



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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MEMORANDUM

July 23, 2008

TO: The Commission

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

Lynn M. Fraser *LMF*
Acting Director, ADR Office

SUBJECT: ADR 465 Lou Barletta for Congress and Francis J. Barletta, Treasurer
Recommendation to Dismiss¹

The Office of General Counsel (OGC) referred MUR 5986, and the ADR Office designated the matter as ADR 465. We have included a summary and discussion of the matter for your information. Copies of the complaint and response, as well as the EPS report, are in the voting ballots folder.

Summary and Analysis of Case: This complaint should be dismissed because the applicable statute of limitations period expired, and there is no evidence of a loan that was not made in the ordinary course of business, nor improper reporting of the loan in question. The Democratic Congressional Campaign Committee alleges that Barletta for Congress and Francis J. Barletta, [former] Treasurer (Committee or Respondents) violated the FECA by making a loan with Legacy Bank of Harrisburg for \$65,000 on December 18, 2002 that was not made in accordance with applicable banking laws and regulations, or in the ordinary course of business.

Respondents contend that the loan was first referenced in the Committee's 2002 Year End Report filed on January 31, 2003. Respondents further contend that the written loan documents, filed with the Commission, disclose that a \$100,000 line-of-credit loan, made to Louis and Mary Grace Barletta on December 18, 2002, carried an interest rate of 5.25% (the Wall Street Journal Prime plus 1.0%). The documentation also discloses that the loan, payable on demand, was secured with commercial real estate with a value of \$800,000. The borrowers drew upon the line-of-credit in the amount of \$65,000 for the Committee.

¹ The Office of General Counsel concurs in the description of this matter.

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RECOMMENDATION:

- 1. Dismiss ADR 465 (MUR 5986), and close the file.**
- 2. Approve the appropriate letters.**

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