



FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, DC 20463

December 9, 2005

Mr. Cordell Chigbrow, CPA
Chigbrow, Ryan & Company, CHTD
1087 W. River Street
Boise, ID 83707

Re: ADR 284/AR 05-04

Dear Mr. Chigbrow:

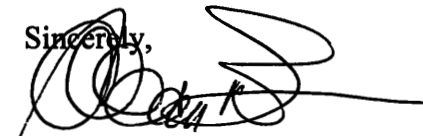
Enclosed is the signed copy of the agreement between the Federal Election Commission and the Idaho Republican Party and Andrew Fales, Treasurer, resolving the matter that was arose from an audit by the FEC's Audit Division of the financial records of the Committee. The agreement, ADR 284/AR 05-04, was approved by the Federal Election Commission on December 9, 2005 -- the effective date of the agreement.

As you are aware, the settlement agreement will be made part of the record that is released to the public. In addition, as of January 1, 2004, the Commission also will place on the record copies of correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared by this office to assist the Commission in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement effectively resolves the issues raised in the aforementioned audit of the Committee's records.

I appreciate your assistance in resolving this matter and helping to bring this case to a mutually satisfactory conclusion.

Sincerely,


Allan D. Silberman,
Director, ADR Office

Enclosure: a/s

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Washington, DC 20463

Case Number: ADR 284

Source: AR 05-04

Case Name: Idaho Republican Party

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 Cordell Chigbrow, CPA on behalf of the Idaho Republican Party and Andrew Fales, 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. An audit of Respondent's records for the 2002 election cycle concluded that the Committee failed to adequately disclose the occupation and/or the name of the employer for approximately 31% --171 out of 554 -- of the contributions (i.e., \$98,169.39 in contributions) received from individuals listed on Respondent's disclosure reports. In addition, Respondents failed to maintain "best efforts" notices and were unable to submit copies of the same to document the aforementioned effort. The audit determined that the wording "information requested" was filled in for 90% of the Committee's listed entries but the Committee was unable to demonstrate that it had made any follow-up request for the missing information.
4. Each report filed by political committees shall disclose the identification of each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(A) and 11 C.F.R. § 104.8(b). Identification means, in the case of an individual, his or her full name,

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mailing address, occupation, and the name of his or her employer. 2 U.S.C. § 431(13)(A) and 11 § C.F.R. § 100.12.


5. When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by the Act for the political committee, any report or any records of such committee shall be considered in compliance with the Act. 2 U.S.C. § 432(h)(2)(i) and 11 C.F.R. § 104.7(a).
6. With regard to reporting the identification of each person whose contributions to the political committee aggregate in excess of \$200 in a calendar year, the treasurer and the political committee will only be deemed to have exercised **best efforts** to obtain, maintain and report the required information if: (1) all written solicitations for contributions include a clear request for the contributor's full name, mailing address, occupation and name of employer and include an accurate statement of Federal law requiring the collection and reporting of individual contributor identification; (2) the request and statement shall appear in a clear and conspicuous manner on any response material included in a solicitation; (3) for each contribution received aggregating in excess of \$200 per calendar year which lacks required contributor information, the treasurer makes at least one effort after receipt of the contribution to obtain the missing information; (4) such effort shall consist of either a written request sent to the contributor or an oral request to the contributor documented in writing; (5) the written or oral request must be made no later than thirty (30) days after receipt of the contribution; (6) the written or oral request shall not include material on any other subject or any additional solicitation, except that it may include language solely thanking the contributor for the contribution; (7) the request must clearly ask for the missing information. The treasurer reports all contributor information not provided by the contributor, but in the political committee's possession, regarding contributor identification. If any of the contributor information is received after the contribution has been disclosed on a regularly scheduled report, the political committee shall either file with its next regularly scheduled report an amended memo or file on or before its next regularly scheduled reporting date amendments to the report. 2 U.S.C. § 432(i) and 11 C.F.R. § 104.7(b).
7. Respondents explained that the software program they were using automatically entered "information requested" in the occupation or employer field when it was left blank on the reporting form. Respondents advised that no further effort to obtain the missing information was undertaken by the Committee's staff.
8. Respondent's contend that the periodic turnover in the Committee's staff and the irregular employment of professional staff to assist the Committee in complying with the Act's reporting requirements and the lack of the appropriate records led to the aforementioned violations. Since the subject violations were brought to the Committee's attention, professional support has been contracted and new procedures put in place to ensure that records are maintained and follow-up letters sent when the required contributor information is missing
9. Respondents, in order to avoid similar errors in the future, agree to: 1) establish new internal operating procedures that will require prior review and documentation by the Committee before expenditures are authorized, copies of which will be forwarded simultaneously to their accountant's office; 2) contact the contributors whose required employment and/or occupation information was missing from the 2002 election cycle

reporting to obtain the aforementioned information, provide documentation of that "best effort" and file amended report disclosing such information obtained from the latter contributors, and 3) pay a civil penalty of \$10,000.

10. 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.
11. 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.
12. 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 from the effective date of this agreement.
13. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 284/AR 05-04 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


Allan D. Silberman

Dec. 9, 2005
Date

FOR THE RESPONDENTS:


Cordell Chigbrow, CPA,
on behalf of the Idaho Republican Party

11/29/05
Date

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