



Federal Election Commission
Washington, DC 20463

Case Number: ADR 291
Source: AR 05-07
Case Name: Hostetler For Congress

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 John Gräb, representing Hostetler For Congress and John Gräb, 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 authorized in "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 Audit Division ("Audit") referred this matter because Respondents 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.
4. The FECA requires that an authorized committee report the total amount of all disbursements for the reporting period and for the election cycle. 2 U.S.C. §§ 434(a), 434(b)(4); 11 C.F.R. § 104.3(b). The disclosure must include the identification to whom each expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made by the reporting committee to meet a candidate's or committee's operating expense, together with the date, amount and *purpose* of such operating expenditures. 2 U.S.C., 434(b)(5)(A), 11 C.F.R. § 104.3(b)(4)(i). The regulations go on to state that purpose means a brief statement or description of why the disbursement was made, and provides examples of adequate descriptions as well as examples that would not meet the requirements of the FECA for reporting the purpose of an expenditure. 11 C.F.R. § 104.3(b)(4)(i)(A).

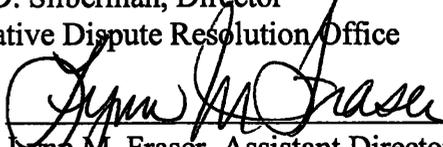
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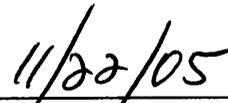
5. Respondents acknowledge advertent violations of FECA, due to inexperience. Respondents, in an effort to resolve this matter, agree to: (a) file all amended reports with an accurate and adequate description of the purpose of each disclosure; and (b) work with Commission staff to terminate the Committee.
6. 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.
7. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
8. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondents shall comply with the terms within thirty (30) days from the effective date of this agreement.
9. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 291 (AR 05-07) and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

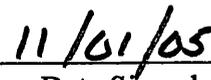
By:


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office


Date Signed

FOR THE RESPONDENTS:


John Gräb
Representing Hostetler For Congress and
John Gräb, Treasurer


Date Signed

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