



FEDERAL ELECTION COMMISSION
Washington, DC 20463

February 19, 2004

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman *AS*
Director, ADR Office

SUBJ: Case for ADR Activation

On January 29, 2004 the ADR Office (ADRO) received from OGC /CELA MUR 5377 to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, **ADR 154**, is appropriate for ADR and recommend that it be assigned to the ADR Office.

ADR 154/MUR 5377: The complaint, filed on behalf of the Michigan Republican State Committee, alleges that the Respondents, i.e., Fannie Lou Hamer, PAC and Edwin Washington, Treasurer, failed to register and file financial reports after contributing and expending more than \$1,000 in connection with federal elections in CY 2002. Respondents were previously registered with the Commission but were administratively terminated on November 2, 2000. The Commission's termination letter stated that any receipt or disbursement of funds by the Committee for the purpose of influencing a federal election would void the termination. In that event, the Committee would be obligated to begin filing reports of its financial activity. Respondents contend that they never received the Commission's notices and erroneously note that they filed two reports, issued by the IRS, in the belief that they were appropriate FEC documents.

Attached for the Commission's review is the *ADR Case Analysis Report* on **ADR 154** along with a copy of the EPS Rating and ADR Rating Sheets. The *Case Analysis Report* includes an analysis of the case and a description of the issues that the 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.

ADR Director's Recommendation: Assign **ADR 154/MUR 5377** to the ADR Office for processing

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ADR CASE ANALYSIS REPORT

ADR Case # 154

Respondents: Fannie Lou Hamer PAC
Edwin Washington, Treasurer

MUR: 5377

OGC Case Open Date: 7-11-03

Respondents' Rep: Reginald M. Turner, Esq.

Date Forwarded to ADRO: 1-29-04

Committee Types: Political Committee

Date Reviewed by ADRO: 2-6-04

Committee's Name: Fannie Lou Hamer

District #/or State: NA

Election Cycle: 2002

Complainant: Greg McNeill

Summary of Complaint: Complaint, filed on behalf of the Michigan Republican State Committee, alleges that Respondents failed to register and file reports after contributing and expending more than \$1,000 in connection with federal elections in CY 2002. Specifically, the Committee is charged with failing to file campaign finance reports as required by the administrative termination action of the Commission on November 2, 2000. The Complaint notes that the Commission administratively terminated the Committee for "repeated failure to file reports". The Complaint includes a paragraph from the Commission's letter of November 2, 2000, noting, "any receipt or disbursement of funds by the committee for the purpose of influencing a federal election or supporting a federal candidate will void the administrative termination. In such an event, the committee will [be] required to begin filing reports with the Federal Election Commission. The first such report will include any activity since the date of the last report filed by the committee." In addition to violating the foregoing condition, the complaint contends that the Committee incurred an obligation to register and file campaign finance reports once it spent more than \$1,000 in connection with federal elections in calendar year 2002

Alleged Violations: 2 U.S.C. §§ 434(a), 434(b), 11 C.F.R. §§ 100.5(a) and 102.1(d).

Respondents' Replies: Respondents argue that they had no knowledge of nor received the notices from the FEC. The Committee states that "it appears that most if not all of the notices were mailed to a post office box ... that has not been used in quite awhile". The current Treasurer (appointed in 2000) contends that he had not seen any of the aforementioned correspondence from the Commission and was unaware of mail delivered to the referenced post office box. The former Treasurer asserts that she "filed Form 8871 in February 2001" and the current Treasurer reportedly "filed Form 8872 in August 2001" – indicating some confusion on the part of both treasurers in that the cited forms are ones issued by the IRS and pertain to 527 organizations. No reports have been filed since then.

Issues:

- Registration of political committees – 2 U.S.C. § 433(a) and 11 C.F.R. § 102.1(d)
- Reporting requirements – 2 U.S.C. § 434(a) and 11 C.F.R. § 104.1
- Contents of reports – 2 U.S.C. § 434(b) and 11 C.F.R. § 104.3
- Report of disbursements – 2 U.S.C. §§ 434(b)(4) and (b)(6) and 11 C.F.R. § 104.3(b).
- Changes to Statement of Organization – 2 U.S.C. § 433(c) and 11 C.F.R. § 102.2(a)(2)

Potential Terms of Settlement: Terms of settlement will depend on the Committee's intentions. If they remain active a civil penalty combined with attendance at the FEC seminar might be in order. If they terminate their operations, the termination must ensure that the Committee discontinues its activities related to Federal elections.

Recommendation: Assign to ADR X

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