



FEDERAL ELECTION COMMISSION
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SENSITIVE

MEMORANDUM

June 25, 2008

TO: The Commission

THROUGH: Patrina M. Clark *pmc*
Staff Director

FROM: John D. Gibson *JG*
Chief Compliance Officer

Lynn M. Fraser *lmf*
Acting Director, ADR Office

SUBJECT: ADR 462 Texans for Henry Cuellar Congressional Campaign and
Rosendo Carranco, Treasurer, Informational Memo on Assignment

The Office of General Counsel referred AR 08-10, and the ADR Office assigned the referral ADR 462. We have included a summary and discussion of the referral for your information. We anticipate initiating ADR 462 on June 30, 2008. Please contact Lynn Fraser if you have any questions or concerns before then. A copy of the referral is in the voting ballots folder.

Summary of Case: The Audit Division referred Texans for Henry Cuellar Congressional Campaign and Rosendo Carranco, Treasurer (Respondents or the Committee) for receiving excessive contributions in the amount of \$36,300 and receiving potentially prohibited contributions in the amount of \$13,000.

In response to the interim audit finding on excessive contributions, Respondents provided copies of seven non-negotiated refund checks totaling \$22,300 and redesignation/retribution letters sent to the contributors for the remainder of the excessive contributions. In response to the interim audit on the finding of contributions from prohibited sources, the Committee provided copies of two non-negotiated refund checks totaling \$8,800, but failed to establish the remaining contributions were from permissible sources.

Discussion: ADR can provide an opportunity to utilize corrective measures to encourage future compliance with the FECA. Moreover, the flexibility and

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informality of the ADR process allows the parties, through joint problem-solving, to fashion specific corrective measures tailored to the type of respondents, their resources, and the issues involved in the case. Respondents are often more willing to develop creative compliance measures in the ADR process in exchange for a reduced civil penalty.

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