



**Federal Election Commission
Washington, DC 20463**

August 20, 2014

Kevin Broghamer, Treasurer
Rand Paul for US Senate 2010
P.O. Box 72928
Newport, KY 41072

Re: ADR 705 (RR13L-46)
Rand Paul for US Senate 2010 and Kevin Broghamer, Treasurer

Dear Mr. Broghamer:

Enclosed is the signed copy of the Negotiated Settlement resolving the referral initiated on October 13, 2014 by the Federal Election Commission ("FEC/Commission") involving the above-shown Respondents. The Negotiated Settlement was approved by the Commission on August 6, 2014 – 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 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 September 5, 2014.¹ 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 Negotiated Settlement 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 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.

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.

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,



Krista J. Roche
Assistant Director
Alternative Dispute Resolution Office

Enc: Negotiated Settlement

cc: Gwendolyn Holmes, Finance and Accounting Office

17-1080N0010001



**Federal Election Commission
Washington, DC 20463**

**Case Number: ADR 705
Source: RAD 13L-46
Case Name: Rand Paul for US Senate 2010**

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 Rand Paul for US Senate 2010 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 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 referred Respondents for failing to disclose all financial activity. The Committee amended its 2009 Year-End, 2010 April Quarterly, 2010 12 Day Pre-Primary, 2010 July Quarterly, 2010 October Quarterly, 2010 12 Day Pre-General, and 2011 April Quarterly Reports to disclose additional receipts of \$266,577.04 and additional disbursements of \$90,695.87, which were not disclosed on original reports.
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. On March 1, 2013, the Committee filed a Miscellaneous Paper Submission ("Form 99") that stated the new treasurer instituted a full review of all financial activity, including a comprehensive analysis and reconciliations of records and reports, since

the inception of the Committee. The Committee contends that, based on this thorough review, amendments were prepared and filed promptly with the FEC. The Committee states that since hiring the new treasurer procedural changes have been implemented to ensure errors of this nature do not occur in the future including utilizing a new electronic database and filing software, switching accounts to a financial institution with a robust remote online deposit system, dividing disbursement responsibilities, adding additional reconciliations prior to reporting, performing regular reviews of donors to ensure prompt reattribution/redesignation/refunds, and circulating weekly reports to the Committee.

6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) certify the closure of the Committee's federal account and work with Commission staff to terminate their political committee status and reporting obligations with the Commission within ninety (90) days of the effective date of this agreement; and (b) pay a civil penalty of \$9,500 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 705 (RAD 13L-46), 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.

