



THE FEDERAL ELECTION COMMISSION  
Washington, DC 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

2007 SEP 14 P 12:11

**MEMORANDUM**

September 13, 2007

**SENSITIVE**

TO: The Commission

THROUGH: Patrina M. Clark *PMC*  
Staff Director

FROM: John D. Gibson *JDG*  
Chief Compliance Officer

Deborah Ruth Kant *DRK*  
Director, ADR Office

BY: Lynn M. Fraser *LMF*  
Assistant Director, ADR Office

SUBJECT: ADR 403 Joseph Shannon for Congress and Joseph A. Gyarmathy, Treasurer,  
Recommendation to Dismiss<sup>1</sup>

ADR Case: ADR 403

Source No. MUR 5873

**Respondents:**

Joseph Shannon for Congress  
Joseph A. Gyarmathy, Treasurer  
Carpenters Local 1027

**Respondents' Rep.:**

Michael J. Kasper, Esq.

**Complainant:** Robert A. Heap

**Committee Name:** Joseph Shannon for Congress

**Date Complaint Filed:** 11/2/06 & **Committee Type:** Authorized  
11/7/06 (two-part complaint)

**Date Forwarded to ADRO:** 6/8/07

**District & State:** IL 13<sup>th</sup> C.D.

**Election – Won/Lost:** General - Lost

<sup>1</sup> The Office of General Counsel concurs in the description of this matter, and that it not be returned to OGC for further action.

27190273225

**Summary and Analysis of Case:** Treasurers of political committees are required to report all financial activity pursuant to the FECA. The Complainant alleges a variety of violations by Joseph Shannon for Congress and Joseph A. Gyarmathy, Treasurer (Respondents or the Committee). The violations alleged in the two-part complaint include: the untimely filing of Respondents' Statement of Organization (three or four days late); a failure to file notification of exceeding the threshold amount of the candidate's personal funds (Millionaire Amendment); a lack of or incomplete disclaimers on robocalls and mailings; accepting a contribution from a local union local; and a variety of reporting errors including untimely reporting of contributions, incorrect statement of cash on hand, and acceptance of contributions after the primary election without net debt.

Respondents contend that many of the allegations are incorrect or the reporting errors had been discovered by the Committee and amended reports were filed. Respondents also contend that the contributions received after the Primary Election were redesignated for the General Election, and amended Reports were filed disclosing that redesignation. Respondents submitted an affidavit from the former candidate attesting to the fact that he did not make expenditures of personal funds that exceed the threshold amount of \$350,000. Respondents further contend that as soon as they became aware of the lack of a disclaimer on the robocalls, the calls were stopped until a new recorded message, with the appropriate disclaimer, could be substituted. Respondents acknowledge that the campaign mailers did not have a printed box surrounding the disclaimer, or a disclaimer was inadvertently omitted, but contend that the mailers had the Committee's name and return address on each, and believe there was no confusion in the recipients' mind as to who authorized and sent the mailers.

The Carpenters Local 1027 and Respondents noted a refund of the \$200 contribution, and Respondents submitted copies of both the contribution and refund checks.

**RECOMMENDATION:**

1. **Dismiss ADR 403 (MUR 5873), and close the file.**
2. **Approve the appropriate letters.**