

DEC 20 2002

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

California Democratic Party)

Democratic State Central Committee of California—Federal)

and Katherine Moret, as treasurer)

Democratic State Central Committee of California—Non-Federal)

and Katherine Moret, as treasurer)

2002 DEC 20 P 4: 41

MUR 4788

SENSITIVE

GENERAL COUNSEL'S REPORT #5

I. ACTIONS RECOMMENDED: Reject the counter-offer, authorize civil suit, and approve the appropriate letter.

II. BACKGROUND

On October 22, 2002, the Federal Election Commission made probable cause to believe findings against the California Democratic Party and its federal and non-federal committees (“CDP”) for using \$77,282.67 in impermissible funds to finance express advocacy communications, for misreporting the disbursements for the communications as allocable generic voter activity instead of independent expenditures, and for failing to include proper disclaimers in the communications. Specifically, the Commission found probable cause to believe the California Democratic Party and the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer, violated 2 U.S.C. §§ 441b, 441d(a) and 11 C.F.R. § 102.5(a)(1)(i); the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer, violated 2 U.S.C. § 434(b); and the Democratic State Central Committee of California—Non-Federal (State) and Katherine Moret, as treasurer, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i). On October 25, 2002, this Office faxed and mailed the probable cause notification letter to the CDP.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

Accordingly, this Office recommends that the
Commission reject the CDP's counter-offer and authorize civil suit against the CDP.

At this stage, however, we believe that further discussions might be elicited only in response to the Commission's suit authorization vote.


III. RECOMMENDATIONS


1. Reject the counter-offer from the California Democratic Party; the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer; and the Democratic State Central Committee of California—Non-Federal and Katherine Moret, as treasurer.

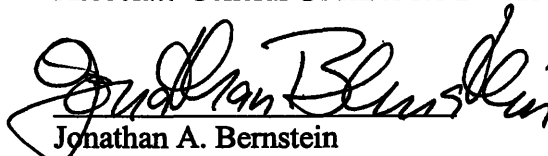
2. Authorize the Office of the General Counsel to file a civil suit for relief in United States District Court against the California Democratic Party; the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer; and the Democratic State Central Committee of California—Non-Federal and Katherine Moret, as treasurer.

3. Approve the appropriate letter.

12/20/02
Date


Lawrence H. Norton
General Counsel


Rhonda J. Vosdinger
Associate General Counsel for Enforcement


Jonathan A. Bernstein
Assistant General Counsel

Dominique Dillenseger (JAG)

Dominique Dillenseger
Attorney

Attachments

1. CDP Counter-Offer, dated November 21, 2002
2. CDP Letter, dated December 13, 2002

2004-04-04 10:44:44