



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 13 2008

Ms. Carolyn Malenick
8913 Early Street
Manassas, VA 22110

RE: MURs 4568, 4633, 4634, 4736, and 5294

Dear Ms. Malenick:

On July 26, 2005, the district court in *FEC v. Carolyn Malenick d/b/a Triad Management Services, et al.*, CIV. No. 02-CV-01237 (DDC) entered an order of final judgment. The district court held that the defendants violated the Federal Election Campaign Act of 1971, as amended, by failing to register and report as a political committee beginning in 1996, knowingly accepting excessive and corporate contributions, and making excessive contributions. The district court awarded the Commission declaratory and injunctive relief, and ordered you to pay a civil penalty of \$5,000 in monthly installments of \$100 for 50 consecutive months, and to comply with a registration and reporting requirement for Triad covering the years 1996-2000. A copy of the Final Judgment and Order Granting Declaratory and Injunctive Relief is enclosed.

The Commission previously severed portions of MURs 4568, 4633, 4634 and 4736, placed them into a new matter designated MUR 5294, and closed MUR 5294. On September 4, 2007, the Commission closed the files in MURs 4568, 4633, 4634 and 4736 as to all remaining respondents, and these matters are now public. Documents related to the cases (including MUR 5294) will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). A copy of the dispositive memorandum is enclosed for your information.

If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Susan L. Lebeaux".

Susan L. Lebeaux
Assistant General Counsel

Enclosures:
As stated.

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FEDERAL ELECTION COMMISSION,)
)
Plaintiff,) Civ. Act. No. 02-CV-01237 (JR)
)
v.)
)
CAROLYN MALENICK D/B/A) ORDER
TRIAD MANAGEMENT SERVICES,)
et al.,)
)
Defendants.)

**FINAL JUDGMENT AND
ORDER GRANTING DECLARATORY AND INJUNCTIVE RELIEF**

In accordance with the Court's Memorandum Orders of March 30, 2004, and March 7, 2005, and in consideration of the Federal Election Commission's Motion for Reconsideration and Proposal for Final Resolution, Supplemental Motion Regarding Final Judgment and Order, and the responses thereto, the Court hereby enters the following Final Judgment in this case:

IT IS HEREBY DECLARED that Carolyn S. Malenick d/b/a Triad Management Services and Triad Management Services, Inc. violated 2 U.S.C. 433 by failing to register as a political committee in 1996; and it is further

DECLARED that Carolyn S. Malenick d/b/a Triad Management Services and Triad Management Services, Inc. violated 2 U.S.C. 434 by failing to file periodic reports of their receipts and disbursements with the Federal Election Commission beginning in 1996; and it is further

DECLARED that Carolyn S. Malenick d/b/a Triad Management Services and Triad Management Services, Inc. violated 2 U.S.C. 441a(f) by knowingly accepting in 1996 more than

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\$800,000 in contributions that exceeded the limitations set forth in 2 U.S.C. 441a; and it is further

DECLARED that Carolyn S. Malenick and Triad Management Services, Inc. violated 2 U.S.C. 441b by knowingly accepting corporate contributions; and it is further

DECLARED that Carolyn S. Malenick d/b/a Triad Management Services and Triad Management Services, Inc. violated 2 U.S.C. 441a(a) by making excessive contributions to candidates through the combined contributions of an affiliated political committee and their own in-kind contributions to the same candidates.

WHEREAS the aforementioned violations of the Federal Election Campaign Act ("FECA") in 1996 involved hundreds of thousands of dollars of excessive contributions and deprived the voting public of information about millions of dollars of political receipts and disbursements;

WHEREAS, despite the seriousness of the above violations for which the FECA authorizes a civil penalty of hundreds of thousands of dollars, *see* 2 U.S.C. 437g(a)(6), the Defendant Carolyn S. Malenick has submitted documentation to the Federal Election Commission demonstrating that she and Triad Management Services, Inc., are unable to pay an appropriate penalty;

WHEREAS, the Federal Election Commission has agreed to forego further litigation of the factual issues left open in the Court's Memorandum Order of March 30, 2004, that would be necessary to quantify the full extent of the Defendants' violations of the FECA; it is HEREBY

ORDERED that Carolyn S. Malenick shall pay a civil penalty in the amount of \$5,000 for the aforementioned violations, in monthly installments of \$100 for 50 consecutive months, the first payment to be made within 30 days of the date of this Judgment and Order.

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It is FURTHER ORDERED that Carolyn S. Malenick and Triad Management Services, Inc. are hereby permanently enjoined from engaging in any further violations of 2 U.S.C. 433, 434, 441a(a), 441a(f), and 441b similar to those found by the Court in this lawsuit; and it is further

ORDERED that Carolyn S. Malenick d/b/a Triad Management Services and Triad Management Services, Inc. shall complete the Federal Election Commission's form required to register as a political committee, and shall also complete a comprehensive disclosure report on a form to be provided by the Commission covering all receipts and disbursements from the beginning of 1996, the year in which they became a political committee, through the end of 2000, and that completion and submission of these forms to the Federal Election Commission within three (3) months of the date of this Judgment and Order shall satisfy the registration and reporting requirements of 2 U.S.C. 433-434. For the purpose of completing these reports, all receipts and income received by Carolyn S. Malenick d/b/a/ Triad Management Services and by Triad Management Services, Inc., shall be considered contributions; and it is further

ORDERED that the parties shall each bear their own costs and expenses.

