



**Federal Election Commission
Washington, DC 20463**

Case Number: ADR 069

Source: AR 02-03

Case Name Gejdenson Reelection Committee

NEGOTIATED SETTLEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Following review of the matter, and in an effort to promote compliance with the Federal Election Campaign Act of 1971, as amended, ("FECA") and resolve this matter, the Federal Election Commission ("Commission") entered into negotiations with Sally Cini, Assistant Treasurer, representing the Gejdenson Reelection Committee ("Respondent"). It is understood that this agreement will have no precedential value relative to any other matters coming before the Commission.

Negotiations between the Commission and Respondent addressed the issues raised in this referral. The parties agree to resolve the matter according to the following terms:

1. The Commission entered into this agreement as part of its responsibility for administering the FECA, and in an effort to promote compliance on the part of Respondent. The Commission's use of alternative dispute resolution procedures ("ADR") is authorized in "The Administrative Dispute Resolution Act of 1996," 5 U.S.C. § 572 and is an extension of 2 U.S.C. § 437g.
2. Respondent voluntarily enters into this agreement with the Commission.
3. An audit of contributions from individuals received for the 2000 election cycle identified apparent excessive contributions from 74 individuals, totaling \$66,518. Of these, 33 contributions, totaling \$35,500, were on their face greater than \$1,000 with no election designations on the contributors' checks. The remaining excessive contributions (\$31,018) aggregated in excess of \$1,000. Respondent did not provide reattribution or redesignation letters for any of the above contributions, nor were any of the excessive contributions refunded to the contributor.
4. Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political

committees with respect to any election for Federal office, which, in the aggregate, exceed \$1,000. The regulations explain that with respect to any election means that if the contribution is not designated in writing by the contributor for a particular election then the contribution applies to the next election for that Federal office after the contribution is made. 11 C.F.R. § 110.1(b)(2)(ii). A contribution is considered made when the contributor relinquishes control over the contribution by delivering the contribution to the Candidate, the political committee, or an agent of the committee. A contribution that is mailed is considered made on the date of the postmark. 11 C.F.R. § 110.1(b)(6).

5. Section 103.3(b)(3) of Title 11 of the Code of Federal Regulations (“federal regulations”) states that the treasurer shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions received, when aggregated with other contributions from the same contributor, exceed the contribution limitations of 11 C.F.R. § 110.1. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b) or 110.1(k), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer’s receipt of the contribution refund the contribution to the contributor.
6. Federal regulations state, in relevant part, that any contribution which appears to be illegal under 11 C.F.R. § 103.3(b)(3), and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make all such refunds. 11 C.F.R. § 103.3(b)(4).
7. Federal regulations also state that any contribution made by more than one person, except for a contribution made by a partnership, shall include the signature of each contributor on the check, money order, or other negotiable instrument or in a separate writing, and if the contribution made by more than one person does not indicate the amount to be attributed to each contributor, the contribution shall be attributed equally to each contributor. 11 C.F.R. § 110.1(k)(1). If a contribution to a candidate or political committee, either on its face or when aggregated with other contributions from the same contributor, exceeds the limitations on contributions set forth in 11 C.F.R. § 110.1(b), (c) or (d), as appropriate, the treasurer of the recipient political committee may ask the contributor whether the contribution was intended to be a joint contribution by more than one person. A contribution shall be considered to be reattributed to another contributor if the treasurer of the recipient political committee asks the contributor if the contribution is intended to be a joint contribution by more

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than one person, and informs the contributor that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution, the contributors provide the treasurer with a written reattribution of the contribution, which is signed by each contributor, and which indicates the amount to be attributed to each contributor if equal attribution is not intended. See 11 C.F.R. §§ 110.1(k)(2) and 110.1(k)(3).

8. The treasurer of an authorized political committee may request a written redesignation of a contribution by the contributor for a different election if the contribution exceeds the limitation on contributions set forth in 11 C.F.R. § 110.1(b)(1). 11 C.F.R. 110.1(b)(5)(i). A contribution shall be considered to be redesignated for another election if the treasurer of the recipient authorized political committee requests that the contributor provide a written redesignation of the contribution and informs the contributor that the contributor may request a refund of the contribution as an alternative to providing a written redesignation and within sixty days from the date of the treasurer's receipt of the contribution, the contributor provides the treasurer with a written redesignation of the contribution for another election, which is signed by the contributor. 11 C.F.R. 110.1(b)(5)(ii). If the treasurer does not retain the written records concerning redesignation or reattribution, the redesignation or reattribution shall not be effective, and the original designation or attribution shall control. 11 C.F.R. § 110.1(b)(1)(5).
9. Respondent acknowledges that a violation of the FECA occurred due to a misunderstanding of the FECA by Respondent's staff concerning the need for *written* designations and/or attributions. Respondent contended that if an individual exceeded the primary election contribution level, staff assumed that the excess money would be for the general election. Respondent further contended that the staff assumed it was not necessary to demand that contributors make a clear election designation on their check(s), but that they were careful to ensure that no contributor exceeded \$2,000 for the primary and general elections. Respondent acknowledges their error in not having written documentation to show the intent of the donor for the contributions.
10. Respondent states that the committee has filed amended reports to correct errors or omissions based on discussions with a Reports Analysis Division analyst in preparation to terminate the committee. Respondent further states there are virtually no funds left in the committee account.
11. To resolve this referral, Respondent agrees to: (a) pay a civil penalty of \$3,000; and (b) terminate the committee.
12. The parties agree that if Respondent fails to comply with the terms of this settlement, the Commission may undertake civil action in the U.S. District Court for the District of Columbia to secure compliance.


13. This agreement shall become effective on the date signed by all parties and approved by the Commission. Respondent shall comply with the terms of the settlement within forty-five (45) days from the effective date of this agreement.

14. This Negotiated Settlement constitutes the entire agreement between the parties on ADR 069 (AR 02-03), and effectively resolves this matter. No other statement, promise or agreement, either written or oral, made by either party, not included herein, shall be enforceable.

FOR THE COMMISSION:

Allan D. Silberman, Director
Alternative Dispute Resolution Office

By:

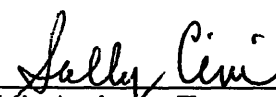


Lynn M. Fraser, Assistant Director
Alternative Dispute Resolution Office



Date Signed

FOR THE RESPONDENT:



Sally Cini, Assistant Treasurer
Gejdenson Reelection Committee



Date Signed