



FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 5, 2007

Karen Risky
P.O. Box 2885
Fargo, ND 58102

Re: ADR 375 (AR 06-06)
Friends of Duane Sand and Karen Risky, Treasurer

Dear Mrs. Risky:

The Audit Division of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the Friends of Duane Sand records 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 29, 2007 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 Friends of Duane Sand and Karen Risky, Treasurer ("Respondents" or the "Committee"). 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:

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Summary: The FECA requires that political committees report information relating to the identification of each person who contributes over \$200. As relevant here, these requirements include reporting the occupation of the contributor and the name of his employer.

In this case, the Audit Division determined that the Respondents (or "the Committee"), violated this provision by not adequately disclosing either the occupation and/or name of the employer on Schedule A (itemized receipts) for 747 contributions. The aggregate amount of the 747 contributions is \$143,367. Respondents contended that they used best efforts to obtain this information and that the new information was reflected in amended reports. The respondents supplied a copy of the form letter requesting this type of information. The Audit Division noted, however, the Committee did not supply copies or confirmations of the letters allegedly sent to the contributors, nor did the Committee file amended 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 for further processing, and the likelihood that the Committee will be audited during the next election cycle will increase.

If you decide to participate in the ADR Program, please provide any additional response Respondents would like to make, including proposed stipulations or terms to resolve the matter. Please provide some dates and times when you'd be available to discuss this matter in detail on a separate sheet of paper. I will then review my calendar, so that a time can be scheduled.

This matter has been designated as ADR 375. Please refer to this number in future correspondence with the FEC. If you have any questions about the ADR Program, please contact me directly at the number given below.

Sincerely,



Deborah Ruth Kant
Alternative Dispute Resolution Office
202-694-1661

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