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May 31, 2006

BY OVERNIGHT MAIL

Federal Election Commission
Alternative Dispute Resolution Program
999 E Street NW
Washington, D.C. 20463

Attention: Lynn M. Fraser, Assistant Director

Re: ADR 311

Dear Ms. Fraser:

The Lyndon LaRouche Political Action Committee and Barbara M. Boyd, as Treasurer, submit, via this letter brief, their initial stipulations and arguments regarding this matter.¹

STIPULATIONS OF FACT

(1). The Committee admits that it failed to file two (2) 48 hour notices regarding independent expenditures totaling \$69,564.72 and that it filed other 48 hour notices late. The Committee's calculations concerning the two 48 hour notices that were not filed differ from the calculations of the Reports Analysis Division ("RAD"). The Committee's calculations are set forth in the Chart annexed as Exhibit A. These calculations assume, in all cases, that the ship date from the printer is the first possible date of dissemination for leaflets and pamphlets distributed by volunteers. The ship date is the trigger date for purposes of 11 CFR 104.4(f).

¹ By letter dated May 22, 2006 the Committee sought to verify that it had correctly identified the items of literature set out in Attachment 2 of the RAD referral in this matter. The present response assumes that the Committee correctly identified the literature in Attachment 2.

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(2). The Committee has conducted a thorough review with its printer of all publication shipping dates and is confident that the shipping dates set forth on Exhibit A are correct. Based on this review, the Committee determined that the ship dates provided by its printer at the time of the Committee's response to the February 4th RFAI were incomplete. The Committee did not have some ship dates for pieces of literature shipped in September of 2004 and the ship dates provided for leaflets were incomplete. As a result, there were errors in the chart annexed to the Committee's March 7th response. The recitation of shipment dates in Exhibit A supersedes any other statement of shipping dates.

(3). The Committee admits that it failed to file six (6) 24 hour notices regarding expenditures totaling \$71,397.50. The RAD referral charges that the Committee failed to file five (5) 24 hour notices totaling \$62,513.70. The Committee's calculations regarding the required notices and shipment trigger dates are set forth in Exhibit A.

(4). This admission includes two items which were shipped on October 4, 2004, which, in aggregate, did not meet the \$10,000 threshold for a 48 hour notice. The Committee has assumed that these expenditures would be subject to a 24 hour report on the first day after the 24 hour reporting period began on October 13, 2004. (See, Exhibit A, Bush Mad Leaflet and Spanish Platform typesetting involving communications shipped on October 4, 2004).

(5). The Committee concedes for purposes of this proceeding that each of the expenditures set forth on Exhibit A and Attachment 2 to the RAD referral involved independent expenditures.

FACTORS IN MITIGATION

(6). This multi-candidate Committee came into existence in August of 2004. Between its inception and December 31, 2004, the Committee raised \$1,266,694.71 and expended \$1,214,632.99 on a variety of political activities. During the time period relevant to this matter, the Committee was staffed entirely by volunteers.

(7). The Committee's failures to file 48 and 24 hour notices resulted from the failure of the Committee's volunteers to familiarize themselves with the new rules for 48 hour and 24 hour notices promulgated by the FEC in 2002 and 2003. The Assistant Treasurer, who made these filings, systematically used the payment date as the trigger date for filing 48 or 24 hour independent expenditure reports rather than the date when a

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independent expenditure reports rather than the date when a leaflet or pamphlet was "publicly disseminated," as previously described."²

(8). The billed amounts for these items were timely disclosed as debts owed by the Committee on the respective Schedule Ds in the Committee's October quarterly, Pre-Election, Post-Election, and Year-End reports and disclosed as Schedule E independent expenditures on the same reports as payments were made. There was no effort to hide the fact of these expenditures other than the inadvertent, albeit systemic, application of the wrong trigger date.

(9). The Committee notes that the regulations are more complicated in application to multiple printings of leaflets and pamphlets distributed by volunteers nationally than to the types of broadcasts or advertisements which were the main concern of the regulatory process. The Committee adopted the printer's ship date as the trigger date for reporting, since this is the first possible date of dissemination. The Committee cannot verify with exact precision, however, when the publications at issue were disseminated.

(10). The Committee's treasurer has a different recollection of the procedural history of this matter than that set forth in the RAD referral. The treasurer, Barbara Boyd, contacted Christopher Morse, the RAD analyst, shortly after receiving the initial RFAI dated December 15, 2004. The treasurer reported the systemic application of the wrong trigger date by the Committee and asked Mr. Morse whether she had to retain counsel or whether the Administrative Fines program would, instead, apply to this type of situation. She also asked Mr. Morse whether the Committee should file the notices which had not been filed as an amended filing.

(11). Mr. Morse explained that since the violation had already occurred, filing the notices as amendments would have no practical impact and the amount of money involved dictated that the matter be referred to General Counsel. The treasurer took

²It should be noted that under the erroneous methodology employed by the Committee, a 24 hour report was due on October 30, 2004 for expenditures totaling \$24,872.36 made on October 29, 2004. Instead of filing the correct report on October 30th, the Committee mistakenly filed a duplicate of the first page of its previously filed October 25th report.

these comments to mean that any responses should be by counsel in the form of letters and/or briefs. The Committee timely responded to each of the RFAIs issued by RAD utilizing this method.

