

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

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FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR: 4682
DATE COMPLAINT FILED: 10/14/97
DATE OF NOTIFICATION: 10/21/97
DATE ACTIVATED: 7/17/98

STAFF MEMBER: Tamara K. Kapper

COMPLAINANT: Chris DePino, Chairman, Connecticut Republican State
Central Committee

RESPONDENTS: Sam Gejdenson Re-Election Committee and
Patricia Tedisco Lagrega, as treasurer
Andrew B. Huang
Cathy S. Huang
Steve Hsu
Shu-Ying Hsu
Tsing Pie Liu
Shah Yaw Chang
Charles O'H. Grimes, II
Katherine Lim
Monica Pickus
Chia-Hui Lin
Steven W. Rodriguez
Frank S. Chuang
Ho-Tien Shu
Joe JuGer
Mark Lin

RELEVANT STATUTES: 2 U.S.C. § 434(b)(2)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441(a)f
2 U.S.C. § 441d(a)
2 U.S.C. § 441e(a)
2 U.S.C. § 441f
11 C.F.R. § 100.7(b)(6)
11 C.F.R. § 104.13(a)(1) and (2)
11 C.F.R. § 110.11(a)(1)

INTERNAL REPORTS CHECKED: Disclosure Reports
 Computer Indices

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On October 14, 1997, the Federal Election Commission ("the Commission") received a complaint from Chris DePino, Chairman of the Connecticut Republican State Central Committee ("Complainant") alleging that the Sam Gejdenson Re-Election Committee and Patricia Tedisco Lagrega, as treasurer, ("Gejdenson Committee") accepted prohibited contributions totaling \$7,000 prior to the 1996 General Election in the State of Connecticut. The complaint is based on a newspaper article that appeared in *The Hartford Courant* ("*Courant*") on August 5, 1997, that insinuated the Gejdenson Committee had violated 2 U.S.C. § 441e by accepting contributions from foreign nationals through a Connecticut restaurateur and supporter, Andrew Huang, who raised the contributions in question on behalf of the Gejdenson Committee. The complaint also alleges that the contributions generated by Mr. Huang were made in the names of others, "without the reported donors' consent or knowledge," in violation of 2 U.S.C. § 441f.¹ The complainant asserts that Mr. Huang has apparently been raising funds on behalf of the Gejdenson Committee from questionable sources during the past three (3) election cycles, of which the Gejdenson Committee should have been aware, and that these fundraising efforts by Mr. Huang have generated a total of \$40,000 for Rep. Gejdenson's re-election efforts.

¹ According to the newspaper article, Andrew Huang is of no relation to John Huang, the former Democratic National Committee fund-raiser.

II. FACTUAL AND LEGAL ANALYSIS

A. **Applicable Law**

The Federal Election Campaign Act of 1971, as amended (“the Act”), defines the term “foreign national” as an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence. 2 U.S.C. § 441e(b)(2). The Act prohibits a foreign national from making any contribution of money or other thing of value either directly or through any other person in connection with any Federal, state or local election. 2 U.S.C. § 441e(a). It is also unlawful for any person to solicit, accept or receive any such contribution from a foreign national. *Id.* Section 441e is also violated when a foreign national participates in the decision-making process which results in a contribution. *See* 11 C.F.R. § 110.4(a)(3). The term “contribution” includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing an election for Federal office. 2 U.S.C. § 431(8)(A)(i).

Pursuant to 2 U.S.C. § 441f, no person shall make a contribution in the name of another person or knowingly permit his or her name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another. No person may knowingly help or assist any person in making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(1)(iii). The term “person” includes an individual, committee, association, or any other organization or group of persons. 2 U.S.C. § 431(11).

If the treasurer, in exercising his or her responsibilities, determines that, at the time a contribution was received and deposited, it did not appear to be made by a corporation or foreign national or made in the name of another, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer

shall refund the contribution to the contributor within thirty days of the date on which the illegality is discovered. 11 C.F.R. § 103.3(b)(2).

