




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

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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 May 22, 2001, by a vote of 1-5¹, the Commission declined to find probable cause to believe that the DNC Services Corporation/Democratic National Committee and its treasurer ("DNC") violated 2 U.S.C. § 441e(a) with respect to a \$325,000 contribution accepted by the DNC from permanent resident Yogesh Gandhi using funds from a foreign national, Yoshio Tanaka.

On January 9, 2001, the Commission concluded by a 5-0² vote there was insufficient evidence that the solicitor of the contribution, Charlie Trie, knew or had reason to know³ the true source of the funds would not be Gandhi, who could lawfully contribute, but rather Tanaka, a foreign national.

In this vote, the Commission concluded there was insufficient evidence that the DNC knew or had reason to know⁴ that Gandhi's contribution was derived from foreign national funds. Hence, the Commission could not properly conclude the DNC violated 2 U.S.C. § 441e(a).

8/12/2002
Date

Karl J. Sandstrom
Karl J. Sandstrom, Vice Chairman

8/12/02
Date

Bradley A. Smith
Bradley A. Smith, Commissioner

¹ Commissioner Mason voted in the affirmative.
² Chairman McDonald was recused and did not vote on this matter.
³ Vice Chairman Sandstrom does not agree this is the standard but concurs it had not been met.
⁴ See footnote 3.

4305-504-40-33