



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 31, 2008

Canarx Services, Inc.
525 Windsor Avenue
Canada N9A 1J4

Re: ADR 458 (MUR 5975)
Schenectady County Democratic Committee and William Kasper, Treasurer

Dear Sir or Madam:

The Reports Analysis Division of the Federal Election Commission (FEC/Commission) determined that matters arising from its recent review of reports filed by the Schenectady County Democratic Committee warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission referred this matter to the Alternative Dispute Resolution (ADR) program.

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 Canarx Services, Inc. (Respondents or Committee). The ADR Program provides Respondents with an opportunity to negotiate, and if appropriate, 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.

This 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 appropriate, 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 ADR Office, and the focus of our subsequent negotiations are summarized as follows:

SUMMARY: The Federal Election Campaign Act ("FECA") bars any political committee, including unregistered local party committees from accepting contributions from foreign nationals in connection with any federal, state, or local election. 2 U.S.C. § 441e, 11 C.F.R. § 110.20(b), (c), (g). In this case, Complainant, Thomas D. Buchanan,


Chairman of the Schenectady County GOP, asserts that Schenectady County Democratic Committee ("the Committee"), solicited and received a \$5,000 contribution from a foreign national, Carnax Services, Inc. In response, the Committee acknowledges that it deposited the contribution from Carnax Services in the Committee's bank account. The Committee explains that it was unaware of federal restrictions on contributions from foreign nationals. The Committee further asserts that it refunded the contribution to the Canadian company, and it attached a copy of the refund letter and check to its response. Respondent Carnax Services did not file a response with the Commission.

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 may increase.

If you decide to participate in the ADR Program, please provide any additional responses Respondents would like to make, including proposed stipulations or terms to resolve the matter. **Please also 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 458. 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 Kant, Director
Alternative Dispute Resolution Office
202-694-1661

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

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