



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 3, 2005

Nancy H. Watkins, Treasurer  
Rick Renzi for Congress  
PO Box 2383  
Prescott, AZ 86302

Re: ADR 282 (RR 05L-16)  
Rick Renzi for Congress and Nancy Watkins, Treasurer

Dear Ms. Watkins:

The Reports Analysis Division of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the 2004 April Quarterly report filed by the Rick Renzi for Congress and Nancy Watkins, Treasurer ("Respondents") 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 August 1, 2005 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.

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE  
999 E STREET N.W., WASHINGTON, DC 20463  
TELEPHONE: 202.694.1665 FAX: 202.219.0613  
EMAIL: lfraser@fec.gov

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

RAD referred Respondents for failing to disclose all receipts on the Committee's 2004 April Quarterly Report. RAD alleged that Respondents filed an amended 2004 April Quarterly Report on May 5, 2004 that disclosed additional receipts aggregating \$99,681.94. The additional receipts resulted in a 48% increase in receipts over the original 2004 April Quarterly Report filed on April 14, 2005. In response to the related RFAI sent, the Committee stated that there was a glitch with the software that resulted in some financial activity from previous reporting periods being included again in the 2004 April Quarterly Report.

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 and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as **ADR 282**. 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,

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

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

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