



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 25, 2016

Theodore V. Koch, Treasurer
Cotton for Senate
PO Box 379
Dardanelle, AR 72864

Re: ADR 798 (RAD 16L-04)
Cotton for Senate and Theodore V. Koch, Treasurer

Dear Mr. Koch:

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 Cotton for Senate 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 Cotton for Senate and Theodore V. Koch, 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:

Summary of Case: RAD referred Cotton for Senate and Theodore V. Koch, Treasurer (Respondents or the Committee) for failing to disclose all receipts on its original 2014 30 Day Post-General Report. The Committee filed Amended 2014 30 Day Post-General

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

Reports on January 30, 2015, April 15, 2015 and a final amended report on October 19, 2015 that disclosed additional receipts of \$155,050.

In a FEC Form 99 filed January 13, 2016, the Committee asserted, in part, that after conducting an internal audit, it was determined that an amended report needed to be filed. " ... Specifically, it was determined that a \$150,000 vendor refund was more properly disclosed on the 2014 30-Day Post General Report than on the 2014 Year-End Report. Also, on the 2014 30-Day Post General Report, there were two previously unidentified online credit card contributions that amount to \$5,200 and a chargeback of -\$150 that was disclosed. The total changes added \$150,050 ..."

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 Participate in 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 798**. 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 Participate in ADR
Designation of Representative/Counsel