



Federal Election Commission
Washington, DC 20463

2004 SEP 24 9:14

MEMORANDUM

SENSITIVE

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: Recommendation to Close the File on ADR 191

DATE: September 24, 2004

On September 10, 2004, the ADR Office ("ADRO") received this matter from OGC/CELA to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, **ADR 191 (MUR 5449)** is inappropriate for ADR and recommend that the case be closed. Following the procedures approved by the Commission on March 3, 2003, this matter will be closed by ADRO if the Commission approves the recommendation in this memorandum. The Office of General Counsel ("OGC") concurs in the description of this matter and also concurs that it will not be returned to OGC for further action.

ADR 191/MUR 5449: The Complainant alleges that the Chiropractors For Wellness Care PAC ("CWC PAC") and Terry A. Rondberg, Treasurer ("Respondents"), although registered as a non-connected political action committee, should be registered as connected to the World Chiropractic Alliance ("WCA"). Respondent Terry A. Rondberg is Treasurer of CWC PAC and President of WCA. The complaint contends that Respondents solicited contributions for the CWC PAC on the website of the WCA and at a WCA event. Respondents contend that the CWC PAC is not connected to the WCA, as the WCA did not establish, and does not administer or financially support the CWC PAC. Respondents contend the CWC PAC contracted with the WCA for advertising. Respondents paid \$3,269.00 to the WCA, the usual and normal charge for advertising on the WCA website, in the WCA magazine, *The Chiropractic Journal*, a printed publication mailed to members of the chiropractic community, and for electronic advertisements in the *WCANews.com Health Watch Newsletter*.

24-19-025-4827

Attached for the Commission's review is the *ADR Case Analysis Report (CAR)* on ADR 191,

ADR Director's Recommendation: We recommend that the Commission take no further action on ADR 191/MUR 5449, that the file be closed and the appropriate letters sent.

24.19.025.4828

ADR CASE ANALYSIS REPORT

ADR Case: 191

Respondents:

Chiropractors For Wellness Care PAC
Terry A. Rondberg, Treasurer

MUR: 5449

Respondents' Rep.:

Ronald M. Jacobs, Esq.

OGC Case Open Date: 05/10/04

Date Forwarded to ADRO: 09/10/04

Committee Name:

Chiropractors For Wellness Care PAC

Date Reviewed by ADRO: 09/20/2004

Committee Type: Non-Party, Non-Qualified

District #/or State: N/A

Election - Won/Lost: N/A

Election Cycle: N/A

Complainant: James C. Smith, D.C.

Summary of Complaint: The Complainant alleges that the Chiropractors For Wellness Care PAC ("CWC PAC") registered as a non-connected political action committee. The complaint alleges, however, that CWC PAC and Terry A. Rondberg, Treasurer ("Respondents") are connected to the World Chiropractic Alliance ("WCA"). Respondent Terry A. Rondberg is Treasurer of CWC PAC and President of WCA. The complaint contends that Respondents solicited contributions for the CWC PAC on the website of the WCA and at a WCA event. Complainant alleges that Respondents' actions demonstrate that the CWC PAC and the WCA are, in fact, connected organizations and must be reported as such.

Violations Alleged: 2 U.S.C. § 433(b)(2), 11 C.F.R. §§ 102.2(a)(1)(ii), 102.2(b)

Respondents' Reply: Respondents contend that the CWC PAC is not connected to the WCA, as the WCA did not establish, and does not administer, or financially support the CWC PAC. Respondents contend the CWC PAC paid \$3,269.00 to the WCA, the usual and normal charge for advertising on the WCA website, in the WCA magazine, *The Chiropractic Journal*, a printed publication mailed to members of the chiropractic community, and for electronic advertisements in the *WCANews.com Health Watch Newsletter*.

24-19-025-4829

Issues:

- Required information in Statement of Organization 2 U.S.C. § 433(b)(2), 11 C.F.R. §§ 102.2(a)(1)(ii), 102.2(b)

Related FEC Experience/Guidance: The FECA, the regulations and numerous AO's define a connected organization, and differentiate between a separate, segregated fund, connected organization and a nonconnected committee. AO 2000-20 stated that a nonconnected PAC that pays its own administrative expenses and has a diversified leadership is not connected to any of the associations that the committee's board members are involved with. One AO that appeared to be most analogous to this matter was AO 1997-15 in which the Commission advised that the president of a membership organization can establish an independent nonconnected PAC provided that the membership organization does not financially support the PAC.

Analysis: The statute and regulations define connected organization to mean any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee. 2 U.S.C. § 431(7). In this case, the Treasurer of CWC PAC specifically wanted to maintain nonconnected status when he filed the Statement of Organization. In reviewing the reports filed by Respondents and the website of the WCA, there is no evidence of financial support or decision making authority of the PAC by the WCA. The affidavits of the Treasurer of CWC PAC and the sales representative of the WCA, as well as the reports filed by Respondents, disclose the contract between Respondents and the WCA to purchase advertising space in *The Chiropractic Journal* and in the WCA's electronic newsletter for the purpose of soliciting contributions for the CWC PAC. It does not appear there was a violation of the FECA as alleged.

ADR Director's Recommendation: DISMISS

24.19.025.4339