




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 7, 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 Chairman David M. Mason and Vice Chairman Karl J.  
Sandstrom.**

**This was received in the Commission Secretary's Office on  
Wednesday, August 7, 2002 at 11:21 a.m.**

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

**Attachment**

005.504.40.22



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

BEFORE THE FEDERAL ELECTION COMMISSION

**SENSITIVE**

In the matter of )

) MUR 4530

DNC Services Corporation/ )

Democratic National Committee and its treasurer )

**STATEMENT OF REASONS**

On July 17, 2001, the Commission, by a vote of 1-5<sup>1</sup>, failed to approve the Office of the General Counsel's recommendation to find probable cause to believe that the DNC Services Corporation/Democratic National Committee and its treasurer ("DNC") violated 2 U.S.C. § 441f with respect to a \$10,000 contribution accepted by the DNC from Kyung Hoon "John" Lee using funds from Cheong Am America, Inc. that had originated with Ateck Co., Ltd.<sup>2</sup>

Section 441f provides that "no person shall knowingly accept a contribution made by one person in the name of another person." In this matter, John Lee provided a \$10,000 check to the Democratic National Committee in connection with a 1996 dinner event. General Counsel's Brief dated January 22, 2001 at 27-32. The evidence was insufficient to show that DNC Vice Chairman for Finance John Huang knew that the funds used to make John Lee's \$10,000 contribution came from Ateck Company, Ltd. There was no indication on the face of John Lee's check suggesting that this donation was impermissible. Nor was there any other evidence presented providing a basis for the Commission to find probable cause to believe that Mr. Huang knew the contribution was made by Ateck Company, Ltd. in the name of Mr. Lee. Therefore, with respect to this contribution, the Commission could not properly conclude that the DNC violated 2 U.S.C. § 441f.

August 2, 2002

*David M. Mason*

David M. Mason  
Chairman

*by EMB*

*Karl J. Sandstrom*

Karl J. Sandstrom  
Vice Chairman

<sup>1</sup> Commissioner Bradley A. Smith voted affirmatively for the motion. Commissioners Mason, McDonald, Sandstrom, Thomas, and Wold dissented.

<sup>2</sup> On January 11, 2001, by a vote of 1-5, the Commission failed to approve the Office of the General Counsel's recommendation to find probable cause to believe that Democratic National Committee Vice Chairman for Finance John Huang violated 2 U.S.C. § 441f in connection with this contribution. See Statement of Reasons, MUR 4530, In the Matter of John Huang. In addition, on January 11, 2001, by a vote of 6-0, the Commission voted to find probable cause to believe that John Huang solicited, accepted or received a \$10,000 contribution from John Lee in violation of 2 U.S.C. § 441e.