



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 9, 2005

John H. Grab, Treasurer  
Hostetler for Congress  
21 Tice Avenue  
Hershey, PA 17033

Re: ADR 291 (AR 05-07)  
Hostetler for Congress and John H. Grab, Treasurer

Dear Mr. Grab:

The Audit Division ("Audit") of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the 2004 election cycle records 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 September 8, 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.

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

Audit referred this matter because the Committee failed to properly disclose twenty-seven (27) disbursements totaling \$45,243. Specifically, Respondents failed to provide a

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE  
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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.

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 291**. 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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