



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 14, 2010

Heather Sidwell Morris
310 First Street SE
Washington, DC 20003

Re: ADR 535 (RAD 10L-02)
Republican National Committee

Dear Ms. Morris:

Enclosed is the signed copy of the agreement resolving the referral initiated on January 15, 2010 by the Federal Election Commission ("FEC/Commission") involving the Republican National Committee ("Respondent"). The agreement for **ADR 535(RAD 10L-)** was approved by the Commission on July 13, 2010 – the effective date of the agreement.


Note the specific time frames for compliance in paragraph 8 of the agreement. **Please forward to this office, a statement confirming Respondent's compliance with the terms listed in the aforementioned agreement.** The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 8, and contain the ADR caption and case number. **The civil penalty payment should be sent to the attention of the Accounting/Finance Office of the FEC. The civil penalty under the agreement is due on or before August 12, 2010. Please put the ADR case number on the civil penalty check as well, to ensure crediting to the correct case.**

As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the complaint/referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist 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.

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This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,


Lynn M. Fraser, Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office
Room 819



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 535
Source: RAD 10L-02
Case Name: Republican
National Committee

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 Commission entered into negotiations with Heather Sidwell Morris, Esq., representing the Republican National Committee and Randall Pullen, in his official capacity as Treasurer (the Committee or 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 guided by "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) referred Respondents for a series of reporting errors and other alleged FECA violations during the 2008 election cycle. The Committee's errors included, among other items: prohibited or otherwise impermissible contributions; math discrepancies; failing to provide supporting schedules; independent expenditure issues; and coordinated expenditure issues.
4. RAD also referred the Committee for receiving excessive contributions from thirty-four (34) individuals and three (3) multicandidate political committees that were not refunded, reattributed or transferred out within sixty (60) days of the date of receipt by the joint fundraising committee, which the Committee was a participant. Further, RAD referred the Committee for receiving prohibited receipts from twelve (12) corporations which were not refunded or transferred out within thirty (30) days of the date of receipt by the joint fundraising committee, which the Committee was a participant. The aforementioned contributions total \$309,540 as disclosed on the 2008 June Monthly, October Monthly, 12 Day Pre-General and 30 Day Post-General Reports.

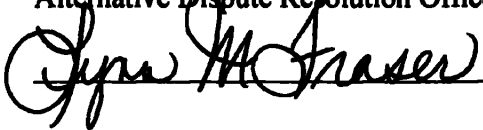
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5. A political committee may be referred if, after an internal review of reports filed by the committee, the Commission determines the reports do not meet the threshold requirements for substantial compliance with the FECA. 2 U.S.C. § 437(g).
 6. No person shall make contributions to the political committees established and maintained by a national political party in any calendar year that in the aggregate exceed \$28,500. 11 C.F.R. § 110.1(c)(1) (2008). A national committee of a political party (including a national congressional campaign committee of a political party) may not solicit, receive, or direct to another person a contribution, donation, or transfer of funds or any other thing of value, or spend any funds, that are not subject to the limitations, prohibitions, and reporting requirements of this Act. 2 U.S.C. § 441i(a), 11 C.F.R. § 300.10(a)(1).
 7. Respondents contend that the issues referred in ADR 535 arose in the context of the several joint fundraising committees ("JFCs") in which Respondents participated in 2008, particularly the delay between the date a contribution was made to a particular JFC and the date proceeds were distributed to the participating committees by the JFC and the failure of the JFC to adequately identify duplicate contributions and track year-to-date ("YTD") totals for contributors. Specifically, Respondents assert that they made every attempt to refund contributions within sixty (60) days of receiving the distribution from the JFC, and that all excessive/prohibited contributions were refunded well within sixty (60) days of receipt from the JFC. The Committee also took action on all other issues raised in communications from RAD, and filed amended reports to correct the record.
 8. Respondents, in an effort to avoid similar issues in the future, agree to: (a) develop and implement protocols for vendors to identify duplicate contributions and accurately track YTD totals within thirty (30) days of the effective date of this agreement; (b) develop and implement protocols for all vendors retained by joint fundraising operations involving Respondents to identify duplicate as well as impermissible contributions and to accurately track YTD totals for all contributions with respect to each of the JFC participants as a condition of Respondents' participation in the JFC within sixty (60) days of the effective date of this agreement; (c) develop a written joint fundraising operation compliance manual for staff and vendor reference within one hundred twenty (120) days of the effective date of this agreement; (d) develop and maintain an internal reporting and control system to track Requests for Additional Information and prepare appropriate responses within thirty (30) days of the effective date of this agreement; and (e) pay a civil penalty of \$20,000 within thirty (30) days of the effective date of this agreement.
 9. 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.
 10. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.

11. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms of this agreement as set out in paragraph 8 above.
12. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 535 (RAD 10L-02), and resolves those issues identified in paragraph 3 and 4 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.


FOR THE COMMISSION:

Lynn M. Fraser, Director
Alternative Dispute Resolution Office

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7-13-2010
Date Signed

FOR THE RESPONDENTS:

_____
Heather Sidwell Morris, Deputy Counsel
Representing the Republican National
Committee and Randall Pullen, Treasurer

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Date Signed