



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 18, 2009

Andrew Tobias, Treasurer
DNC Services Corporation/Democratic National Committee
430 South Capitol Street, SE
Washington, DC 20003

Re: ADR 528 (RAD 09L-46)
DNC Services Corporation/Democratic National Committee and Andrew Tobias, Treasurer

Dear Mr. Tobias:

The Reports Analysis Division of the Federal Election Commission (FEC/Commission) determined that matters arising from its recent review of reports filed by the DNC Services Corporation/Democratic National 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 DNC Services Corporation/Democratic National Committee and Andrew Tobias, Treasurer (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 Reports Analysis Division referred the DNC Services Corporation/Democratic National Committee and Andrew Tobias, Treasurer (Respondents or the Committee) for a series of reporting errors and other FECA violations during the 2008 election cycle. A political committee may be referred if, after an internal review of reports

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determines the reports do not meet the threshold requirements for substantial compliance with the FECA. The Committee's errors included, among other things: a failure to provide supporting schedules, a failure to properly itemize disbursements, and a failure to clarify public communication expenses and possible fundraising expenses.

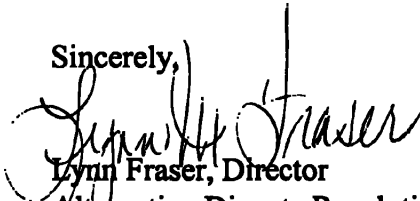
We have attached a list of the relevant errors in each report for your convenience.

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 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 528**. 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,



Lynn Fraser, Director
Alternative Dispute Resolution Office
202-694-1665

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