



Federal Election Commission
Washington, DC 20463

April 14, 2014

Megan L. Sowards, General Counsel
National Republican Senatorial Committee
452 Second Street, NE
Washington, DC 20002

Re: ADR 694 (RR 13L-41)
National Republican Senatorial Committee and Stan Huckaby, Treasurer

Dear Ms. Sowards:

Enclosed is the signed copy of the agreement resolving the referral initiated on January 15, 2014 by the Federal Election Commission ("FEC/Commission") involving the National Republican Senatorial Committee and Stan Huckaby, Treasurer ("Respondents"). The agreement for ADR 694 (RR 13L-41) was approved by the Commission on April 10, 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 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 May 10, 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 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 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,

Lynn M. Fraser, Director
Alternative Dispute Resolution Office
202-694-1665

Enclosure: Agreement

cc: Gwen Holmes and Adam Liu, Finance and Accounting Office
Room 819

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**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 694
Source: RR 13L-41
Case Name: National Republican
Senatorial Committee

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 Megan L. Sowards, General Counsel, representing the National Republican Senatorial Committee and Stan Huckaby, 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 (RAD) referred Respondents for failing to file three (3) required 48-Hour Reports. Respondents filed the Committee's 2012 October Monthly Report on October 19, 2012 which included a Schedule E disclosing fifty-six (56) independent expenditures. The Committee failed to file three (3) required 48-Hour Reports to support seven (7) independent expenditures totaling \$289,213.65.
4. A person, including a political committee, that makes or contracts to make independent expenditures aggregating \$10,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours. After a person files an initial report under this subsection, the person shall file an additional report within 48 hours after each time the person makes or contracts to make independent expenditures aggregating an

additional \$10,000 with respect to the same election as that to which the initial report relates. 2 U.S.C. § 434(g), 11 C.F.R. § 104.4(b)(2).

5. Respondents acknowledge that the Committee failed to file three (3) 48-Hour Reports for independent expenditures disclosed on their 2012 October Monthly Report. Respondents contend that these expenditures represented a small portion of the Committee's independent expenditures, and were disclosed before the election on a Schedule E. Respondents further contend the inadvertent omissions occurred due to a miscommunication between the Committee and its independent expenditure unit, resulting in the failure of the Committee's normal practice of filing required 48-Hour Reports. Upon discovering this lapse in procedures, Respondents assert they took steps to significantly strengthen the Committee's approval and authorization process for digital independent expenditures.
6. Respondents, in an effort to avoid similar errors in the future, agree to: (a) develop and certify implementation of an internal review process for all independent expenditures that will take place before releasing funds for payment within thirty (30) days of the effective date of this agreement; (b) certify the designation of an Independent Expenditure Specialist to review all digital independent expenditures within thirty (30) days of the effective date of this agreement; and (c) pay a civil penalty of \$14,500 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 694 (RR 13L-41), 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**

Lynn M. Fraser

4/10/2014
Date Signed

FOR THE RESPONDENTS:

Megan L. Sowards
**Megan L. Sowards, General Counsel
Representing the National Republican Senatorial
Committee and Stan Huckaby, Treasurer**

3/14/14
Date Signed

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