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PRE-MUR # 427

July 18, 2005

Benjamin L. Ginsberg
Eric S. Brown

Lawrence H. Norton, Esq.
General Counsel
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: Leo Burnett Worldwide, Inc.;
Leo Burnett USA, Inc.;
Raymond T. DeThorne
Pre-MUR # _____

Dear Mr. Norton:

We respectfully present this *sua sponte* submission on behalf of our clients, Leo Burnett Worldwide, Inc., Leo Burnett USA, Inc., ("Leo Burnett") and Mr. Raymond T. DeThorne, a Leo Burnett USA executive vice president, to notify the Federal Election Commission of a violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431 *et seq.* ("the Act"), and Commission regulations at 11 C.F.R. § 1.1 *et seq.* Specifically, Mr. DeThorne was reimbursed for a single \$10,000 contribution to a federal political committee.

Leo Burnett became aware of a possible problematic payment of \$10,000 made by a Leo Burnett executive in the course of allegations brought to the company's attention by the company's auditors. Neither the auditors nor the company were aware of the specific nature of the potential \$10,000 payment, nor to whom the payment was made. In the course of investigation and inquiry, internal legal counsel became specifically aware of the DeThorne political contribution in January of 2004, and payment of a bonus to Ray DeThorne in July 2004. Leo Burnett attorneys contacted Patton Boggs for advice and counsel upon learning of the specific payments, and following the advice of counsel, Mr. DeThorne was asked to refund the money at issue to the company. The amount was in fact refunded and repaid on May 20, 2005, and the company instituted other corrective measures, as outlined below.

To present a complete and accurate submission to the Commission, Leo Burnett has held off filing this submission in order to conduct a thorough review of all company electronic records,

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including emails. This has proven a time-consuming, expensive and arduous task that is now completed. In the intervening weeks, the U.S. Attorney for the Northern District of Illinois in Chicago commenced a grand jury investigation of this matter, requiring additional review of the relevant materials for attorney-client privileged and attorney work product information. This submission includes all relevant facts to date.

Background

In January 2004, Mr. DeThorne contributed \$10,000 to the National Republican Congressional Committee ("NRCC"). Public records disclose that the contribution was received by the NRCC on January 23, 2004, and this amount represents the only contribution from Mr. DeThorne appearing in the Federal Election Commission's contributor database.

Mr. DeThorne made this political contribution from his personal funds after discussing the idea with a Leo Burnett USA subcontractor in late 2003 or early 2004. Several months after writing and forwarding his personal check, Mr. DeThorne was awarded a "departmental bonus" on July 21, 2004 in an amount that was "grossed up" to account for taxes payable on the reimbursed amount, with the approval of Paul Eichelman (then Leo Burnett Worldwide's Chief Financial Officer) and Linda Wolf (then Leo Burnett Worldwide's Chief Executive Officer).

Mr. DeThorne, Mr. Eichelman, and Ms. Wolf were not aware that corporate reimbursement for a federal political contribution (specifically this one to the NRCC) was impermissible. Based on its review, Leo Burnett cannot identify an additional instance where Mr. DeThorne made a political contribution or was reimbursed for a political contribution. In response to its discovery of this payment, Leo Burnett has reviewed the Federal Election Commission's Individual Contributor Database using the Commission's advanced query system to search by name of employer ("Leo Burnett") and variations (for example, "Leo Burnett USA"). Leo Burnett has found no other instance of a political contribution by an employee that had been improperly reimbursed.

Corrective Action

Upon review of the facts surrounding the reimbursement, Leo Burnett immediately initiated a number of remedial actions with respect to this matter. Leo Burnett learned of the issue in late March, 2005, and immediately sought the advice of expert outside counsel at that time. Upon receipt of that advice on April 15, 2005, Leo Burnett requested that Mr. DeThorne repay to the company the full amount of the reimbursement, and Mr. DeThorne repaid Leo Burnett this amount on May 20, 2005. In addition, Leo Burnett began preparing to make this submission by reviewing its internal documents and electronic media. Finally, Mr. DeThorne and Leo Burnett will waive any right to a refund of the contribution and will request that the National Republican

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Congressional Committee disgorge the entire amount to the U. S. treasury. We will forward documentation of this disgorgement to the Commission when it is available.

Brief Legal Analysis and Request to Enter into Conciliation Prior to Finding of Probable Cause to Believe

By reimbursing Mr. DeThorne's contribution, Leo Burnett violated the ban on corporate contributions in 2 U.S.C. § 441b(a) and the prohibition on contributions in the name of another in 2 U.S.C. § 441f. By inadvertently allowing his name to be used to make a contribution in the name of another, Mr. DeThorne, as a corporate officer, violated 2 U.S.C. §§ 441b(a) and 441f. Thus, the Commission should make the appropriate reason-to-believe findings.

Please accept this submission as a request to enter into conciliation prior to a finding of probable cause to believe. Respondents are fully prepared to accept a conciliation agreement acknowledging an admission of a violation of 2 U.S.C. §§ 441b and 441f and requiring the payment of a reasonable civil penalty. 11 C.F.R. § 111.24(a)(1). See MUR 5643 (Carter's Inc., et al.).

We respectfully submit that in crafting the proposed agreement, the Commission consider the *sua sponte* nature of this matter and Leo Burnett's cooperation to rectify this single, unintentional violation of the Act.

Respectfully submitted,


Benjamin L. Ginsberg
Eric S. Brown

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