IT IS SO ORDERED.

Date

James Robertson
UNITED STATES DISTRICT JUDGE

Copies to:

Lawrence H. Norton
Richard B. Bader
David Kolker
Erin K. Monaghan
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

and

Carolyn S. Malenick, Defendant Pro Se
8913 Early Street
Manassas, VA 20110

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FEDERAL ELECTION COMMISSION

Washington, DC 20463

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SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Thomasenia P. Duncan
General Counsel

BY: Ann Marie Terzaken *AKP*
Acting Associate General Counsel for Enforcement

Susan L. Lebeaux *SLZ*
Assistant General Counsel

RE: Closure of MURs 4568, 4633, 4634 and 4736 (Carolyn S. Malenick d/b/a/
Triad Management Services, Inc., et. al)

ACTIONS RECOMMENDED

Close the files in MURs 4568, 4633, 4634 and 4736 as to all remaining respondents.

DISCUSSION

In any compliance matter in which a civil action is commenced, the Commission is required to make public the files in the underlying enforcement action no later than thirty days from the date on which the Commission notifies the complainant and respondent of the final disposition of the civil action. See 11 C.F.R. § 111.20(c). On June 21, 2002, the Commission filed a lawsuit in federal district court against Carolyn S. Malenick d/b/a Triad Management Services, Triad Management Services, Inc., and Carolyn S. Malenick as corporate officer for violations of 2 U.S.C. §§ 433, 434, 441a(a), 441a(f) and 441b (the "Triad litigation")

Thereafter, the Commission severed other respondents as to whom the files already had been closed in MURs 4568, 4633, 4634 and 4736, and transferred them to newly opened MUR 5294, which was then immediately closed. Consistent with the interim closing procedures applicable at that time, we sent closing letters to the MUR 5294 respondents and complainants. However, placing the materials from MUR 5294 on the public record was delayed, first by a threatened, and then by an actual motion to

MURs 4568, 4633, 4634 and 4736
Memorandum to the Commission

1 enjoin disclosure by then counsel for the defendants in the Triad Litigation. The district
2 court denied the motion in March 2004. We decided at that time, however, to place
3 MUR 5294 on the public record concurrently with MURs 4568, 4633, 4634 and 4736 at
4 the end of the litigation, releasing all Triad-related files at the same time, with an
5 accompanying press release.
6

7 On July 26, 2005, the district court in the Triad litigation entered an order of final
8 judgment. The district court held that the defendants violated FECA by failing to register
9 and report as a political committee beginning in 1996, knowingly accepted excessive and
10 corporate contributions, and made excessive contributions. The district court awarded
11 the Commission declaratory and injunctive relief, and ordered Carolyn Malenick to pay a
12 nominal civil penalty of \$5,000 in monthly installments of \$100 for 50 consecutive
13 months (due to lack of resources on the part of the defendants), and to comply with a
14 modified registration and reporting requirement for Triad covering the years 1996-2000.
15

16 On October 27, 2005, Malenick submitted Triad's disclosure report for 1996-
17 2000. However, the submission was blatantly incomplete. After giving Malenick several
18 opportunities to comply with the court's order, the Commission filed a motion to enforce
19 the final order, which was granted by the district court in May 2006. Malenick submitted
20 a revised disclosure report for Triad in June 2006 that was deemed acceptable, but then
21 failed to submit the June civil penalty installment payment.
22

23
24 Malenick resumed making civil penalty payments in October
25 2006, and has been current since that time.
26

27 Accordingly, it appears that the Triad litigation has reached its final conclusion,
28 and there is nothing prohibiting the public release of the files in MURs 4568, 4633, 4634
29 and 4736 once the Commission approves the closing of those files as to all remaining
30 respondents and the notification letters required by section 111.20(c) are sent. We plan to
31 publicly release the files in MUR 5294 at the same time, along with a comprehensive
32 press release covering the resolutions as to all the respondents in these MURs.
33

¹ The only respondents remaining in MURs 4568, 4633, 4634 and 4736 were Carolyn S. Malenick d/b/a Triad Management Services, Triad Management Services, Inc., and Carolyn S. Malenick as corporate officer ("the Triad Respondents"), because of the pending litigation, and Bob Riley for Congress and its treasurer, Robert Riley and Robert Riley, Jr., pursuant to the terms of a conciliation agreement in which the Commission agreed not to close the files as to them until MURs 4568, 4633, 4634 and 4736 were completely closed.

MURs 4568, 4633, 4634 and 4736
Memorandum to the Commission

RECOMMENDATIONS:

1. Close the files in MURs 4568, 4633, 4634 and 4736 as to all remaining respondents.
2. Approve the appropriate letters.

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