



FEDERAL ELECTION COMMISSION
Washington, DC 20463

June 12, 2006

Joseph Horatio Chavez, Treasurer
Colorado Republican Federal Campaign Committee
1777 South Harrison Street, Suite 100
Denver, CO 80210

Re: ADR 323 (RAD 06L-16)
Colorado Republican Federal Campaign Committee and Joseph Horatio Chavez,
Treasurer

Dear Mr. Chavez:

The Reports Analysis Division of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the Colorado Republican Federal Campaign Committee 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 7, 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 the 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:

Federal Election Commission, Alternative Dispute Resolution Office
999 E Street N W , Washington, DC 20463
Telephone 202 694 1665 Fax 202 219 0613
Email lfraser@fec.gov

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RAD referred Colorado Republican Federal Campaign Committee and Joseph Horatio Chavez, Treasurer, (the "Respondents" or "Committee") for amending their 2005 August Monthly Report to disclose additional disbursements totaling \$64,705.91. Respondents' initial 2005 August Monthly Report, filed on August 18, 2005, disclosed \$0.00 in disbursements on Line 21(a)(i) (Federal Share of Allocable Operating Expenditures), \$0.00 in disbursements on Line 21(a)(ii) (Non-Federal Share of Allocable Share of Allocable Operating Expenditures), -\$3,190.27 in disbursements on Line 21(b) (Other Federal Operating Expenditures), \$0.00 in disbursements on Line 28(a) (Refunds of Contributions to Individuals/Persons Other Than Political Committees), \$0.00 in disbursements on Line 29 (Other Disbursements) and -\$625.00 in disbursements on Line 30(b) (Federal Election Activity Paid Entirely With Federal Funds), of the Detailed Summary Page.

An Amended 2005 August Monthly Report, filed on November 22, 2005, disclosed identical disbursements, except \$30,468.32 disclosed on Line 21(b), \$420.00 disclosed on Line 28(a) and \$29,857.22 disclosed on Line 30(b). On January 9, 2006, Respondents, in reply to a RFAI dated December 9, 2005, repeated the totals previously listed for Line 28(a), Line 29 and 30(b), but amended the total disbursements for Line 21(a)(i) to \$-551.09, \$-979.72 on Line 21(a)(ii), and \$31,374.26 on Line 21(b). On January 24, 2006, Respondents filed a second amended August Monthly Report for 2005 which disclosed identical disbursements, as listed previously, except the totals listed were \$31,164.52 on Line 21(b) and \$979.71 on Line 30(a). Respondents acknowledged that their original Report, filed on August 18, 2005, contained incorrect data. A consultant, working with Respondents, advised that the Committee was experiencing software difficulties, and was working with the software vendor to correct the problem. The Committee's Amended Report, filed on January 24, 2006, noted that the software problem had been corrected.

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 323/RAD 06L-16. 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, Acting Director
Alternative Dispute Resolution Office
202-694-1665

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Enclosures: Brochure
Commitment to Submit Matter to ADR
Designation of Representative/Counsel

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