Pursuant to 2 U.S.C. § 441a(a)(1)(A), individuals are limited to making contributions which do not exceed, in aggregate, \$1,000 to any candidate and his or her authorized committee with respect to any election for Federal office. In addition, candidates and their respective political committees are prohibited from accepting excessive contributions. 2 U.S.C. § 441a(f).

Pursuant to 11 C.F.R. § 100.7(b)(6), “[t]he cost of invitations, food and beverages is not a contribution where such items are voluntarily provided by an individual volunteering personal services on the individual’s residential premises . . . to a candidate for candidate-related activity . . . to the extent that: The aggregate value of such invitations, food and beverages provided by the individual on behalf of the candidate does not exceed \$1,000 with respect to any single election” However, in Advisory Opinion 1980-63, the Commission determined that, if an individual co-hosts an event held in someone else’s residence, any expenses paid by the nonresident co-host(s) are considered contributions to the campaign benefiting from the event.

Pursuant to 11 C.F.R. § 104.13(a)(1) and (2), the amount of an in-kind contribution shall be equal to the usual and normal value on the date received. Each in-kind contribution shall be reported as a contribution in accordance with 11 C.F.R. § 104.3(a) and reported as an expenditure at the same usual and normal value on the appropriate Schedule B.

The Act requires that the treasurer of a political committee file periodic reports of receipts and disbursements. 2 U.S.C. § 434(a)(1). Pursuant to 2 U.S.C. § 434(b)(2), each report shall disclose the total amount of receipts for the reporting period and the calendar year. In addition, the report shall disclose the identification of each person who makes a contribution to the reporting committee in excess of \$200 during a calendar year, either in value or aggregate,

together with the date and the amount of any such contribution. 2 U.S.C. § 434(b)(3)(A).

Identification of an individual includes the name, mailing address, and the occupation of the individual, and the name of his or her employer. 2 U.S.C. § 431(13)(A). The treasurer shall be responsible for examining all contributions received by the committee for evidence of illegality. 11 C.F.R. § 103.3(b).

B. Background

The article "Donations to Gejdenson [Q]uestioned" that appeared in the *Courant* on August 5, 1997, appears to have been based on a review of the Gejdenson Committee's disclosure reports and on telephone interviews with some of its contributors. The reporter appears to have conducted interviews with four (4) contributors named in this matter, and to have questioned them regarding their contributions to the Gejdenson Committee. Specifically, the reporter quotes in the article responses by Steve Hsu, Cathy Huang, Shah Yaw Chang, and Tsing Pie Liu. Of those individuals interviewed, all except Tsing Pie Liu² stated to the reporter that they voluntarily made the contributions to the Gejdenson Committee.

The *Courant* article alleges that the contributions to the Gejdenson Committee by Mr. Chang and Mrs. Liu were made in the name of another. The *Courant* article bases this allegation on a statement made by Mr. Chang. According to the *Courant* article, when the reporter asked Mr. Chang about his contribution to the Gejdenson Committee, Mr. Chang told the reporter that "I never contributed to any congressman, anywhere. I never signed any check. Is my name on the check? How can that be?" The interview went as follows:

Courant: So how did your name wind up on this check?

² Tsing Pie Liu refused to answer the reporter's questions.

Chang: I have no idea. This is the first I've heard of it. I've never contributed to any campaign.

Courant: Do you know Steve Hsu?

Chang: Yes. He's a friend of mine. I know him.

Courant: These contributions appear to come through him. Is it possible he used your name without you knowing it?

Chang: He must have used my name. I certainly didn't do it. I did not contribute. What do I do now?

Mr. Chang later recanted his statement and stated that his wife reminded him that he did make a contribution to the Gejdenson Committee.

The complainant alleges that Mr. Huang engaged in a pattern of prohibited activity by knowingly soliciting contributions from prohibited sources on behalf of the Gejdenson Committee. Mr. Huang explains in his response:

At the end of the summer of 1996, I learned that the Taiwanese American Chamber of Commerce has been very active in [making] political contribution[s]. I approached the New York and Houston chapters for help for Congressman Gejdenson. The New York chapter turned me down because the New York chapter already contributed a lot of money for Greater New York area candidates and my request was too late for the election. The Houston chapter promised to help. Later on I learned from Mr. Steven Hsu that \$7,000 had been contributed to Gejdenson's re-election committee.

