



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 22, 2006

Ralph Campbell, Jr.
North Carolina Democratic Party - Federal
220 Hillsborough Street
Raleigh, NC 27603

Re: ADR 316 (RR 06L-04)
North Carolina Democratic Party – Federal and Ralph Campbell, Jr., Treasurer

Dear Mr. Campbell:

The Reports Analysis Division of the Federal Election Commission (“FEC” or “Commission”) determined that matters arising from its recent review of RAD reports filed by the North Carolina Democratic Party – Federal and Ralph Campbell, Jr., Treasurer 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 March 16, 2006 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:

SUMMARY: RAD referred the North Carolina Democratic Party – Federal and Ralph Campbell, Jr. (“Respondents” or the “Committee”) for failing to file seven (7) 24-Hour

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
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Notices to support seven (7) independent expenditures totaling \$59,488 made after the 20th day, but more than 24 hours, before the 2004 General election. On December 2, 2004, the Committee filed an original 2004 30 Day Post-General Report which included a Schedule E disclosing two (2) independent expenditures totaling \$41,500 made on behalf of one (1) federal candidate. On December 15, 2004, Respondents filed an Amended 2004 30 Day Post-General Report which included a Schedule E and a memo Schedule E disclosing eight (8) independent expenditures totaling \$63,460 made on behalf on one (1) federal candidate. Based on the information and expenditures disclosed on the amended report, RAD concluded the Committee was required to file seven (7) 24-Hour Notices totaling \$59,488. Two Prior Notices had been sent to the Respondents, on February 2, 2004, and August 27, 2004, each of which included a section titled *48- and 24-Hour Reports on Independent Expenditures*. A RFAI was sent to the Respondents on February 11, 2005, referencing the Amended 2004 30 Day Post-General Report. In response to the RFAI, the Committee noted an electronic memo submitted on December 15, 2004, that stated Respondents noticed that, due to oversight, they made independent expenditures on behalf of Kerry-Edwards that exceeded the threshold for filing 24-hour reports.

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 and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as **ADR 316**. 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