



THE FEDERAL ELECTION COMMISSION
Washington, DC 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

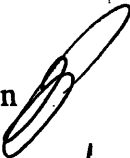
2005 SEP -1 P 4: 18

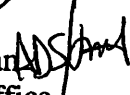
SENSITIVE


MEMORANDUM

September 1, 2005

TO: The Commission

THROUGH: James A. Pehrkon 
Staff Director

FROM: Allan D. Silberman 
Director, ADR Office

BY: Lynn M. Fraser 
Assistant Director, ADR Office

SUBJECT: ADR 291 Hostetler for Congress and John H. Grab, Treasurer
Recommendation to Assign Case

On August 18, 2005, the ADR Office received AR 05-07 to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case is appropriate for ADR and recommend that it be assigned to the ADR Office.

SUMMARY: The Audit Division ("Audit") referred this matter because Hostetler for Congress and John Grab, Treasurer ("Respondents" or the "Committee") failed to properly disclose twenty-seven (27) disbursements totaling \$45,243. Specifically, Respondents failed to provide a purpose for twenty-one (21) disbursements totaling \$42,243, and disclosed six (6) disbursements totaling \$3,000 to the wrong payee. The Committee informed Audit that it would follow the recommendation to file amended reports with the omitted and/or revised information. Although the Committee did file some amended reports, those reports did not materially correct the disclosure errors.

Attached for the Commission's review is the ADR Case Analysis Report, along with copies of the EPS Rating and ADR Rating reports. The ADR Case Analysis Report includes an analysis of the case and a description of the issues that the ADR Office anticipates addressing if the case is assigned to ADR. In addition, the ADR Case

26190263544

Analysis Report has been reviewed by the Office of General Counsel, which concurs in the description of the case.

If the Commission concurs in the recommendation, the above case description will be provided to Respondents as part of ADR Office's notification package sent to Respondents.

RECOMMENDATION:

1. Assign ADR 291AR 05-07 to the ADR Office.

26190263545

ADR CASE ANALYSIS REPORT

ADR Case: 291

Audit Referral: 05-07

Date Audit Approved: 7/14/05

Date Forwarded to ADRO: 8/18/05

Date Reviewed by ADRO: 8/29/05

Respondents:

Hostetler for Congress

John Gräb, Treasurer

Respondents' Rep.: John Gräb

Committee Type: Authorized

Committee Name: Hostetler for Congress

District & State: 17th C.D. PA

Won/Lost: Lost Primary

Election Cycle: 2004

Summary of Referral: The Audit Division ("Audit") referred this matter because Hostetler for Congress and John Gräb, Treasurer ("Respondents" or the "Committee") failed to properly disclose twenty-seven (27) disbursements totaling \$45,243. Specifically, Respondents failed to provide a purpose for twenty-one (21) disbursements totaling \$42,243, and disclosed six (6) disbursements totaling \$3,000 to the wrong payee.

Respondents' Reply to Audit: The Committee informed Audit that it would follow the recommendation to file amended reports with the omitted and corrected information. Although the Committee did file some amended reports, those reports did not materially correct the disclosure errors.

Issues:

- Reporting operating expenditures 2 U.S.C. § 434(b)(5)(A), 11 C.F.R. § 104.3(b)(4)(i).

Recommendation:
Assign to ADRO

26190263546