




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

22.04.405.4987



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 1-5¹, 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 know² the true source of the funds would not be Gandhi, who could lawfully contribute, but rather Tanaka, a foreign national. The Commission, by a 5-0³ 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 know⁴ 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)⁵.

8/12/2002
Date

Karl J. Sandstrom
Karl J. Sandstrom, Vice Chairman

8/2/02
Date

Bradley A. Smith
Bradley A. Smith, Commissioner

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

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

³ Commissioner McDonald was recused and did not vote on this matter.

⁴ See footnote 3.

⁵ 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.