



Federal Election Commission
Washington, DC 20463

January 13, 2005

Lyn Utrecht, Esq.
Ryan, Phillips, Utrecht & MacKinnon
1133 Connecticut Avenue, N.W. #300
Washington, DC 20006

Re: ADR 221 (MUR 5490)

Dear Ms. Utrecht:

On July 28, 2004, the Federal Election Commission ("Commission") notified Friends of Schumer and Steven D. Goldenkranz, Treasurer, 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 has determined to exercise its prosecutorial discretion and to take no action against the Respondents Friends of Schumer and Steven D. Goldenkranz. In its memorandum to the Commission, dated December 21, 2004, this office stated:

ADR 221/MUR 5490: The complaint alleges that Friends of Schumer and Steven Goldenkranz, Treasurer (collectively "Respondents" or "committee"), by using federal funds to pay for travel for political and fundraising events, accepted excessive in-kind contributions and failed to report these contributions. Complainant contends that according to press reports, Respondents admitted that on thirty-five occasions government funds were used to pay for travel that included campaign activities. The Complainant argues that Respondents violated the FECA and Senate ethics rules when the committee did not pay for campaign related travel. Respondents argue that 2 U.S.C. § 431(11) specifically excludes the Federal Government from the definition of a "person." Respondents state that the Commission acknowledged that candidates' travel paid for using funds authorized and appropriated by the Federal Government are not paid for by a "person." 67 Fed. Reg. 5445.

Accordingly, the Commission closed its file in this matter on January 7, 2005.

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 Respondents and the Commission, 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