




FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

**MEMORANDUM**

**TO: The Commissioners  
Staff Director  
Deputy Staff Director  
General Counsel**

**FROM: Office of the Commission Secretary** 

**DATE: August 12, 2002**

**SUBJECT: Statement Of Reasons for MUR 4530  
DNC Services Corporation/Democratic National  
Committee and its treasurer**

**Attached is a copy of the Statement Of Reasons for MUR 4530  
signed by Vice Chairman Karl J. Sandstrom and Commissioner  
Bradley A. Smith.**

**This was received in the Commission Secretary's Office on  
Monday, August 12, 2002 at 10:10 a.m.**

**cc: Vincent J. Convery, Jr.  
OGC Docket (5)**

**Attachment**

EE .U4 .405 .4987



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
)  
DNC Services Corporation/Democratic ) MUR 4530  
National Committee and its treasurer )

**STATEMENT OF REASONS**

On January 11, 2001, by a vote of 1-5<sup>1</sup>, the Commission declined to find probable cause to believe that John Huang accepted or received a \$325,000 contribution from Yogesh Gandhi in violation of 2 U.S.C. § 441e.

On January 9, 2001, the Commission found there was insufficient evidence that the solicitor of the contribution, Charlie Trie, knew or had reason to know<sup>2</sup> the true source of the funds would not be Gandhi, who could lawfully contribute, but rather Tanaka, a foreign national. The Commission, by a 5-0<sup>3</sup> vote, excluded this transaction from its findings against Trie and voted to take no further action.

In this vote, the Commission concluded there was insufficient evidence that Huang knew or had reason to know<sup>4</sup> that Gandhi's contribution, solicited by Trie, was derived from foreign national funds. Hence, the Commission could not properly conclude Huang violated 2 U.S.C. § 441e(a)<sup>5</sup>.

8/12/2002  
Date

*Karl J. Sandstrom*  
Karl J. Sandstrom, Vice Chairman

8/2/02  
Date

*Bradley A. Smith*  
Bradley A. Smith, Commissioner

<sup>1</sup> Commissioner Mason voted in the affirmative. Commissioners McDonald, Thomas and Wold voted with the undersigned.

<sup>2</sup> Vice Chairman Sandstrom does not agree this is the standard but concurs it had not been met.

<sup>3</sup> Commissioner McDonald was recused and did not vote on this matter.

<sup>4</sup> See footnote 3.

<sup>5</sup> On May 22, 2001, the Commission declined in a 1-5 vote to find probable cause to believe that the DNC Services Corporation/Democratic National Committee and its treasurer violated 2 U.S.C. § 441e(a) in connection with this contribution (related to Yah Lin "Charlie" Trie) of \$325,000 from Yogesh Gandhi. Commissioner Mason voted in the affirmative.

8844-504-40-22