



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 21, 2006

Kerry Gautier, Treasurer
Minnesota Democratic Farmer Labor Party
255 East Plato Boulevard
Saint Paul, MN 55107

Re: ADR 310 (RR 06L-05)
Minnesota Democratic Farmer Labor Party and Kerry Gautier, Treasurer

Dear Treasurer Gautier:

The Reports Analysis Division of the Federal Election Commission ("FEC" or "Commission") determined that matters arising from its recent review of the RAD reports filed by the Minnesota Democratic Farmer Labor Party and Kerry Gautier, Treasurer ("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 March 16, 2006 to assign this matter to the FEC's Alternative Dispute Resolution Office ("ADRO") 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 ADRO, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the Program, i.e., negotiation and/or mediation, you must: 1) indicate in writing a willingness to have your 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 ADRO and the focus of our subsequent negotiations are summarized as follows:

SUMMARY: RAD referred the Minnesota Democratic Farmer Labor Party and Kerry Gautier, Treasurer, ("Respondents" or the "Committee) for failing to disclose all financial

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activity. Specifically, the Committee filed an amended 2005 March Monthly Report to disclose additional receipts totaling \$59,277.41 on May 16, 2005. Respondents filed the original 2005 March Monthly Report that disclosed no receipts on Line 18(a) (Transfers from Non-Federal Account for Allocated Activity) on March 18, 2005, for the period February 1, 2005, through February 28, 2005. On April 18, 2005, the Committee filed an amended 2005 March Monthly Report that disclosed no change in the amount of receipts obtained by the Committee. On May 16, 2005, a second amended 2005 March Monthly Report was filed that disclosed the additional receipts on Line 18(a) of \$59,277.41. Respondents filed a miscellaneous electronic text message on September 27, 2005, in response to a RFAI sent to the Committee on August 31, 2005. Respondents' electronic message stated the transfers disclosed on Line 18(a) of the amended report were discovered during the reconciliation of the Committee's bank account. Respondents' message also indicated that the reconciliation had not been completed at the time the original 2005 March Monthly Report was filed.

If after reviewing this letter and the enclosed brochure, which describes the ADR program, Respondents would like this case selected for ADR processing, you 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, your case will be sent to the FEC's Office of General Counsel and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as ADR 310. 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, Assistant Director
Alternative Dispute Resolution Office
202-694-1665

Enclosures: Brochure
Commitment to Submit Matter to ADR
Designation of Representative/Counsel