



**Federal Election Commission
Washington, DC 20463**

November 13, 2012

Kevin Broghamer
Friends of Todd Young, Inc.
502 Monroe Street
Newport, KY 41071

Re: ADR 622 (Audit 11-06)
Friends of Todd Young and Larry Ness, Treasurer

Dear Mr. Broghamer:

Enclosed is the signed copy of the agreement resolving the audit referral initiated on August 8, 2012 by the Federal Election Commission ("FEC/Commission") involving Friends of Todd Young and Larry Ness, Treasurer ("Respondents"). The agreement for ADR 622 was approved by the Commission on November 8, 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 certifying 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 6, 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 December 8, 2012.¹ 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

¹ Please note, if the Commission refers an unpaid civil penalty to the US Treasury or third party collection agent, additional costs and fees will be assessed.

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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 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: Agreement

cc: Gwen Holmes, Finance and Accounting Office
Room 819

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Federal Election Commission
Washington, DC 20463

Case Number: ADR 622

Source: AD 11-06

Case Name: Friends of Todd Young

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 Kevin Broghamer, representing the Friends of Todd Young and Larry Ness, 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 Audit Division referred Respondents for accepting apparent excessive contributions totaling \$94,854. The audit determined that the errors occurred as a result of the Committee not resolving the excessive portion of contributions timely by either sending a presumptive letter to contributors or by issuing a refund.
4. No person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$2,400. No candidate or political committee shall knowingly accept any contributions prohibited by the FECA, 2 U.S.C. §§ 441a(a) and (f), 11 C.F.R. §§ 110.1(b), 110.9 (2010).
5. Respondents acknowledge inadvertently failing to resolve excessive contributions timely. Respondents contend the campaign committee, in its first campaign, was staffed by volunteers with little or no oversight by experienced managers. After the election, the

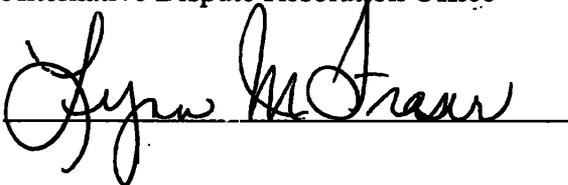
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Committee hired experienced staff, and revised financial procedures, including consistent bank reconciliations, an automated donor database, weekly reports and compliance training.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) develop and certify implementation of a compliance operations manual which includes internal controls consistent with the Commission's Best Practices for Committee Management (2009 update) and a process to track receipt of, and response to, communications with the Commission within sixty (60) days of the effective date of this agreement; and (b) disgorge \$16,958 to the US Treasury within thirty (30) days of the effective date of this agreement; and (c) pay a civil penalty of \$5,000 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 622 (AD 11-06), 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:

Lynn M. Fraser, Director
Alternative Dispute Resolution Office



11-8-2012
Date Signed

FOR THE RESPONDENTS:



Kevin Broghamer
Representing the Friends of Todd Young and
Larry Ness, Treasurer

9/19/2012
Date Signed

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