(12). Subsequently, the Treasurer called Mr. Morse to inquire about methods of filing the response to the April 8, 2005 RFAI. Mr. Morse was not available and another analyst returned the call. The second analyst insisted that briefs or letter briefs by counsel had to be filed electronically if they were to be considered by the Commission. She also said that respondents to RFAIs often filed late 48 hour and 24 hour notices or amendments even though violations had already occurred. She suggested that the Committee do the same.

(13). The Committee did electronically file its May 9th response. It also filed the response by hand delivery, however, since the response referred to specific items of literature and the Committee provided samples. The Committee did not file the 24 or 48 hour notices or amendments as suggested by the second analyst. The Treasurer did speak with Mr. Morse again to confirm that the Commission had received and would consider all the Committee's previously filed letter briefs.

(14). Since the failures to file were inadvertent and the expenditures were otherwise disclosed in the Committee's filings, the Committee does not believe that a fine is in order. The Committee has established a policy with its printers wherein all shipment information is available to the Committee upon request on the date of shipment. The Committee has also instituted procedures to ensure prompt content review of all pamphlets and leaflets prior to shipment. The Committee's treasurer and the individuals responsible for electronic filings will attend whatever FEC seminars and further training are deemed necessary by the FEC. The Committee has also begun developing an internal compliance manual of procedures for all employees and volunteers.

(15). The Committee wishes to defer discussion of other mitigating circumstances and sanctions until such time as there is a conference with the Alternative Dispute Resolution Program regarding this matter.

Very truly yours,



Odin P. Anderson

Enc: Attachment A

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Exhibit A; Independent Expenditure Overview

Item	Ship Date	24/48 Notice Filing		Payment Date	Disclosure Report
		Date	Amount		
Print leaflet "Bush-Cheney Perpetual War"	9/22/2004	10/19/2004	5,001 89	10/18/2004	Post-General
Typeset leaflet "Bush-Cheney Perpetual War"	9/22/2004	Not filed	332 06	12/31/2004	Year-End
Typeset pamphlet "Physical Economy"	9/22/2004	Not filed	3,335 06	12/31/2004	Year-End
Print pamphlet "Physical Economy"	9/22/2004	10/25/2004	11,386 23	10/21/2004	Post-General
		10/30/2004	10,000 00	10/27/2004	Post-General
		Not filed	80 93	10/14/2004	Post-General
		Not filed	18,792 84	10/29/2004	Post-General
<i>48-hour notice due 9/24 for ship date 9/22/04</i>			22,540 89		
Typeset leaflet "Bush Mad"	9/28/2004	Not filed	389 81	12/31/2004	Year-End
Print leaflet "Bush Mad"	9/28/2004	Not filed	1,170 83	10/29/2004	Post-General
Print leaflet "Bush Mad"	9/29/2004	Not filed	5,001 89	10/29/2004	Post-General
2nd printing, pamphlet "Physical Economy"	9/30/2004	Not filed	24,706 80	11/5/2004	Post-General
		Not filed	10,000 00	11/5/2004	Post-General
		Not filed	5,000 00	11/15/2004	Post-General
		Not filed	754 50	11/29/2004	Year-End
<i>48-hour notice due 10/2 for ship date 9/28-9/30/04</i>			47,023.83		
Print leaflet "Bush Mad"	10/4/2004	Not filed	5,001.89	12/3/2004	Year-End
Typeset Spanish Platform	10/4/2004	Not filed	714 66	12/31/2004	Year-End
<i>24-hour notice due 10/14 for ship date 10/4/04, below \$10,000 threshold for 48-hr notice</i>			5,716 55		
Print leaflet "Bush Mad"	10/15/2004	Not filed	5,001 89	12/17/2004	Year-End
				12/23/2004	Year-End
				12/31/2004	Year-End
3rd printing, pamphlet "Physical Economy"	10/15/2004	Not filed	21,939 15	11/29/2004	Year-End
				12/3/2004	Year-End
				12/10/2004	Year-End
<i>24-hour notice due 10/16 for ship date 10/15/04</i>			26,941 04		
Typeset "Flu" leaflet	10/19/2004	Not filed	215 56	12/31/2004	Year-End
Print "Flu" leaflet	10/19/2004	Not filed	5,001 89	12/3/2004	Year-End
<i>24-hour notice due 10/20 for ship date 10/19/04</i>			5,217.45		
4th printing, pamphlet "Physical Economy"	10/22/2004	Not filed	21,939 15	12/31/2004	Year-End
Reprint "Flu" leaflet	10/22/2004	Not filed	5,001 89	12/10/2004	Year-End
				12/17/2004	Year-End
				12/31/2004	Year-End
<i>24-hour notice due 10/23 or ship date 10/22/04</i>			26,941 04		
Typeset leaflet "Go Flu Yourself"	10/27/2004	Not filed	303 18	12/31/2004	Year-End
Print leaflet "Go Flu Yourself"	10/27/2004	Not filed	5,001 89	12/31/2004	Year-End
<i>24-hour notice due 10/28 for ship date 10/27/04</i>			5,305.07		
Print leaflet "Go Flu Yourself"	10/29/2004	Not filed	1,276 35	12/31/2004	Year-End
<i>24-hour notice due 10/30 for ship date 10/29/04</i>			1,276.35		

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