Att. 3, p. 2.

The complaint asserts that Mr. Huang raised "almost \$40,000 for Gejdenson's re-election efforts." However, the complainant failed to provide any documentation or support for this figure. As the chart below indicates, based on the Gejdenson Committee's disclosure reports the respondents named in this matter contributed a total of \$17,500 over the course of three (3) election cycles.

Contributor	Election Cycle			Totals
	1991-1992	1993-1994	1995-1996	
Andrew Huang	\$ 1,500.00	\$ 2,000.00	\$ 1,000.00	\$ 4,500.00
Cathy Huang	\$ 1,000.00	\$ 2,000.00	\$ 1,000.00	\$ 4,000.00
Steve Hsu			\$ 1,000.00	\$ 1,000.00
Shu-Ying Hsu			\$ 1,000.00	\$ 1,000.00
Shah Yaw Chang			\$ 1,000.00	\$ 1,000.00
Tsing Pie Liu		\$ 1,000.00		\$ 1,000.00
Charles Grimes, II			\$ 1,000.00	\$ 1,000.00
Katherine Lim			\$ 1,000.00	\$ 1,000.00
Chia-Hui Lin			\$ 1,000.00	\$ 1,000.00
Monica Pickus			\$ 1,000.00	\$ 1,000.00
Steven Rodriguez			\$ 1,000.00	\$ 1,000.00
TOTALS	\$ 2,500.00	\$ 5,000.00	\$ 10,000.00	\$ 17,500.00

C. Responses To Complaint

1. Gejdenson Committee

On December 5, 1997, counsel for the Gejdenson Committee submitted a response to the complaint and requested that no further action be taken in this matter. Attachment 1. In their response the Gejdenson Committee explains that Rep. Gejdenson was aware that Mr. Huang, a long-time supporter, had contacted potential contributors and solicited contributions on behalf of his campaign committee. However, Mr. Huang assertedly did not work for the Gejdenson Committee. The Gejdenson Committee states that it "was pleased to have his help and was also pleased to accept apparently lawful contributions. The Committee was not involved in the raising of the contributions in question, which occurred in Texas." *Id.*, p. 2. The Gejdenson Committee also contends that each of the contributions received as a result of

Mr. Huang's efforts was reviewed by the committee treasurer and appeared to be in compliance with the Act.

In regard to the newspaper article which appeared in the *Courant*, the Gejdenson Committee contends that it reviewed the article and determined to refund contributions to the contributors who appeared to be unaware of their contributions to the Congressman, not because the Committee thought the contributions were illegal, but rather for the sake of appearances. *Id.*, p.3. Attached to their response are copies of the letters they sent on September 15, 1997, to seven (7) contributors concerning the refunds which totaled \$7,000. *Id.*, pps. 7-13. The specific contributors who received refunds from the Gejdenson Committee were as follows: Charles O'H. Grimes, II, Chia-Hui Lin, Katherine Lim, Monica Pickus, Shah Yaw Chang, Shu-Ying Hsu, and Steve Hsu. The Gejdenson Committee's 1997 Year End Report discloses refunds to those same contributors, who were all from Texas. Attachment 2.

The Gejdenson Committee argues that, since they complied with the Act by reviewing the contributions for their permissibility and disclosing them in a timely manner, the Commission should find no reason to believe that the Gejdenson Committee violated the Act.

2. Andrew Huang

On November 4, 1997, Mr. Huang submitted a response to the complaint which details his association with Rep. Gejdenson and his fundraising activities on behalf of the Gejdenson Committee. Attachment 3. In essence, Mr. Huang denies the *Courant's* accusations that he is a foreign national and that he collected contributions from other foreign nationals on behalf of the Gejdenson Committee.

