

Law Offices of

**OLSON  
HAGEL &  
FISHBURN  
LLP**

August 4, 2003

Via Facsimile (202) 219-3923 and U.S. Mail

Jeff Jordan  
Supervisory Attorney  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

**Re: MUR 5371 – Response to Complaint**

Dear Mr. Jordan:

This firm represents respondents Friends of Farr, Representative Sam Farr, and Sidney Slade. This letter responds to Mark Risley's complaint.

The complaint speculates that routine transactions on campaign reports never took place or violated the Federal Election Campaign Act in one way or another. Each of the allegations lacks merit. Mr. Risley does not provide any specific facts to support his claims, therefore this response demonstrates that the transactions are normal campaign activity. We urge the Commission to take no further action.

**Loan of Personal Funds**

Mr. Risley asserts that Congressman Farr's loan of personal funds to his campaign committee was improper. However, the Act clearly allows candidates to contribute or loan personal funds to their campaign committees. [11 C.F.R. § 110.11.] Congressman Farr loaned \$10,000 to Friends of Farr on February 20, 2001. [See Line 13A, 2001 Mid-Year Report.] In May 2001, Friends of Farr repaid the loan. [See Line 19A, 2001 Mid-year Report.]

Mr. Risley speculates that this transaction "never took place." This is incorrect. The loan did take place and it was appropriately disclosed on

Lance H. Olson  
Bruce J. Hagel  
Diane M. Fishburn  
Elizabeth L. Gade  
N. Eugene Hill  
Deborah B. Caplan  
Sarah E. Gilmer  
Thomas E. Gauthier

Of Counsel  
Leroy Y. Fong

555 Capitol Mall, Suite 1425 Sacramento, CA 95814-4602  
Telephone: (916) 442-2952 Facsimile: (916) 442-1280 www.olsonhagel.com

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL  
2003 AUG 11 A 10:10



Mr. Jeff Jordan  
August 4, 2003  
Page 2

campaign reports in full compliance with the Act.<sup>1</sup>

### **Wage and Tax Payments**

Next, the complaint alleges it was improper to pay payroll taxes and withhold taxes for Piasha Fielding. Under the Act, Friends of Farr is unquestionably allowed to hire employees. Federal and state laws require employers to pay payroll taxes and to withhold certain taxes from an employee's wages.

Friends of Farr hired Ms. Fielding and paid her wages on a regular basis. Payroll taxes and withholding were transmitted to various government agencies using a payroll service, River City Business Services. These are routine transactions. They were fully disclosed on campaign reports.

### **Purchase of Computers**

Finally, the complaint questions the purchase of a computer in November 2002 for \$2,016.26. The complaint misconstrues the transaction as two purchases. In fact, campaign reports show that only one computer was purchased for \$2,016.26.

The Act allows committees to purchase equipment and supplies. The computer in question was provided to a campaign volunteer who has assisted the committee with its fund-raising efforts for over five years. The volunteer uses the computer to maintain fund-raising records, generate thank-you letters, and send correspondence on behalf of the committee. This falls well within the permissible uses of campaign funds.

---

<sup>1</sup> Mr. Risley claims that Congressman Farr's contribution of \$15,000 to the Democratic Congressional Campaign Committee was somehow improper due to his loan of personal funds to Friends of Farr. This link between the two transactions fails to make sense. Regulations in effect in 2001 allowed candidates to contribute either \$20,000 per calendar year or unlimited amounts of excess funds to national political party committees. [See 11 C.F.R. § 110.1(c)(3); 11 C.F.R. 113.1(e) (2001 version).] Friends of Farr gave less than \$20,000 in 2001. The Act does not place further conditions on when or how a contributor may give to political parties.

Mr. Jeff Jordan  
August 4, 2003  
Page 3

**Conclusion**

Mr. Risley's complaint fails to allege any violations of the Federal Election Campaign Act. Each transaction he describes is permissible under the Federal Election Campaign Act and has been fully disclosed on campaign reports.

We ask that the Commission take no action on this complaint.

Very truly yours,

**OLSON, HAGEL & FISHBURN LLP**



THOMAS E. GAUTHIER

TEG