



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

August 11, 2005

Cathy Hoskins, Treasurer  
Community Action Program – PAC  
810 First Avenue, N.E., Suite 530  
Washington, D.C. 20002

Dear Ms. Hoskins:

The Reports Analysis Division (RAD) of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of reports filed by the Community Action Program – PAC and you as Treasurer (the "Respondents") warranted further examination for possible violation of the Federal Election Campaign Act of 1971, as amended. The Commission, thereafter, reviewed the file and voted on July 22, 2005 to assign this matter to the FEC's Alternative Dispute Resolution (ADR) office for processing.

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 respondents. The ADR Program provides respondents with an opportunity to negotiate, and if necessary, mediate 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 and/or mediation 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 the Committee decides to participate in the Program, i.e., negotiation and/or mediation, it should: 1) indicate in writing a willingness to have their case submitted to the ADR process; 2) agree to participate in the bilateral negotiations and if necessary, mediation; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADR Office and the focus of our subsequent negotiations are described as follow:

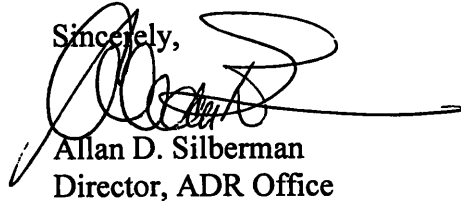
RAD determined that the Respondents failed to report a 405 % increase -- or \$106,799.79 -- in additional receipts on their 2003 Mid Year Report that was filed on July 30, 2003. Respondents subsequently filed an amended 2003 Mid Year Report on March 16, 2004 disclosing additional receipts totaling \$106,779.79. The latter was composed of additional itemized contributions from individuals/persons other than political committees of \$2,400 and \$104,379.79 in unitemized contributions from individuals/persons other than political committees. Respondents reported "these receipts were mistakenly omitted from the original report...." which caused negative balances to occur. Respondents on learning of their oversight subsequently filed a corrected report with the Commission

If after reviewing this letter and the enclosed brochure, which describes the ADR program, the Committee would like the matter processed in ADR, you, as Treasurer, need to affirmatively

indicate that on the enclosed Commitment to Submit Matter to ADR Program 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, either your case will be sent to the FEC's Office of General Counsel or the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as **ADR 276/RAD 05L-10**. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADR Office at 202-694-1670.

Sincerely,



Allan D. Silberman  
Director, ADR Office

Enclosures:

1. ADR Brochure
2. ADR Commitment Statement

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