Mr. Huang states that he has lived in the United States since 1971 and became a naturalized citizen in 1982. Mr. Huang claims that in 1977 he began working as a manager of a

restaurant in Middletown, Connecticut, which Rep. Gejdenson and his staff frequented. As a result of his employment at the restaurant, he became friendly with Rep. Gejdenson. Mr. Huang asserts that he is a member of the Taiwanese American Association ("TAA") in the Hartford, Connecticut area, and that he solicited contributions from other members of the TAA on behalf of the Gejdenson Committee because of Mr. Gejdenson's immigrant background and the positions he has held on issues affecting the Taiwanese American community. Mr. Huang states: "Enclosed is a copy of the political sketch of Sam Gejdenson and a typical invitation we would send out to Taiwanese Association Members."³ *Id.*, pps. 3-5.

In his response to the *Courant* article, Mr. Huang acknowledges that in the summer of 1996 he learned that the Taiwanese American Chamber of Commerce was politically active.⁴ He asserts that he contacted both the New York and Houston chapters and requested that their members make contributions to the Gejdenson Committee. He claims that the New York chapter was unable to make contributions because it had already exhausted its funds for political purposes. However, the Houston chapter was willing to help the Gejdenson Committee. He contends that later he learned from Steven Hsu, who is a board member of the National Taiwanese Chamber of Commerce and of the Houston chapter, that \$7,000 had been contributed to the Gejdenson Committee from Houston Chapter members. *Id.*, at 2.

³ At the top of the fund-raiser invitation is a message written in Chinese. The message states, as translated by Tszeming Lin, a Commission employee: Sam is a new friend of the Taiwanese people. He cares about our country's safety and security, and the status of our international relationship even more. He cares about us Taiwanese living in America and about our benefits. We hope this friend who has love and vision can continue helping us in Congress. Please fully support him and I hope you would invite your friends that live in eastern Connecticut to vote for him.

⁴ According to Commission indices, there are no records of political committees registered under this name in New York or Houston.

3. Steve and Shu-Ying Hsu

On November 7, 1997, counsel for Steve and Shu-Ying Hsu submitted separate responses. Attachments 4 and 5, respectively. Mr. and Mrs. Hsu deny that they are foreign nationals and assert through counsel that they became naturalized U.S. citizens in 1990. They both assert that in 1996 they each made a contribution from their own personal checking accounts to the Gejdenson Committee. Mr. Hsu states that he made his contribution at the request of his friend, Andrew Huang. Mr. Hsu also acknowledges soliciting contributions for Rep. Gejdenson's campaign from people he knew, and claims that after he received the contributions he forwarded them to Mr. Huang. Mr. Hsu contends that he helped the Gejdenson Committee raise money "because of his friendship for Mr. Huang and because of Mr. Gejdenson's voting record on issues relating to China and Taiwan." Att. 4.

4. Shah Yaw Chang

On November 7, 1997, counsel for Shah Yaw Chang submitted a response to the complaint. According to counsel, Mr. Chang became a naturalized U.S. citizen in 1988. He contends that at the request of his friend, Steve Hsu, he made a contribution to the campaign of Rep. Gejdenson "by check which he wrote and signed and was drawn on his personal account." Attachment 6. With regard to the statements he made to the *Courant* reporter, Mr. Chang contends that the reason why he did not initially recall making a contribution to the Gejdenson Committee was because he had been ill with the flu and had taken medication which made him sleep. He goes on to say that when the reporter from the *Courant* originally called, he had been awakened by the phone call and was confused.⁵ *Id.*

⁵ This explanation for forgetting about making the contribution to the Gejdenson Committee differs from the reason he gave the reporter when the reporter called him back.

5. Tsing Pie Liu

On October 31, 1997, Teh-Yi Liu, the daughter of the respondent, submitted a response to the complaint on behalf of her parents, Ju-Chao and Tsing Pie Liu.⁶ Miss Liu states that her parents made a contribution totaling \$2,000 to the Gejdenson Committee on October 23, 1994, in the form of a check that was signed by both Mr. and Mrs. Liu. Attachment 7. Miss Liu explains that her parents have been U.S. citizens for several years, and submitted a copy of their federal and state tax returns for 1994. *Id.*, pps. 3-4.

