



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

November 2, 2004

**MEMORANDUM**

TO: The Commission

THROUGH: James A. Pehrkon  
Staff Director

FROM: Allan D. Silberman  
Director, ADR Office

SUBJ: Recommendation to Close the File **ADR 203**

On October 22, 2004, the ADR Office (ADRO) received from OGC/CELA a complaint to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, **ADR 203**, 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 this matter will not be returned to OGC for further action.

**ADR 203/MUR 5451:** Complainant contends Respondents failed to file disclosure reports after exceeding the \$5,000 threshold that determines candidacy and reporting requirements of the Act when the candidate acknowledged financing his campaign with personal funds of \$25,000. Respondents contend they did not file disclosure reports due to the fact that as of April 2004 that had not exceeded the \$5,000 threshold either with receipts or expenditures. Respondents also advised that a \$25,000 home equity loan originally intended for the campaign was used for personal living expenses. The complaint presents no evidence to contradict Respondents' statement. Reports filed by Respondents since the July Quarterly list the Committee's receipt, disbursements and loans none of which alters the conclusion that the Complaint's claims are unsubstantiated.

Attached for the Commission's review is the *ADR Case Analysis Report* on **ADR 203** along with a copy of the EPS and ADR Rating Sheets.

**ADR Director's Recommendation:** We recommend that **ADR 203/MUR 5451** be closed and the appropriate letters sent.

## ADR CASE ANALYSIS REPORT

ADR Case: 203

Respondents: Crowson for Congress  
Anna Marie Broadhead, Treasurer

MUR: 5451

Respondents' Rep: Thomas A. Crowson

OGC Case Open Date: 5-19-04

Committee Type: Authorized

Date Forwarded to ADRO: 10-22-04

Committee's Name: Crowson for Congress

Date Reviewed by ADRO: 10-29-04

District #/or State: WA 3<sup>rd</sup> C.D.

Tier Level: 3

Election Won/Lost: -

EPS Rating: 16

Election Cycle: 2004

ADR Rating: 55

Complainant: Paul Berendt, Chairman  
WA State Democratic Central Comm.

**Summary of Complaint:** Complainant alleges that Respondents failed to file disclosure reports after filing a Statement of Organization and Statement of Candidacy on September 8, 2003. Specifically, Complainant argues that the candidate exceeded the \$5,000 threshold that determines candidacy and accompanying reporting requirement of the Act when he publicly acknowledged financing his campaign with \$25,000 in personal funds. (Complainant enclosed a copy of a news clipping to attest to the candidate's comment regarding the use of personal funds.) The complaint contends that Respondents were required to file October, Year-End and April quarterly reports.

**Alleged Violations:** 2 U.S.C. § 434, and 11 C.F.R. §§ 104.1, and 104.5

**Respondents' Replies:** Respondents contend that they did not file disclosure reports due to the fact as of April 2004 that had not exceeded the \$5,000 threshold either with receipts or expenditures. The candidate also advised that the \$25,000 home equity loan, originally intended for campaign purposes, was used subsequently for personal living expenses.

**Analysis:** The statute at § 431(2)(A) defines a candidate *inter alia* as an individual who has received contributions or made expenditures aggregating in excess of \$5,000. Respondents contend that as of April 2004 they had not exceeded that threshold. There is no evidence in the complaint to the contrary. The regulations at § 100.83(c) provide that a loan to a candidate based on his/her home equity line of credit used for routine personal living expenses need not be reported. Respondents contend that the loan was used, in spite of press reports to the contrary, for personal living expenses. Again, the Complainant presents no evidence to contradict Respondents' statement. Reports filed by Respondents since the July Quarterly report list the Committees receipts, disbursements and loans none of which alter the conclusion that the Complainant's claims are unsubstantiated.

**Issues:** Filing Reports 2 U.S.C. §§ 434(a)(1) and (2) and 11 C.F.R. §§ 104.1(a) and (b) and 104.5.

**Recommendation:** Dismiss