



Federal Election Commission
Washington, DC 20463

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MEMORANDUM

March 6, 2014

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia C. Orrock *PCO*
Chief Compliance Officer

Lynn M. Fraser *LMF*
Director, ADR Office

SUBJECT: ADR 698 Official 12th Dist Dem Party and James Jackson, Treasurer,
Recommendation to Dismiss

The Commission referred Pre-MUR 524 to the ADR Office on December 17, 2013, and the matter was designated as ADR 698. The ADR Office recommends the Commission exercise prosecutorial discretion and dismiss the matter. *Heckler v. Chaney* 470 U.S. 821 (1985). We include a summary and discussion of the matter for your information.

Summary of Matter: The Official 12th Dist Dem Party and James Jackson, current Treasurer (Respondents or the Committee) filed a *sua sponte* submission on August 12, 2011 informing the Commission that the former Treasurer, Debra Doherty, made six unauthorized withdrawals totaling \$14,500 between January 15, 2010 and January 24, 2011, and also failed to file two reports in 2010.

This matter should be dismissed based on these facts: the Committee had internal controls which revealed the unauthorized transactions; the former Treasurer was removed from her position; all the funds taken without authorization have been repaid to the Committee; all incorrect or missing reports were filed to correct the record; and the Committee enhanced its internal controls to further protect its financial integrity.

The Committee contends that in early 2011, the Committee learned that the former Treasurer did not file the 2010 30 Day Post-General Report or the 2010 Year-End Report. In February 2011, the former Treasurer was removed from her position by the Committee. It took several weeks and repeated attempts before the former Treasurer returned the Committee's check book, bank

records, and other financial documents. Respondents then conducted a thorough reconciliation of these financial records and the reports filed with the Commission. Respondents contend that in this internal audit it was discovered that unauthorized withdrawals totaling \$14,500 had been made in the form of checks payable to cash and signed only by the former treasurer contrary to the Committee's pre-existing policy that required two officer signatures for each committee check.

RECOMMENDATION:

- 1. Dismiss ADR 698 (Pre-MUR 524), and close the file.**
- 2. Approve the appropriate letters.**

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