



**Federal Election Commission
Washington, DC 20463**

December 20, 2006

Maria Sanchez Bras
130 Winston Churchill Avenue, PMB 364
San Juan, PR 00926

Re: ADR # 308
Fortuno 2004, Inc. and Maria Sanchez Bras

Dear Ms. Bras

Enclosed is the signed copy of the agreement resolving the referral initiated on January 20, 2006 with the Federal Election Commission ("FEC/Commission") against Fortuna 2004, Inc. ("Respondents"). The agreement for ADR 308 (AD 05-09) was approved by the Commission on December 13, 2006 – the effective date of the agreement.

Note that paragraph 10 of the agreement specifies that Respondents shall comply with the terms of this settlement within thirty (30) days of the effective date of the agreement. Please forward to this office, a statement confirming Respondent's compliance with the terms listed in paragraph 7 of the aforementioned agreement. The letter should note the dates on which Respondents satisfied each of the terms listed in paragraph 7.

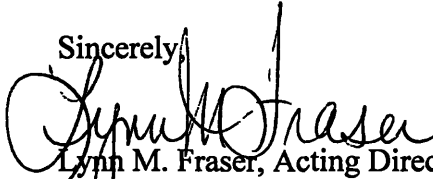
As you are aware, the settlement agreement will be made part of the record that is released to the public. The Commission will also place on the record copies of the referral, correspondence exchanged between your office and this office prior to our entry into settlement negotiations and reports prepared for the Commission by this office to assist in its consideration of this matter. The Commission is obliged by Federal statute to place on the public record documents in closed enforcement and alternative dispute resolution cases; accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

This agreement resolves the matter that was initiated by the Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities regarding violations of federal election campaign laws. I appreciate your

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assistance in effectively resolving this matter and bringing the case to a mutually acceptable conclusion.

Sincerely,



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

Enclosure: Agreement

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Washington, DC 20463**

Case Number: ADR 308
Source: AD 05-09
Case Name: Fortuño 2004, Inc.

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 Maria A. Sanchez Bras, representing the Fortuño 2004, Inc. and Maria A. Sanchez Bras, in her official capacity as 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 referred Respondents for failing to itemize debts during 2003 and 2004. Specifically, during the 2004 election cycle, the Committee failed to itemize \$191,420 in debts on Schedules D as required.
4. The FECA requires a political committee to disclose the amount and nature of outstanding debts and obligations until those debts are extinguished. 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d). A political committee must file separate schedules for debts owed by the committee, and debts owed to the committee, together with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished. 11 C.F.R. § 104.11(a).

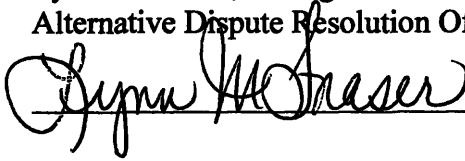
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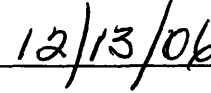
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5. The regulations state, in part, that a debt or obligation, including a written contract, written promise, or written agreement to make an expenditure, must be reported as of the date incurred. A debt, the amount of which is \$500 or less, must be reported when payment is made, or not later than sixty (60) days from the date the obligation is incurred, whichever comes first. A debt or obligation exceeding \$500 must be disclosed in the report that covers the date on which the debt was incurred. If the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate. Once the exact amount is determined, the political committee shall either amend the report(s) containing the estimate, or indicate the correct amount on the report for the reporting period in which such amount is determined. 11 C.F.R. § 104.11(b).
6. Respondents acknowledge some inadvertent errors in their itemization of debts and obligations, but contend that some invoices were dated incorrectly by the vendors. Respondents argue that some of the invoices were dated when the estimate was provided to the Committee, and not when the Committee agreed to incur the expense. Respondents further contend, however, that they complied with the recommendations of the Audit Division, and filed amended reports for 2003 and 2004 to correct its itemization of debts and obligations.
7. Respondents, in an effort to resolve this matter, agree to: (a) work with Commission staff to terminate the Committee; and (b) pay a civil penalty of \$1,000.
8. 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.
9. The parties agree that if Respondents fail to comply with the terms of this settlement, the Commission may submit any unpaid civil penalty to the U.S. Treasury for collection or undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.
10. 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.
11. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 308 (AD 05-09), and effectively resolves the issues identified in paragraph 3 above. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

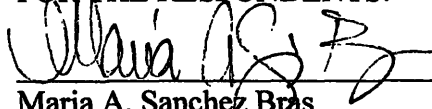
Lynn M. Fraser, Acting Director
Alternative Dispute Resolution Office



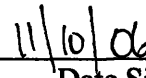


Date Signed

FOR THE RESPONDENTS:



Maria A. Sanchez Bras
Representing Fortuño 2004, Inc. and
and Maria A. Sanchez Bras



Date Signed

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