




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



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

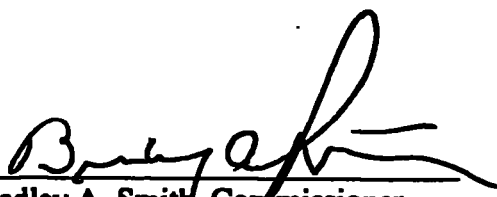
Date



Karl J. Sandstrom, Vice Chairman

8/12/02

Date



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.