



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Neil Reiff, Esquire
Steve Hershkowitz, Esquire
Sandler, Reiff & Young, P.C.
300 M Street, S.E.
Suite 1102
Washington, D.C. 20003

AUG 27 2009

Re: MUR 6177
21st Century Democrats
Bill Combs, in his official capacity as treasurer

Dear Messrs. Reiff and Hershkowitz:

On August 24, 2009, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 432(c) and (d), 434(b)(1) – (5), (8), and 11 C.F.R. §§ 102.9(a)(1), (2) and (4), 104.3(d), 104.11(a) and (b), provisions of the Federal Election Campaign Act of 1971, as amended, and the Commission's regulations. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. §437g (a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due on September 1, 2009. If you have any questions, please contact me at (202) 694-1650.

Sincerely,


Kamau Philbert
Staff Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 6177
21st Century Democrats and)
Bill Combs, in his official)
capacity as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that 21st Century Democrats and Bill Combs, in his official capacity as treasurer ("Respondents" or "the Committee") violated 2 U.S.C. §§ 432(c) and (d), 434(b)(1) – (5), (8), and 11 C.F.R. §§ 102.9(a)(1), (2) and (4), 104.3(d), 104.11(a) and (b).

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I. The Commission has jurisdiction over Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).
- II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondents enter voluntarily into this agreement with the Commission.
- IV. The pertinent facts in this matter are as follows:

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1 contributions; and its reporting of \$3,943 in transfers from non-federal accounts that did not
2 occur, in addition to \$56,810 in unexplained errors.

3 12. Respondents contend that the errors described above were inadvertent and
4 delays in amending reports were caused by a vendor who was contracted to provide accounting
5 services. When the Committee's board of directors learned about the delays and errors, it
6 discharged the vendor and the senior management of the Committee.

7 V. Respondents committed the following violations:

8 1. Respondents failed to maintain copies of contributor checks and credit card
9 documentation for the requisite three years, in violation of 2 U.S.C. §§ 432(c) and (d), and
10 11 C.F.R. §§ 102.9(a)(1), (2) and (4).

11 2. Respondents failed to report debts and repayments on the appropriate
12 schedules during the time period, in violation of 2 U.S.C. § 434(h)(8) and 11 C.F.R. §§ 104.3(d),
13 104.11(a), and 104.11(a) and (b).

14 3. Respondents violated 2 U.S.C. §§ 434(b)(1) – (5) by failing to accurately
15 report transactions during the time period.

16 VI. Respondents will take the following actions:

17 1. Respondents will pay a civil penalty to the Federal Election Commission in the
18 amount of Twenty-Four Thousand Dollars (\$24,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

19 In ordinary circumstances, the Commission would seek a substantially higher civil penalty based
20 on the violations outlined in this agreement. However, the Commission is taking into account
21 the fact that the Committee currently has limited financial resources with which to pay an
22 appropriate civil penalty.

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1 a. The penalty will be paid in six consecutive monthly installment
2 payments of \$4,000 each as follows: \$4,000 due on September 1, 2009; \$4,000 due on October
3 1, 2009; \$4,000 due on November 1, 2009; \$4,000 due on December 1, 2009; \$4,000 due on
4 January 1, 2010; and \$4,000 due on February 1, 2010.

5 b. In the event that any installment payment is not received by the
6 Commission within five days of the due date, the Commission may, at its discretion, accelerate
7 the remaining payments and cause the entire amount to become due upon ten days written notice
8 to Respondents. Failure by the Commission to accelerate the payments with regard to any
9 overdue installment shall not be construed as a waiver of its right to do so with regard to future
10 overdue installments.

11 2. Respondents will cease and desist from violating the Act and its underlying
12 regulations.

13 3. Respondents will correct the remaining reporting errors in its reports filed
14 during the time period within 30 days. See Paragraph IX.

15 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.
16 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance
17 with this agreement. If the Commission believes that this agreement or any requirement thereof
18 has been violated, it may institute a civil action for relief in the United States District Court for
19 the District of Columbia.

20 VIII. This agreement shall become effective as of the date that all parties hereto have
21 executed same and the Commission has approved the entire agreement.

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1 IX. With the exception of the penalty payment schedule set forth in Paragraph VI,
2 Respondents shall have no more than 30 days from the date this agreement becomes effective to
3 comply with and implement the requirements contained in this agreement and to so notify the
4 Commission.

5 X. This Conciliation Agreement constitutes the entire agreement between the parties on
6 the matters raised herein, and no other statement, promise, or agreement, either written or oral,
7 made by either party or by agents of either party, that is not contained in this written agreement
8 shall be enforceable.

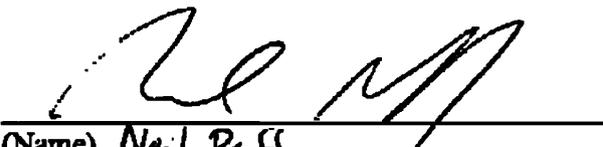
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10 FOR THE COMMISSION:

11 Thomasenia P. Duncan
12 General Counsel

13 BY: 
14 Ann Marie Terzaken
15 Associate General Counsel
16 for Enforcement

8/27/09
Date

17 FOR THE RESPONDENTS:

18 
19 (Name) Neil Ruff
20 (Position) Counsel

7-31-09
Date

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