



**Federal Election Commission
Washington, DC 20463**

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

BY: Lynn M. Fraser
Assistant Director, ADR Office

SUBJECT: Case for ADR Activation

DATE: January 14, 2004

On December 24, 2003, the ADR Office received from CELA the following case to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, ADR 152/RAD 03L-06, Libertarian Party of Illinois and William J. Stephens, Treasurer, is appropriate for ADR and recommend that it be assigned to the ADR Office.

ADR 152/RAD 03L-06: RAD referred this committee due to their receipt of excessive contributions from two (2) individuals totaling \$76,270 during the 2001 calendar year and \$65,749 during the 2002 calendar year. After notification by RAD, Respondents failed to refund, reattribute or transfer-out excessive funds. Respondents stated that the problem arose as they had only one account for both federal and non-federal funds. Respondents filed several amended reports, one of which reflected a federal allocation of 28.57%. None of the amendments, however, addressed the excessive contributions, nor disclosed the excessive amounts as debts owed to the contributors if Respondents were unable to refund the contributions.

Attached for the Commission's review is the ADR Case Analysis Report (CAR) on ADR 152, along with copies of the EPS Rating and ADR Rating reports. The CAR includes an analysis of the case and a description of the issues that the ADR Office anticipates addressing once the case is assigned to ADR. In addition, the CAR has been reviewed by OGC, which concurs in the description of the case.

Recommendation. We recommend that ADR 152/RAD 03L-06 be assigned to the ADR Office for processing.

ADR CASE ANALYSIS REPORT

ADR Case: 152

Respondents:

Libertarian Party of Illinois
William J Stephens, Treasurer

RAD Referral: 03L-06

Respondent's Rep.:

William J. Stephens, Treasurer

Date Forwarded to ADRO: 12/24/2003

Committee Type:

Non-qualified Party

Date Reviewed by ADRO: 01/06/2004

Committee Name:

Libertarian Party of Illinois

District #/or State: IL

Election Cycle: 2001-2002

Election - Won/Lost: N/A

Summary of Referral: Respondents received excessive contributions from two (2) individuals totaling \$76,270 during the 2001 calendar year and \$65,749 during the 2002 calendar year. Respondents failed to refund, reattribute or transfer-out the excessive funds. The Assistant Treasurer was advised that if the excessive amounts were not refunded due to a lack of sufficient cash, they must disclose the amounts as debts owed to the individuals. Respondents filed several amended reports, but none of the amendments addressed the excessive contributions, nor disclosed the excessive amounts as debts owed to the contributors. In fact, the amended 2002 April Quarterly report disclosed an additional excessive contribution of \$75 from one of the same individuals who made excessive contributions in the original report.

Alleged Violations: 2 U.S.C. §§ 441a(a)(1)(C), 441a(f), 11 C.F.R. §§ 102.5(a), 106.5, 110.1(d)

Respondent's Reply to RAD: Respondents contend that the problem arose as they had only one account for both federal and non-federal funds, and had not realized they must file reports reflecting the allocation of contributions or expenditures between the two accounts. Respondents filed an amendment to the 2001 Year End report which reflects a federal allocation of 28.57%. Respondents advised RAD that they were having difficulty communicating with the individuals who made the excessive contributions. Respondents also admitted they did not have sufficient funds to refund the contributions when they did make contact.

Issues:

- Contribution limits 2 U.S.C. §§ 441a(a)(1)(C), 441a(f), 11 C.F.R. § 110.1(d)
- Allocation of funds between federal and non-federal accounts/activities 11 C.F.R. §§ 102.5(a), 106.5

ADR Recommendation: Assign to ADRO