



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

September 2, 2016

Diane Gubelli, Treasurer  
Independence USA PAC  
575 7<sup>th</sup> Street NW  
Washington, DC 20004

Re: ADR 810 (RAD 16L-14)  
Independence USA PAC and Diane Gubelli, Treasurer

Dear Ms. Gubelli:

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 the Independence USA PAC 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 the Independence USA PAC and Diane Gubelli, 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:** RAD referred the Independence USA PAC and Diane Gubelli, Treasurer (Respondents or the Committee) for failing to disclose all financial transactions on its 2015 November Monthly Report. Respondents amended their 2015 November Monthly

Report to disclose additional in-kind contributions received totaling \$189,800, which were not disclosed in the original report.

Respondents contend that it filed an Amended November 2015 Report on December 18, 2015 to add in-kind contributions, and in addition to the increase in contributions, the amendment to the original report resulted in a corresponding increase in disbursements. Vendor invoices were sent to and paid for by a third party, and the Committee filed the amended report to disclose the in-kind contributions upon learning of the payments by the third party.

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 810**. 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**