

Treasurer's Response

In regard: ADR 458 (MUR 5975)

Not being an attorney, I am unsure if the information I am presenting is relevant.

BACKGROUND

Schenectady County is a small county located in upstate New York. The Schenectady County Democratic Committee is organized in compliance with Article 2 of the New York State Election Law. The Schenectady County Democratic Committee supports candidates running for office in Schenectady County. The main candidates supported are those running for the 15 seats on the Schenectady County Legislature. The members of the County Legislature are elected from one of four County Legislative Districts. They serve 4 year terms with either 7 or 8 up for election in odd numbered years. The Committee also supports other candidates for County wide offices namely District Attorney, County Clerk, Sheriff, County Court judge, County Surrogate Court Judge and County Family Court Judge. Therefore, I had no reason to believe that the Federal Election Law was applicable to our activities.

The Schenectady County Democratic Committee has no paid employees and no permanent address. The address listed in the complaint is my home address. The phone number listed is my home phone number. The email address is my personal email address.

THE VIOLATION

On October 22, 2007, acting as treasurer for the Schenectady County Democratic Committee I deposited a check from CANARX SERVICES, INC. a Canadian Corporation in the account of the Schenectady County Democratic Committee. At the time I was unaware of the restrictions on contributions by foreign entities to local political organizations. Based on my knowledge at the time, I thought the contribution was lawful.

On February 12, 2008, I was informed by the Chairman of the Schenectady County Democratic Committee that there might be a problem with this contribution. He indicated that apparently federal law forbids contributions from foreign companies to local political committees. On February 15, 2008, the contribution was refunded. This was before the FEC received the complaint on February 20, 2008. The refund was also made well before the April 4, 2008 date when I received a notice of the complaint

Doesn't this prompt action put us in compliance with 11 C.F.R. s 103.3(b)(2).

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“If the treasurer later discovers that an apparently lawful contribution is illegal based on new evidence not available at the time of receipt and deposit, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered.”

OTHER CASES

In trying to understand FEC procedures, I attempted to look up resolutions of other MUR cases. I did this by using the FEC Enforcement Query System and entering 441e in the Word / Phrase. The only MUR case I could find in regard to a political committee reaching a Conciliation Agreement over contributions from a foreign entity was:

DNC Services Corporation Democratic/National Committee and its treasurer
MURs 4530,4531,4547,4642 and 4909
CONCILIATION AGREEMENT

In this instance the

“9. This Agreement addresses more than \$1 million in contributions during 1995-96 that were accepted by the DNC in violation of the Act.”

In most cases these contributions were refunded.

As part of the settlement:

“VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of One Hundred Fifteen Thousand dollars (\$115,000)”

The penalty represented less than 12% of the contributions.

One of the reasons for the penalty as stated in the agreement was

“58. Respondents identified these contributions as illegal as part of their contribution review publicly announced on February 27, 1997. Respondents refunded these contributions on June 23, 1997, beyond the 30 day limit set out in 11 C.F.R. s 103.3(b)(2).”

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