



FEDERAL ELECTION COMMISSION
Washington, DC 20463

COMMISSION
SECRETARIAT

2005 SEP 27 A 9:09

September 26, 2005

MEMORANDUM

SENSITIVE

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

SUBJ: **ADR 258** – Michael Jaliman for US House of Representatives and M. Kathryn Jaliman, Treasurer
Recommendation to Approve Settlement Agreement

Attached for your review is a signed negotiated ADR settlement agreement pertaining to **ADR 258/MUR 5561**, Michael Jaliman for US House of Representatives and M. Kathryn Jaliman, Treasurer (the “Respondents”). This matter was opened on October 12, 2004 and assigned to the ADR Office on July 5, 2005.

Complainant alleges that Respondents, i.e., Michael Jaliman, Michael Jaliman for US House of Representatives and M. Kathryn Jaliman, Treasurer, produced and distributed campaign-related material, maintained a website, and recorded and distributed phone messages without the required disclaimer notice. The Complainant also contends that Respondents exceeded the \$5,000 threshold in expenditures triggering a requirement to file financial reports with the Commission and failed to file a statement of candidacy. Respondents argued that they were unaware of the need to attach disclaimer notices to their website, campaign materials or other campaign documents. Respondent Michael Jaliman for US House of Representatives acknowledged that it was not well informed on the requirements of the FECA.

Recommendations:

- 1) Approve the attached Settlement Agreement pertaining to Michael Jaliman for US House of Representatives and M. Kathryn Jaliman, Treasurer.
- 2) Dismiss the complaint as it pertains to Michael Jaliman.
- 3) Approve the appropriate letters.
- 4) Close the file on this matter.

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ADR CASE ANALYSIS REPORT

ADR Case: 258

Respondents: M. Jaliman for US House of Rep.
M. Kathryn Jaliman, Treasurer
Michael Jaliman

MUR: 5561

Respondents' Rep: Michael Jaliman

OGC Case Open Date: 10-12-04

Committee Type: Authorized

Date Forwarded to ADRO: 6-3-05

Committee's Name: Jaliman for US House Rep's.

Date Reviewed by ADRO: 6-15-05

District #/or State: NY 19th C.D.

Election Won/Lost Cycle: Lost

Election Cycle: 2004

Complainant: Scott C. Johnson

Summary of Complaint: Complainant alleges that Respondents produced and distributed campaign-related material without the required disclaimer notice. Specifically, the Complainant contends Respondents produced and maintained a website, produced and distributed at least 2 direct mail pieces and recorded and distributed phone messages in his congressional district all promoting his candidacy. The Complainant also contends that Respondents exceeded the \$5,000 threshold in expenditures thus triggering a requirement to file financial reports with the Commission. The complaint also claims that Respondents failed to file a statement of candidacy.

Respondent's Replies: Respondents argue that they were unaware of the need to attach disclaimer notices to their website, campaign materials or other campaign documents. Respondent Jaliman contends that the subject omissions were not intended to misdirect or circumvent the law. He acknowledged that his campaign committee was not well informed on the requirements of the FEC or Act.

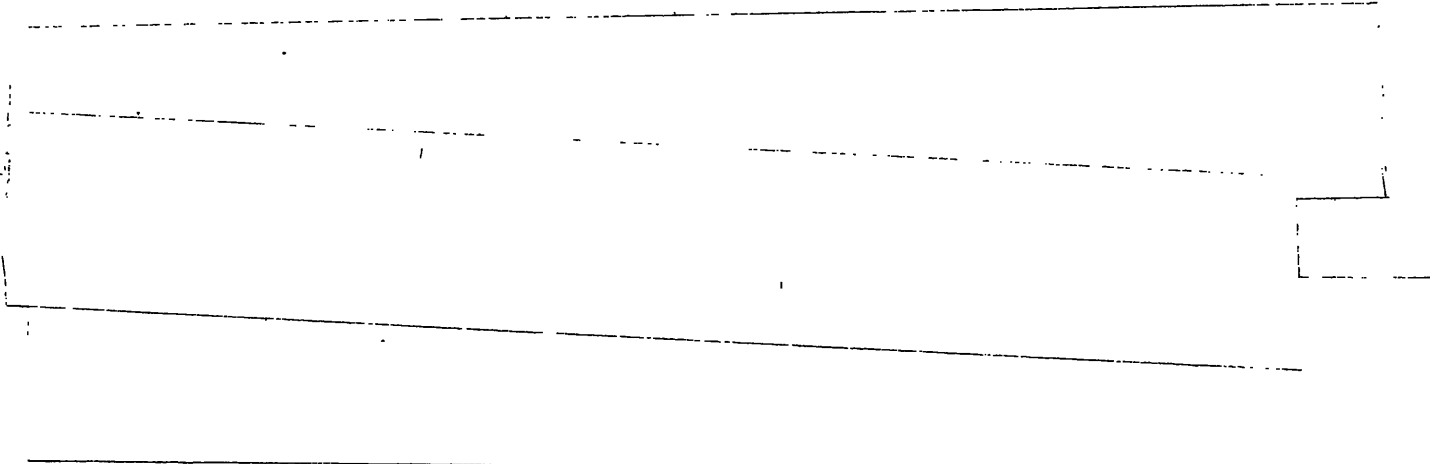
Alleged Violations: 2 U.S.C. §§ 441d(a)(1), 433(a) and 11 C.F.R. §§ 110.11(a)(1), 102.1(a), 104.1, and 104.3(b).

Analysis: The regulations require political committees that make disbursements for the purpose of financing any communication through any broadcasting station, mailing or any other type of general public political advertising or whenever any person makes a disbursement for the purpose of financing communication expressly advocating the election of a clearly identified candidate such communication if paid for and authorized by a candidate or an authorized political committee of a candidate shall clearly state that the communication has been paid for by such authorized committee. 2 U.S.C. § 441d(a)(1) and 11 C.F.R. § 110.11(a)(1). Candidates, defined as when they receive or make expenditures aggregating in excess of \$5,000, are obliged to file a statement of organization no later than 10 days after their designation of candidacy. 2 U.S.C. § 433(a) and 11 C.F.R. § 102.1(a). Each treasurer of a political committee is required to register and report in accordance with the provisions of 11 C.F.R. § 104. Each report shall disclose that total amount of all disbursements for the reporting

period and for the calendar year, etc. 11 C.F.R. 104.3(b). Respondents acknowledged that they failed to understand the requirements of the Act and the Commission's regulations. However, Respondents did not reply to two other issues noted in the complaint – the requirement to register and the obligation to file reports of financial activity. Both issues were addressed in an earlier complaint, i.e., MUR 5508, filed against the same Respondents. The earlier complaint addressed, among other issues, an allegation that the Committee failed to register timely with the Commissioner. That matter, ADR 210, was subsequently dismissed. The earlier case determined that Respondents had filed a Statement of Candidacy on July 29, 2004 and filed their first quarterly financial report on October 19, 2004.

Issues:

- Disclaimer notices, 2 U.S.C. 441d(a)(1) and 11 C.F.R. 110.11(a)(1)
- Requirement to register with the Commission, 2 U.S.C. § 433(a) and 11 C.F.R. § 102.1(a)
- Requirement to file financial reports, 2 U.S.C. § 434(a)(1) and (2) and 11 C.F.R. § 104.1.



Recommendation: Assign to ADR

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