



FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 27, 2005

Karen Potter White, Treasurer
Kevin Kelley For Congress
14995 Dixie
Redford, MI 48239

Re: ADR 241 (Audit 03-17)
Kevin Kelley For Congress and Karen Potter White, Treasurer

Dear Ms. White:

The Audit Division of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the 2002 records of Kevin Kelley for Congress warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission, thereafter, reviewed the file and voted on [date] to assign this matter to the FEC's Alternative Dispute Resolution Office ("ADRO") for processing.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with Respondents. The ADR Program provides Respondents with an opportunity to negotiate, and if necessary, mediate settlement of a matter that is mutually agreeable. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations and/or mediation are successful, the resulting settlement would conclude the matter.

The Commission, in referring the matter to the ADR office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the Program, i.e., negotiation and/or mediation, you must: 1) indicate in writing a willingness to have your case submitted to the ADR process; 2) agree to participate in the bilateral negotiations and if necessary, mediation; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADRO and the focus of our subsequent negotiations are summarized as follows:

ADR 241/Audit 03-17: An audit of the 2002 campaign records of Kevin Kelley for Congress and Karen Potter White, Treasurer ("Respondents" or the "Committee") revealed that a credit card held in the name of Connie S. McNealy, the Candidate's wife,

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
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was used to make campaign related expenditures totaling \$59,812. These charges exceed the contribution limitation by \$57,812. Respondents complied with the recommendation in the interim audit and paid the spouse's credit card.

If after reviewing this letter and the enclosed brochure, which describes the ADR program, Respondents would like this case selected for ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR Program form. **Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from further consideration for ADR.** In that event, your case will be sent to the FEC's Office of General Counsel.

This matter has been designated as ADR 241. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,

(5)

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

Enclosures: Brochure
Commitment to Submit Matter to ADR
Designation of Representative/Counsel