According to Miss Liu, her mother declined to talk to the *Courant* reporter because of her poor English and because she did not understand why she was being questioned about a contribution she had made in 1994. She also did not want to talk to the reporter because he was a total stranger. *Id.*, p. 1. Miss Liu further states that her parents made the contribution to the Gejdenson Committee from their personal checking account, and submitted a copy of the check. *Id.*, p. 6. She explains that her parents had ample income to make such a contribution and that the reporter's assumption that her mother, Tsing Pie Liu, was a low-level restaurant worker was incorrect. Miss Liu states, that at the time the contribution was made, her mother was the manager of two restaurants in downtown Hartford, Connecticut, and the treasurer of a corporation which she co-owned with her husband.⁷ Further, Miss Liu states that her parents made the contribution to the Gejdenson Committee of their own volition.

⁶ Ju-Chao Liu was not specifically named in the complaint.

⁷ In his response, Mr. Huang corroborates Ms. Liu's explanation of her mother's financial state of affairs. Att. 3, p. 2.

6. Charles O'H. Grimes, II

On November 7, 1997, counsel for Charles O'H. Grimes, II, submitted a response on his behalf which states that Mr. Grimes made a contribution to the Gejdenson Committee in 1996 and that he wrote the check from a personal account. Attachment 8.

7. Non-responsive Respondents

The following persons cited in the *Courant* article failed to submit responses to the complaint: Cathy S. Huang, Steven W. Rodriguez, Chia-Hui Lin, Monica Pickus and Katherine Lim.⁸

D. Analysis

1. Prohibited Contributions

a. Contributions By Foreign Nationals

The *Courant* article alleges that the Gejdenson Committee accepted contributions from foreign nationals and should have known the contributions were from prohibited sources because of the individual, Mr. Huang, who solicited the contributions on behalf of the Gejdenson Committee. Based on the responses received by the Commission in this matter, there is insufficient evidence to support a finding of reason to believe that the Gejdenson Committee received contributions from foreign nationals as alleged by the complainant. The Gejdenson Committee contends that it reviewed every contribution that it received as a result of Mr. Huang's fundraising efforts and that they appeared to be in compliance with the Act. All of the contributors named in this matter who responded to the complaint appear to be citizens of the United States. This Office has not uncovered any additional information that is contrary to the

⁸ This Office was unable to locate Monica Pickus and Katherine Lim in order to notify them of the complaint.

responses received by the Commission. Therefore, this Office recommends that the Commission find no reason to believe that the Sam Gejdenson Re-Election Committee and Patricia Tedisco Lagrega, as treasurer, Andrew B. Huang, Steve Hsu, Shu-Ying Hsu, Tsing Pie Liu, Shah Yaw Chang, Steven W. Rodriguez, Cathy S. Huang, Chia-Hui Lin, Monica Pickus and Katherine Lim violated 2 U.S.C. § 441e(a).

b. Contributions in the Name of Another

According to the responses received by the Commission, all the respondent contributors assert that they made the contributions in their own names and from their own bank accounts. None of them have indicated that they were reimbursed by anyone. While it is not clear why Mr. Chang initially made incorrect statements to the *Courant* reporter regarding his contribution to the Gejdenson Committee, no other conflicting information regarding this issue has been received by this Office. In addition, the Gejdenson Committee refunded his contribution (along with others) on September 15, 1997. Thus, there is insufficient evidence to support a finding of reason to believe with respect to the complaint's allegations of contributions that were made in the name of another. Therefore, this Office recommends that the Commission find no reason to believe that Andrew Huang, Steve Hsu, Shu-Ying Hsu, Tsing Pie Liu, Shah Yaw Chang, Charles O'H. Grimes, II, Steven W. Rodriguez, Cathy S. Huang, Chia-Hui Lin, Monica Pickus and Katherine Lim violated 2 U.S.C. § 441f.

2. Volunteer Activities

Mr. Huang's response in this matter does raise additional legal issues regarding his fundraising activities on behalf of the Gejdenson Committee. Mr. Huang states:

There is a strong Taiwanese American Association existing in the Greater Hartford area. The number of members could reach 300 families. Enclosed is a copy of the political sketch of Sam

Gejdenson and a typical invitation we would send out to Taiwanese Association Members.

