



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

AUG 23 2000

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Knit Nat Mills, Ltd., Inc.
1086 Cypress Ave.
Flushing, NY 11385

RE: MUR 4935

Dear Sir or Madam:

On July 25, 2000, the Federal Election Commission found reason to believe that Knit Nat Mills, Ltd., Inc. violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2, provisions of the Federal Election Campaign Act of 1971, as amended, and the Commission's regulations. However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed the file as it pertains to Knit Nat Mills, Ltd., Inc. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2 prohibit corporations from making contributions in connection with federal elections. Knit Nat Mills, Ltd., Inc. should take action to make sure that this activity does not occur in the future.

The file will be made public within 30 days after this matter had been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect with respect to all respondents still involved in this matter.

24.04.409.0830

If you have any questions, please contact Joel J. Roessner or Angela Whitehead Quigley, the attorneys assigned to this matter, at (202) 694-1650.

Sincerely,



Darryl R. Wold
Chairman

Enclosure
Factual and Legal Analysis

24.04.409.0831

FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

MUR 4935

RESPONDENT: Knit Nat Mills, Ltd., Inc.

I. GENERATION OF MATTER

Matter Under Review ("MUR") 4935 was generated by a Complaint filed by Sandy Aboulafia, Vice President of the Women's Democratic Club of New York City alleging that Dear for Congress, Inc. ("the Committee") accepted prohibited corporate contributions during the 1998 election cycle.

II. FACTUAL AND LEGAL ANALYSIS

Under the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. §§ 431-451 ("the Act"), and the Commission's regulations, a contribution is a gift, subscription, loan, advance, deposit of money, or anything of value made by a person for the purpose of influencing any election for federal office. 2 U.S.C. § 431(8)(A); 11 C.F.R. § 100.7(a)(1). The Act prohibits corporations from making contributions in connection with federal elections. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2.

The Complainant alleges that the Committee's reports reveal that it accepted and spent prohibited corporate contributions. In connection with its audit of the Committee, undertaken in accordance with section 438(b) of the Act, the Commission's Audit staff reviewed copies of contribution checks accepted by the Committee for the 1998 election cycle. Based on this review, it appears that Knit Nat Mills, Ltd., Inc. made a contribution to the Committee for the 1998 election cycle in the amount of \$1,000.00. Accordingly, there is reason to believe that Knit

2590-504-43-42

Nat Mills, Ltd., Inc. violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 114.2 by making a prohibited corporate contribution to the Committee.

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