

REPORTS ANALYSIS DIVISION REFERRAL
TO
ALTERNATIVE DISPUTE RESOLUTION OFFICE

DATE: October 6, 2010

ANALYST: Nicole Miller

- I. COMMITTEE: Baldwin Title Co. of Louisiana LLC PAC
C00464982
Barry J. Palmer, Treasurer
400 Poydras Street, Suite 1400
New Orleans, LA 70130
- II. RELEVANT STATUTES: 2 U.S.C. §§ 441a(a)(1)(A) and 441b(a)
11 CFR §§ 103.3(b)(1), 110.1(b), 114.5(b)(3)
- III. BACKGROUND:

**Excessive, Prohibited, and Other Impermissible Contributions or Transfers
(Prohibited Receipts from a Corporation, Impermissible Receipts from a Connected
Organization and Excessive Contributions made by the Committee)**

The Baldwin Title Co. of Louisiana LLC PAC ("the Committee") disclosed four (4) receipts totaling \$8,500 from its connected organization and a \$15,000 receipt from a corporation on the 2009 Year End Report. The Committee also disclosed two (2) contributions made to federal candidates, which exceed the \$2,400 per election contribution limitation for non-multicandidate committees by a combined total of \$7,800. On July 30, 2010, the Committee refunded \$2,500 of the prohibited receipt from a corporation and requested a partial refund of the \$7,800 in excessive contributions made to federal candidates.

On June 3, 2010, the Committee filed its original 2009 Year End Report covering the period from August 6, 2009 through December 31, 2009.¹ The report was the first filed by the Committee and disclosed four (4) receipts from its connected organization, totaling \$8,500, and the receipt of \$15,000 from a corporation on Schedule A supporting Line 11(a)(i) (Contributions from Individuals/Persons Other Than Political Committees) (Images 10930798346-7) (Attachment 2).

¹ The report was due 1/31/10, but was filed late on 6/3/10.

The same report also disclosed contributions made to two (2) federal candidates on Schedule B supporting Line 23 (Contributions to Federal Candidates/Committees and Other Political Committees). The contributions as reported by the Committee exceeded the \$2,400 per election contribution limitation for non-multicandidate committees by a total of \$10,200 (Images 10930798349-50) (Attachment 2). However, one of the recipient federal candidate committees appeared to have presumptively redesignated part of the excessive portion, which brings the total amount of excessive contributions made by the Committee to federal candidates to \$7,800 (Attachment 2).

On June 25, 2010, a Request for Additional Information ("RFAI") was sent to the Committee referencing the 2009 Year-End Report. The RFAI requested clarification regarding the Committee's receipt of \$8,500² from its connected organization and advised that the connected organization may not reimburse the Committee for administrative expenses more than thirty (30) days after the expenses were paid by the Committee. The RFAI also requested clarification of the permissibility of the \$15,000 receipt from an apparent corporation, and stated that the Committee may have to refund this receipt. Alternatively, the RFAI stated that if within thirty (30) days of receipt the Committee transferred the prohibited amount to an account not used to influence federal elections and provided written notice to the person making the contribution of the option of receiving a refund, the Committee may retain the contribution in an account not used to influence federal elections. The RFAI also sought clarification of the apparent excessive contributions made to two (2) federal candidates totaling \$10,200. The RFAI stated that the Committee must either request a refund of the excessive amount or provide a written authorization for redesignation of the contributions within sixty (60) days of the treasurer's receipt (Images 10030352999-10030353003).

On July 16, 2010, Neil Touchet, a consultant for the Committee, called the Reports Analysis Division ("RAD") Analyst with questions concerning the RFAI referencing the 2009 Year-End Report. The Analyst explained that the Committee cannot receive a transfer from its connected organization unless the transfer is a reimbursement for an administrative expense paid by the Committee and the reimbursement is received within thirty (30) days of the original payment for that expense. The Analyst further explained that corporate receipts are prohibited and should be refunded to the corporation(s) as soon as possible. The Analyst also explained that the Committee needed to request refunds of the excessive contributions made to federal candidates and provide the Commission with a copy of the written refund requests (Attachment 3).

On July 30, 2010 the Committee filed an Amended 2009 Year-End Report. The report disclosed no change in the Committee's financial activity. Memo Texts were added to all the connected organization and corporate receipt entries, stating that the receipts were for "solicitation purposes" (Images 10931078131-39).

On July 30, 2010, Mr. Touchet called the Analyst and stated that the Committee did not have sufficient funds to refund the prohibited receipts from the corporations. The

² The RFAI incorrectly lists the amount in question as \$8,200.

