



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 3, 2003

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

SUBJ: Case for ADR Activation

On November 3, 2003 the ADR Office received from OGC/PFESP Audit Referral 03-08 to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, **ADR 145**, is appropriate for ADR and recommend that it be assigned to the ADR Office.

ADR 145/AR 03-08: Audit identified two matters pertaining to the respondent, Americans for Sound Energy Policy (AFSEP), for referral to ADRO: (1) receipt of apparent prohibited contributions and (2) misstatements of financial activity. Regarding the first item, AFSEP received ten contributions totaling \$19,302 that appears to be illegal. Following the audit review, Respondent submitted copies of non-negotiated refund checks, amounting to \$10,500, to confirm that refunds were made to eight of the contributors. The Respondent contends that the remaining balance of \$8,802 does not represent contributions to the Committee but the cost of dinners to a community event. Regarding the second matter, the Respondent was charged with misstating receipts and disbursements on disclosure reports for CY 1999 and 2000. The major issue in the case is a dinner hosted by the Respondent to which corporations contributed. AFSEP contends that the dinner was a community fund raising event, sponsored annually by the Respondent.

Attached for the Commission's review is the *ADR Case Analysis Report* on ADR 145 along with copies of the EPS II Rating and ADR Rating Sheets. The *Case Analysis Report* includes an analysis of the case and a description of the issues that the ADR Office (ADRO) anticipates addressing if the case is assigned to ADR. In addition, the Report has been reviewed by OGC, which concurs in the description of the case.

Recommendation: We recommend that **ADR 145/AR 03-08** be assigned to ADR Office for processing

ADR CASE ANALYSIS REPORT

ADR Case: # 145

AR 03-08

Respondents: Americans for Sound Energy
Policy (AFSEP)
Gregg Renkes, treasurer

OGC Case Open Date: 10-16-03

Date Forwarded to ADRO: 11-3-03

Date Reviewed by ADRO: 11-13-03

Election Cycle: 2000

Respondent's Rep: Gregg Renkes

Committee Type: SSF

Committee Name: AFSEP

District #/or State: N/A

Election – Won/Lost: N/A

Complainant: Audit Referral

Summary of Referral: Audit referred two matters: 1) Receipt of apparent prohibited contributions and 2) Misstatements of financial activity. Regarding item one, Audit identified ten contributions totaling \$19,302 that appeared to be illegal. Following the audit review, Respondents submitted copies of non-negotiated refund checks in the amounting of \$10,500 to refund eight of the contributions. Regarding the second matter, Respondents are charged with misstating its receipts and disbursements on disclosure reports for CY 1999 and 2000.

Alleged Violations: 2 U.S.C. §§ 431(8)(A), 434(b), 441a(a) and 441b and 11 C.F.R. §§ 100.7(a), 103.3(b), and 104.3(b).

Respondents' Replies: Respondents contend that the remaining balance of \$8,802 does not represent contributions but the costs of dinners paid by corporations to a community fund-raising event sponsored annually by AFSEP. Respondents contend that due to the fact that the amounts in question were not contributions there was no need to report the cost of the dinners on FEC disclosure reports, which they argue, explains the differences between the figures in their bank records and the figures reported to the FEC.

Issues: Receipt of illegal contributions, 2 U.S.C. §§ 441b, and failure to report contributions including in-kind contributions 2.U.S.C. §§ 434(a), (b) and 11 C.F.R. §§ 103.3(b) and 104.3(a) and (b)

Related FEC Experience/Guidance: Audit's examination and review of AFSEP's reporting is complete and provides guidance regarding the violations involved in this matter.

Recommendation: Assign to ADR