



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 11, 2011

Via U.S. Post and Electronic Mail

Frank Colvett, Jr.
Tennessee Republican Party Federal Election Account
2424 21st Avenue, Suite 200
Nashville, TN 37212

Re: ADR 563 (A 07-05)
Tennessee Republican Party Federal Election Account and Frank Colvett, Jr., Treasurer

Dear Mr. Colvett:

The Federal Election Commission (FEC) referred a compliance issue to its Alternative Dispute Resolution Office (ADR Office) for processing based on a review of reports which reflect a possible failure to comply with the Federal Election Campaign Act of 1971, as amended. The Respondents in the above referenced matter are Tennessee Republican Party Federal Election Account and Frank Colvett, Jr., Treasurer (Respondents or the Committee).

The issues referred to the ADR Office are summarized as follows:

The Audit Division referred Respondents for violations occurring in the 2005-2006 election cycle, specifically Findings 1 and 2 of the Final Audit Report of the Commission approved on January 20, 2011.

Finding 1 concludes that Respondents underreported receipts by \$2,227,811 and disbursements by \$1,440,129 for calendar year 2006 according to amended reports. It is also concluded that Respondents misstated receipts, disbursements, and cash on hand based on a reconciliation of amended reports to the Committee's bank records. For 2005, the Committee overstated beginning cash on hand by \$33,780, understated receipts by \$117,371, understated disbursements by \$77,948, and understated ending cash on hand by \$5,643. In 2006, receipts were understated by \$459,963, disbursements understated by \$159,582, and ending cash on hand was understated by \$294,475. The Committee amended its reports in response to the Interim Audit Report to materially correct the misstatements noted above.

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
999 E STREET N.W., WASHINGTON, DC 20463
TELEPHONE: 202.694.1661 FAX: 202.219.0613
EMAIL: kroche@fec.gov

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Finding 2 concludes that Respondents accepted \$114,395 in contributions from unregistered political organizations that may not have been made with permissible funds. Respondents have refunded all but \$100 of the contributions in question.

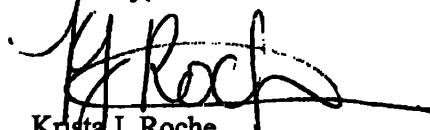
The FEC established the ADR program to provide an informal means for resolving compliance issues such as those described above. The ADR program aims to reduce the time and cost involved in resolving matters while providing an opportunity to negotiate a mutually agreeable settlement focused on promoting future compliance. The negotiations occur prior to any Commission consideration of whether there is reason to believe a violation has occurred. If negotiations are successful, the resulting settlement concludes the matter.

If the Respondents elect to participate in the ADR program please complete and return the attached Commitment to Submit to ADR form in which the Respondents will: 1) indicate in writing a willingness to have your case submitted for ADR; 2) agree to participate in the bilateral interest based negotiations; and 3) waive the statute of limitations while the matter is being processed by the ADR program.

Failure to complete and return the attached Commitment to Submit to ADR form within fifteen (15) days will be taken as a notice of disinterest in the program and the case will be dropped from further consideration for ADR. In that event, the 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.

This matter has been designated as **ADR 563**. Please refer to this case number in all future correspondence with the FEC. Should you have any questions or concerns, please contact me at the number indicated below.

Sincerely,



Krista J. Roche
Assistant Director
Alternative Dispute Resolution Office
202-694-1661

Enclosures: ADR Frequently Asked Questions
Commitment to Submit to ADR & Statement of Designation of
Representative/Counsel

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