



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 21, 2006

Linda Chavez, Treasurer
Latino Alliance
P.O. Box 650637
Sterling, VA 20165

Dear Ms. Chavez:

The Reports Analysis Division (RAD) of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of reports filed by the Latino Alliance and you as Treasurer (the "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 June 20, 2006 to assign this matter to the FEC's Alternative Dispute Resolution (ADR) office 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 the Alliance decides to participate in the Program, i.e., negotiation and/or mediation, it should: 1) indicate in writing a willingness to have their 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 ADR Office and the focus of our subsequent negotiations are described as follow:

Summary: RAD determined that Respondents amended their 2004 30-Day Post General Report to disclose additional disbursements of \$76,798.87 over the amount disclosed on the original 30-Day Post General Report. The original Report disclosed Other Federal Operating Expenditures of \$31,983.15 while the Amended Report disclosed Other Federal Operating Expenditures of \$108,782.02.

RAD also determined that Respondents amended their 2004 30-Day Post General Report to disclose additional receipts totaling \$70,873.06 over the amount disclosed on the original 30-Day Post General Report. The original Report, filed on December 2, 2004, disclosed Itemized Contributions from Individuals/ Persons Other Political Committees (on Line 11(a)(i)) of \$10,874.00, \$59,827.29 for Unitemized Contributions from Individuals/Persons Other Than Political Committees (on Line 11(a)(ii)) and \$0.00 for Offsets to Operating

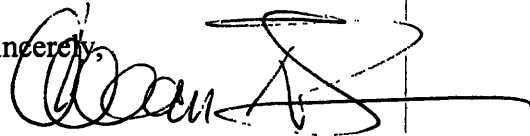
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Expenditures (on Line 15). An Amended 30-Day 2004 Post General Report, filed on July 12, 2005, disclosed the same amounts listed on the original Report except for \$1,270.36 for Offsets to Operating Expenditures (on Line 15). On November 3, 2005, the Committee filed another Amended 30-Day 2004 Post General Report to disclose Contributions from Individuals/Persons Other Than Political Committees (on Line 11(a)(i)) of \$22,747.00, \$117,556.99 for Unitemized Contributions from Individuals/Persons Other Than Political Committees (on Line 11(a)(ii)) and \$1,270.00 for Offsets to Operating Expenditures (on Line 15).

If after reviewing this letter and the enclosed brochure, which describes the ADR program, the Alliance would like the matter processed in ADR, you, as Treasurer, 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, either your case will be sent to the FEC's Office of General Counsel or the likelihood that the Committee will be audited during the next election cycle will increase.

These matters have been designated as **ADR 304/RR 05L-61** and **ADR 330/RR 06L-18**. Please refer to these numbers in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADR Office at 202-694-1670.

Sincerely,



Allan D. Silberman
Director, ADR Office

Enclosures:

1. ADR Brochure
2. ADR Commitment Statement

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