



Federal Election Commission
Washington, DC 20463

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MEMORANDUM

April 11, 2007

TO: The Commission

THROUGH: Patrina M. Clark *Just for PMC*
Staff Director

Margarita Maisonet *MM*
Chief Compliance Officer

FROM: Deborah Kant *DK*
Director, ADR Office

SUBJECT: ADR 380, Action Committee for Rural Electrification ("ACRE"), Dena G. Stoner, Treasurer, & Basin Electric Power Cooperative Political Action Committee ("BEPAC"), Sheryl Massey, Treasurer, Recommendation to Assign

On March 3, 2007, the ADR Office received Pre-MUR/446 to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case is appropriate for ADR, and recommend that it be assigned to the ADR Office. The ADR Office Recommendation includes a statement of the issues, a summary and analysis of the case, factors supporting assignment to ADR and potential settlement terms if the case is assigned to ADR. In addition, the Office of General Counsel reviewed the ADR Recommendation, and concurs in the description of the case.

ADR Case: ADR 380

Source No. Pre -MUR 446

Respondents:

- 1. ACRE
- 2. BEPAC
- 3. Dena G. Stoner (ACRE), Treasurer
- 4. Sheryl Massey (BEPAC), Treasurer

Respondents' Rep.:

- 1. Jan Witold Baran, Esq. ("ACRE")
- 2. William Canfield, Esq. ("BEPAC")

Pre-MUR Submitted by: ACRE,
BEPAC

Committees Names: ACRE, BEPAC

Date Complaint Filed: 2/09/07

Committee Type: Separate Segregated Fund, Multi-Candidate

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Date Forwarded to ADRO: 3/3/07

District #/or State: N/A

Election - Won/Lost: N/A

Election Cycles: 2000-2006

Summary and Analysis of Case: In this case, BEPAC and ACRE (“the PACs”) filed a joint *sua sponte* submission. In the submission, they stated that they had made excessive contributions of approximately \$41,140 over four election cycles, from 2000 to 2006. These excessive contributions arose, ACRE and BEPAC alleged, because BEPAC was not aware that it was affiliated with ACRE and NRECA under Advisory Opinion (AO) 1999-40. In 1999, ACRE had requested an AO to determine whether federal political action committees established by NRECA and its member cooperatives were affiliated ACRE and BEPAC explained that while AO 1999-40 answered this question in the affirmative, BEPAC was not aware of the AO until May 2006. BEPAC and ACRE also stated that in May 2006, they became aware that their contributions may have exceeded the combined contribution limits for candidates. Thereafter, the PACs asserted that they conducted an internal audit of the affected election cycles. Upon completion, the PACs contended that they requested and received refunds of all the excessive contributions.

RECOMMENDATION:

- 1. Assign ADR 380 /Pre-MUR 446 to the ADR Office.**

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