Analyst explained that the Committee should disclose a debt owed to the corporations on its subsequent filings and that the Committee should refund the prohibited contributions as soon as possible (Attachment 3).

On August 6, 2010, the Analyst spoke with Barry Palmer, the Committee's treasurer, and informed him that the Committee was going to be referred for further action by the Commission due to prohibited receipts and excessive contributions made if these apparent violations were not corrected. The Analyst explained that the Amended 2009 Year-End Report, received July 30, 2010, was not an adequate response to the RFAI referencing the 2009 Year End Report. The Analyst explained that the Committee should disclose a debt owed to both corporations until the receipts can be refunded. The Analyst also clarified that the Committee could only contribute \$2,400 per election to a federal candidate and that a request for a refund of the excessive portion of the contributions must be made (Attachment 3).

On August 6, 2010, the Commission received a Miscellaneous Paper Document (FEC Form 99) in response to the RFAI referencing the 2009 Year-End Report (Image 10030402749). The document stated in part:

"Dear Sir or Madame:

Enclosed please find the following items which correspond to the numbered items referenced in your letter dated June 25, 2010:

1. Check no. 1322 in the amount of \$2,500.00 issued by Baldwin PAC for partial reimbursement of the \$15,000.00 to Coats Rose Yale Ryman & Lee, A Professional Corporation. Baldwin PAC will show a debt, owed to Coats Rose Yale Ryman & Lee, A Professional Corporation, in the amount of \$ 12,500.00 on the next quarterly report; and
2. Copy of letter dated July 30, 2010 to David Vitter for Senate requesting Baldwin PAC to be reimbursed in the amount of \$5,200.00 for making an excessive contribution for a non-multicandidate political committee; and
3. Copy of letter dated July 30, 2010 to Friends of Blanehe Lincoln requesting Baldwin PAC to be reimbursed in the amount of \$200.00 for making an excessive contribution for a non-multicandidate political committee.

If you need any additional information, please do not hesitate to contact me at (504) 299-3080."

Attached to this document was a letter to "The David Vitter for Senate Campaign" requesting a refund totaling \$5,200, a letter sent to "Lincoln Campaign Headquarters"

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requesting a refund totaling \$200³ and a copy of the check to "Coats Rose" disclosing a partial refund of the prohibited contribution totaling \$2,500 (Images 10030402750-2).

On August 13, 2010, the Analyst called Mr. Palmer and informed him that the violations on the 2009 Year-End Report were still referable for further Commission action. The Analyst explained that all receipts from the connected organization needed to be refunded because the receipts did not appear to be reimbursements of administrative expenses paid by the Committee. The Analyst further explained to Mr. Palmer that the Committee's future reports should disclose a debt owed to the corporations until the entire amount of the prohibited receipts had been refunded. The Analyst also informed Mr. Palmer that the amount of the refunds requested in the letters to the candidate committees was less than the amount of the apparently excessive contributions, and advised the Committee to send corrective correspondence (Attachment 3).

On September 27, 2010, the Committee filed a Miscellaneous Electronic Submission (FEC Form 99) referencing the Amended 2009 Year End Report, among other reports (Image 10931347680). The Form 99 stated in part:

"On August 18, 2009, Baldwin Title Company of Louisiana LLC Political Action Committee (the 'Baldwin PAC') received a contribution in the amount of \$15,000.00 from Coats Rose Yale Ryman & Lee ('Coats Rose'), a corporation. Federal Election Commission (the 'FEC') guidelines prohibit the receipt of contributions from corporations unless made from a separate segregated fund that is established. Coats Rose did not make the contribution from a separate segregated fund.

In addition, Baldwin Title Company of Louisiana, L.L.C. ('Baldwin Title') has contributed the following to Baldwin PAC: ...\$8,500.00 during the period of August 6, 2009 through December 31, 2009 which is reflected on the 2009 Year End Report... Baldwin Title did not make the contributions from a separate segregated fund according to FEC guidelines.

In order to correct prohibited contributions, Baldwin PAC will make a refund to Coats Rose and Baldwin Title. However, due to the balance in Baldwin PAC's account, Baldwin PAC will reflect a debt to Coats Rose and Baldwin Title on Schedule D of the Quarterly Report due in October 2010."

To date, no further communication has been received from the Committee.

³ The refund request letter sent to Friends of Blanche Lincoln requested a refund of \$200, rather than \$2,600, of the \$5,000 contribution to the Primary Election. It appears the Committee assumed redesignation of \$2,400 of the excessive portion to the General Election. However, Friends of Blanche Lincoln reported the entire \$5,000 contribution as designated for the Primary Election on its 2009 Year End Report (Image 10020074095).

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