



**Federal Election Commission
Washington, DC 20463**

November 10, 2004

Sabine Romero, Chief Counsel
Democratic National Committee
430 South Capitol Street, SE
Washington, DC 20003

Re: ADR 195 (MUR 5476)

Dear Ms. Romero:

On June 13, 2004, the Federal Election Commission ("Commission") notified the Democratic National Committee and Andrew Tobias, Treasurer, the Democratic Victory Fund and the NJ Democratic Victory Fund ("Respondents") of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with the notification.

After considering the circumstances of this matter, the Commission determined to exercise its prosecutorial discretion and to take no action against the Respondents. In its memorandum to the Commission, dated October 19, 2004, this office stated:

ADR 195/MUR 5476: The New York Attorney General's Office ("NYAG"), Charities Bureau referred this matter to the Commission for possible FECA violations. NYAG's review of the Harold and Marian Coleman Charitable Foundation, Inc. (the "Foundation"), disclosed the Foundation made donations during the fiscal years ending 1998-2003 to various organizations thought to be political committees registered with the FEC.

Respondent Carol Kaufman, Director/President of the Foundation, contends that it was never her intent to send donations prohibited under the law. She contributed to various organizations and received a "no goods or services letter." Virtually all of the organizations she contributed to, as outlined in the complaint, are either not political committees as defined in the FECA, or the Foundation contributed to the non-federal account of the committee as confirmed by counsel for those organizations. Counsel for the party committees contend the contributions were not prohibited as they were prior to BCRA. Three of the five political committees that received prohibited contributions from the Foundation stated they refunded the contribution(s) as soon as they were made aware of the corporate connection. The

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fourth committee terminated in February 2004, and the fifth committee did not file a response.

Accordingly, the Commission closed its file in this matter on November 8, 2004.

The FEC is obligated by federal regulations to make a finding to terminate its proceedings public, as well as the basis therefore. 11 C.F.R. § 111.20(b). In addition, the Commission will also place on the record copies of the complaint, correspondence exchanged between Respondent and this office, and reports prepared for the Commission by this office to assist in its consideration of this matter. Accordingly, copies of documents relative to this matter will be forwarded shortly to the FEC's Public Information Office.

If you have any questions regarding this matter please be in touch. My telephone number is 202-694-1665.

Sincerely,

Lynn M. Fraser
Assistant Director, ADR Office