



**Federal Election Commission  
Washington, DC 20463**

December 20, 2012

Robert Kelner, Esq.  
COVINGTON & BURLING  
1201 Pennsylvania Avenue, NW  
Washington, DC 20004-2401

Re: ADR 611 (PMUR 526)  
Geoff Davis for Congress and Kevin Broghamer, Treasurer

Dear Mr. Kelner:

Enclosed is the signed copy of the agreement resolving the *sua sponte* submission dated August 5, 2011, with the Federal Election Commission (FEC/Commission) by Geoff Davis for Congress and Kevin Broghamer, Treasurer (Respondents). The agreement for ADR 611 (PMUR 526) was approved by the Commission on December 18, 2012 – the effective date of the agreement.

Note the specific time frames for compliance in paragraph 6 of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 6 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 6 and contain the ADR caption and case number.

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 *sua sponte* submission 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.

This agreement resolves the issues involved in the *sua sponte* submission. I appreciate your assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



Krista J. Roche, Assistant Director  
Alternative Dispute Resolution Office  
202-694-1661

Enclosure: Agreement

cc: Gwendolyn Holmes, Finance and Accounting Office

13190292997



Federal Election Commission  
Washington, DC 20463

Case Number: ADR 611  
Source: P-MUR 526  
Case Name: Geoff Davis for Congress

### NEGOTIATED SETTLEMENT

This matter was initiated by a *sua sponte* submission filed on behalf of Geoff Davis for Congress. 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 Robert Kelner, Esq. representing Geoff Davis for Congress and Kevin Broghamer, 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 submission. 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. In a *sua sponte* submission dated August 5, 2011, Respondents indicated that the Committee's disclosure reports from January 1, 2007 through June 30, 2010 contained reporting errors totaling \$50,741. In addition, the submission indicated that former Treasurer, Joe Green, made unauthorized payments of Committee funds to himself totaling \$7,343.03. These errors were caused by the Committee's failure to report its former treasurer's unauthorized payments to himself, the failure to report direct mailing postage refunds and returned contribution checks, the overreporting of bank fees, and computation errors.
4. Treasurers of political committees are required to report all financial activity, including all receipts and disbursements, pursuant to the FECA. 2 U.S.C. §§ 434(b)(2) and (4), 11 C.F.R. §§ 104.3(a) and (b).
5. Respondents contend that several unauthorized payments to the former treasurer were discovered by the Committee's compliance officer. According to Respondents, upon

13190292999

this discover, the former treasurer's employment was promptly terminated, and the Committee hired a law firm and notified local law enforcement. The Committee then hired an accountant to perform a comprehensive audit which revealed additional errors that were subsequently disclosed to the Commission. Upon completion of the audit, Respondents indicate they worked with the Reports Analysis Division to file an amendment in order to correct the record.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) conduct annual reconciliation of the Committee's financial activity to its reports annually for two (2) years beginning with CY 2012 and certify the results with the Commission no later than March 1 of the succeeding year unless the Committee elects to terminate prior; (b) draft and certify implementation of internal control procedures consistent with the Commission's Best Practices for Committee Management (2009 update) within thirty (30) days of the effective date of this agreement; and (c) pay a civil penalty of \$1,000 within thirty (30) days of the effective date of this agreement.
7. 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.
8. 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.
9. 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 6 above, and shall certify compliance with the above settlement terms in writing to the Alternative Dispute Resolution Office on or before the date each term becomes due.
10. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 611 (P-MUR 526), and resolves those issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Krista J. Roche, Assistant Director  
Alternative Dispute Resolution Office



FOR THE RESPONDENTS:



Robert Kelner, Esq.  
Representing Geoff Davis for Congress and  
Kevin Broghamer, Treasurer

12-18-12  
Date Signed

6-25-12  
Date Signed