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Federal Election Commission
Washington, DC 20463

MEMORANDUM

September 11, 2006

TO: The Commission

THROUGH: Patrina M. Clark *pmc*
Staff Director

FROM: Lynn M. Fraser, Acting Director *LMF*
Alternative Dispute Resolution Office

SUBJECT: ADR 340 California Republican Party and Keith Carlson, Treasurer,
Recommendation to Assign

SENSITIVE

On June 22, 2006, the ADR Office received RR 06L-06 to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case is appropriate for ADR, and recommend that it be assigned to the ADR Office. The ADR Analysis includes an analysis of the case and a description of the issues that the ADR Office anticipates addressing if the case is assigned to ADR. In addition, the ADR Case Analysis Report has been reviewed by the Office of General Counsel, which concurs in the description of the case. If the Commission concurs in the recommendation, this case description will be provided to Respondents as part of ADR Office's notification package sent to Respondents.

ADR Case: ADR 340

Source No. RR 06L-06

Respondents:

California Republican Party
Keith Carlson, Treasurer

Respondents' Rep.: Keith Carlson

Referral No. 06L-06

Committee Name: California Republican Party

OGC Case Open Date: 2/6/06

Committee Type: Party

Date Forwarded to ADRO: 6/22/06

District #/or State: CA

Election - Won/Lost: n/a

Election Cycle: 2004

Summary of Complaint: RAD referred the California Republican Party and Keith Carlson, in his official capacity as Treasurer, ("Respondents" or the "Committee") for failing to disclose all financial activity on their 2003 July Monthly and 2003 September Monthly Reports. Specifically, Respondents filed an amended 2003 July Monthly Report to disclose additional receipts totaling \$85,000.00, a twenty-one percent (21%) increase. In addition, Respondents filed an amended 2003 September Monthly Report to disclose additional disbursements totaling \$168,223.78, a forty-three percent (43%) increase.

Respondents' Reply: In an electronic message submitted on December 19, 2003, in response to the RFAI sent referencing the Amended 2003 July Monthly Report, Respondents contend that the omission was inadvertent, but required an amendment for accuracy. In an electronic message submitted on March 31, 2005, sent in response to a RFAI referencing the Amended 2003 September Monthly Report, Respondents contend that the individual responsible for entering the disbursements failed to do so, and as a result the Committee has undertaken a complete overhaul of its procedures. Respondents also asserted that they retained an accounting firm with extensive experience in campaign finance compliance.

RECOMMENDATION:

1. **Assign ADR 340/RR 06L-06 to the ADR Office.**