Att. 3, p. 1.

Mr. Huang implies that he is a member of this organization, but does not indicate his position within the organization. He states that there are possibly 300 families that belong to the association, and that the enclosed invitation is typical of the ones that "we" would send to the association members. However, based on his response, there also appears to be a larger group of association members beyond the Greater Hartford area that were solicited for contributions by Mr. Huang. He apparently raised money through his membership in the organization from individuals in the New York and Houston areas as well as the Connecticut area. In fact, the copy of the particular invitation that Mr. Huang submitted with his response gives detailed street directions to Frank Chuang's house in Wetherfield, Connecticut, for invitees that live in both Connecticut and New York. *Id.*, p. 4. In addition, it appears that several fund-raisers were held, not just the one at Mr. Chuang's house.

Thus, it follows that Mr. Huang and "others" may have incurred substantial costs for the production of invitations to fund-raisers and for other items typically associated with hosting fund-raisers such as food, drinks and paper products, etc. However, the Gejdenson Committee did not disclose any in-kind contributions from Mr. Huang or other individual contributors in connection with such fund-raisers, even though they acknowledge that Mr. Huang was a long-time supporter and that they were pleased to receive contributions from Mr. Huang and his connections.

a. Fund-raising

As evidenced by the invitation which Mr. Huang submitted along with his response, and which is mentioned above, it appears that Mr. Huang, Frank S. Chuang, Ho-Tien Shu, Joe JuGer and Mark Lin held a fund-raiser on behalf of Rep. Gejdenson on October 5, 1996 at Mr. Chuang's residence. According to the Gejdenson Committee's 1996 12 Day Pre-General Report, Andrew Huang and Frank S. Chuang made \$1,000 contributions each on October 7, 1996 (the day after the Connecticut event). However, the Gejdenson Committee did not disclose the receipts of any event-related in-kind contributions from Andrew Huang, Frank S. Chuang, Ho-Tien Shu, Joe JuGer, or Mark Lin on their 1996 12 Day Pre-General Report. Any expenses incurred by Mr. Chuang up to \$1,000 would not constitute a contribution to the Gejdenson Committee because the event was held at his residence. However, since Mr. Huang, Mr. Shu, Mr. JuGer, and Mr. Lin were co-hosts to the fund-raiser, their shares of the costs for the event would constitute contributions to the Gejdenson Committee, and thus, should have been reported by the Gejdenson Committee as in-kind contributions. 2 U.S.C. § 434(b)(2)(A).

Based on the information available at this time, this Office is unable to determine the amount of the in-kind contributions that were not reported by the Gejdenson Committee, and, thus, cannot ascertain all excessive contributions which may have resulted from the Connecticut event on October 6, 1996, or from other such events. At the least, by incurring expenses for a fund-raiser on behalf of Rep. Gejdenson, in addition to making a \$1,000 contribution to the Gejdenson Committee, Mr. Huang made an excessive contribution to the Gejdenson Committee. Therefore, this Office recommends at this time that the Commission find reason to believe that the Sam Gejdenson Re-election Committee violated 2 U.S.C. §§ 441a(f) and 434(b)(2)(A), and that Andrew B. Huang violated 2 U.S.C. § 441a(a)(1)(A). Additional recommendations for

findings of reason to believe that excessive contributions were made by other individuals in connection with fund-raisers may be made in the future. (See discussion of discovery below).

b. Disclaimer

Pursuant to 2 U.S.C. § 441d(a)(3)

any person that makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station newspaper, magazine, outdoor advertising facility, direct mailing , or any other type of general public political advertising, such communication-

if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

According to 11 C.F.R. § 110.11(a)(1) the disclaimer shall be “presented in a clear and conspicuous manner to give the reader . . . adequate notice of the identity of the persons who paid for and, where required, who authorized the communication.” Exceptions to the disclaimer requirements include “bumper stickers, pins, buttons, pens, and similar small items upon which the disclaimer cannot be conveniently printed.” 11 C.F.R. § 110.11(a)(6)(i).

