



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 24, 2018

James E. Tyrrell, III, Esq.
Clark Hill PLC
1001 Pennsylvania Avenue NW
Suite 1300 South
Washington, DC 20004

Re: ADR 872 (AD A15-04)
McSally for Congress and Paul Kilgore, Treasurer

Dear Mr. Tyrrell:

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 Audit Division was based on a review of reports filed by McSally 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 McSally for Congress and Paul Kilgore, 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 would conclude 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:

Audit referred Respondents for two findings detailed in the Final Audit Report approved by the Commission on May 8, 2018. Finding 3 states that the Committee untimely resolved excessive contributions totaling \$319,212. Finding 5 states that the Committee failed to itemize contributions from political committees totaling \$32,750.

FEDERAL ELECTION COMMISSION, ALTERNATIVE DISPUTE RESOLUTION OFFICE
1050 FIRST STREET N.E., WASHINGTON, DC 20463
TELEPHONE: 202.694.1661 FAX: 202.219.0613
EMAIL: KROCHE@FEC.GOV

In response to the Interim Audit Report, Respondents indicated that they hired an experienced FEC compliance specialist to serve as treasurer to ensure such errors do not happen in the future.

If after reviewing this letter and the enclosed ADR Frequently Asked Questions, which describe the ADR program, Respondent(s) 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 from the date 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 872**. 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,

Krista J. Roche

Krista J. Roche
Director

Alternative Dispute Resolution Office

Enclosures: ADR Frequently Asked Questions
Commitment to Participate in ADR & Designation of Representative/Counsel