



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 5, 2011

James Daily, Treasurer  
Ed Royce for Congress  
P.O. Box 2525  
Orange, CA 92859

Re: ADR 584 (RAD 11L-20)  
Ed Royce for Congress and James Daily, Treasurer

Dear Mr. Daily:

The Federal Election Commission (FEC or Commission) referred a compliance issue to the FEC's Alternative Dispute Resolution Office (ADR Office) for processing. The referral by the Reports Analysis Division (RAD) was based on a review of reports filed by Ed Royce for Congress, which reflect a possible failure to comply with the Federal Election Campaign Act of 1971, as amended.

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 Ed Royce for Congress and James Daily, Treasurer (Respondents or the Committee). The ADR Program provides Respondents with an opportunity to negotiate 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 are successful, the resulting settlement concludes 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 ADR Program, you must: 1) indicate in writing a willingness to have your case submitted for ADR processing; 2) agree to participate in the bilateral interest based negotiations; 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:

RAD referred Ed Royce for Congress and James Daily Treasurer (Respondents or the Committee) for failing to disclose all financial activity on their 2010 October Quarterly Report. The Committee filed three amended 2010 October Quarterly Reports beginning on January 24, 2011. The second amended 2010 October Quarterly Report disclosed additional disbursements in the amount of \$161,581.07.

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE  
999 E STREET N.W., WASHINGTON, DC 20463  
TELEPHONE: 202.694.1665 FAX: 202.219.0613  
EMAIL: lfraser@fec.gov

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Respondents contend that it was an inadvertent omission by the bookkeeper of three disbursements during the reporting period.

If after reviewing this letter and the enclosed ADR Frequently Asked Questions, which describe the ADR program, Respondents would like to participate in 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 during the next election cycle will increase.

This matter has been designated as **ADR 584**. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,

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

Enclosures: ADR Frequently Asked Questions  
Commitment to Submit Matter to ADR with  
Designation of Representative/Counsel

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