In his response, Mr. Huang admits that the solicitation to the fund-raiser hosted by himself along with Mr. Chuang, Mr. Shu, Mr. JuGer, and Mr. Lin were sent to members of the TAA. It appears that they were acting as individuals in soliciting members of the organization for contributions to the fund-raiser on behalf of a federal candidate. Since these individuals paid for the production and distribution of the solicitation on behalf of a federal candidate, the solicitation should have contained a disclaimer as required by 2 U.S.C. § 441d(a). The invitation did not contain a disclaimer indicating who paid for it and whether it was authorized by the

Gejdenson Committee. Therefore, there is reason to believe that Frank S. Chuang, Andrew Huang, Ho-Tien Shu, Joe JuGer and Mark Lin violated 2 U.S.C. § 441d(a)(3).

This Office does not recommend that the Commission conduct discovery at this time because Frank S. Chuang, Ho-Tien Shu, Joe JuGer and Mark Lin, apparently the other hosts at the Connecticut event, were not among the original respondents named in the complaint but rather are included as a result of Mr. Huang's response in this matter. Thus, they have not been notified of their involvement in this matter and given the opportunity to respond. This Office will wait until the respondents have had the opportunity to respond to the Commission's reason to believe findings before recommending that formal discovery be conducted in this matter.


III. RECOMMENDATIONS

1. Find no reason to believe that Sam Gejdenson Re-Election Committee and Patricia Tedisco Lagrega, as treasurer; Andrew B. Huang, Steve Hsu, Shu-Ying Hsu, Tsing Pie Liu, Shah Yaw Chang, Cathy S. Huang, Steven W. Rodriguez, Chia-Hui Lin, Monica Pickus and Katherine Lim violated 2 U.S.C. § 441e(a).
2. Find no reason to believe that Andrew B. Huang violated 2 U.S.C. § 441f.
3. Find no reason to believe that Steve Hsu, Shu-Ying Hsu, Tsing Pie Liu, Shah Yaw Chang, Charles O'H. Grimes II, Steven W. Rodriguez, Cathy S. Huang, Chia-Hui Lin, Monica Pickus and Katherine Lim violated 2 U.S.C. § 441f, and close the file with regard to them.
4. Find reason to believe that the Sam Gejdenson Committee and Patricia Tedisco Lagrega, as treasurer, violated 2 U.S.C. §§ 434(b)(2)(A) and 441a(f).
5. Find reason to believe that Andrew B. Huang violated 2 U.S.C. § 441a(a)(1)(A).
6. Find reason to believe that Andrew B. Huang, Frank S. Chuang, Ho-Tien Shu, Joe JuGer and Mark Lin violated 2 U.S.C. § 441d(a)(3).

7. Approve the attached proposed Factual and Legal Analyses.
8. Approve and send the appropriate letters.

Lawrence M. Noble
General Counsel

4/22/99
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments:

1. Gejdenson Committee Response dated 12/5/97
2. Copy of Schedule B from Gejdenson Committee report
3. Andrew Huang Response dated 11/4/97
4. Steve Hsu Response dated 11/7/97
5. Shu-Ying Hsu Response dated 11/7/97
6. Shah Yaw Chang Response dated 11/7/97
7. Tsing Pie Liu Response dated 10/31/97
8. Charles O'H. Grimes II Response dated 11/7/97
9. Proposed Factual and Legal Analyses (6)



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/VENESHE FEREBEE-VINES V7V
COMMISSION SECRETARY

DATE: APRIL 30, 1999

SUBJECT: MUR 4682 - First General Counsel's Report
dated April 22, 1999.

The above-captioned document was circulated to the Commission on

Monday, April 26, 1999.

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below:

Commissioner Elliott	<u>XXX</u>
Commissioner Mason	<u>XXX</u>
Commissioner McDonald	<u>XXX</u>
Commissioner Sandstrom	—
Commissioner Thomas	<u>XXX</u>
Commissioner Wold	—

This matter will be placed on the meeting agenda for

Tuesday, May 11, 1999.

Please notify us who will represent your Division before the Commission on this matter.