payment from an allocation account for such activity. In the report covering the period in which the disbursement occurred, the State, district or local

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committee shall state ... the amounts allocated to Federal and non-Federal portions of the allocable activity. 11 C.F.R. § 104.17(b)(3)(i).

6. Respondents acknowledged that the failure to file accurate reports of the Committee's financial activity was due to internal staffing problems and difficulties with software, which caused several disbursements to be omitted from the 2003 Mid Year Report. Respondents noted recent changes in staff and the adoption of new operating procedures as a measure of the Committee's new officers' commitment to comply with the requirements of the FECA.
7. In order to avoid similar errors in the future, Respondents agree to: 1) send, within twelve months of the effective date of this agreement, a minimum of four officers and/or staff of the Committee to a FEC seminar on Federal election campaign reporting requirements; 2) set-up and maintain in the Committee's offices a resource center to guide the Committee in complying with the requirements of the FECA; 3) amend internal procedures to provide for an additional review of reports of the Committee's financial activity prior to submittal to the Commission; and 4) pay a civil penalty of \$10,000.
8. Respondents agree that all information provided to resolve this matter is true and accurate to the best of their knowledge and that they sign this agreement under penalty of perjury pursuant to 28 U.S.C. § 1746.
9. The parties agree that if the 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 and/or forward any outstanding civil penalty to the US Treasury for collection.
10. This agreement will become effective on the date signed by the parties and approved by the Commission. Respondents shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement for items two and three in paragraph seven (7) above and within twelve (12) months for item one and four of paragraph seven (7).
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 226/RR 04L-11 and effectively resolves this matter. No other statement, promise or Agreement, either written or oral, made by either party, not included in herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silberman,
Director Alternative Dispute Resolution Office

Allan D. Silberman

Date

FOR THE RESPONDENTS:

Jessica Moenning, Executive Director
Nebraska Republican Party

Date

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