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**FEDERAL ELECTION COMMISSION**

999 E Street, N.W.  
Washington, D.C. 20463

Oct 1 1 00 PM '99

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

RAD REFERRAL: 99NF-19  
DATE ACTIVATED: 9/17/99

STAFF MEMBER: Dominique Dillenseger  
Lisa A. Davis

SOURCE: Internally Generated

RESPONDENTS: Freedom Leadership Political Action Committee  
James M. Newberry, Treasurer

RELEVANT STATUTE(S): 2 U.S.C. § 434(a)(4)(A)  
11 C.F.R. § 104.5(c)(1) and (2)

INTERNAL REPORTS CHECKED: Disclosure Reports  
Referral Materials

FEDERAL AGENCIES CHECKED: None

**I. GENERATION OF MATTER**

The Reports Analysis Division ("RAD") referred the Freedom Leadership Political Action Committee ("the Committee"), and James M. Newberry, as treasurer (collectively "Respondents"), to the Office of General Counsel on August 18, 1999. The basis of the RAD referral is the failure of the Committee to file its 1997 Year End Report and the 1998 April Quarterly, July Quarterly, October Quarterly, 30 Day Post-General and Year End Reports, as well as its failure to file the 1997 Mid-Year Report in a timely manner. The report was filed fourteen calendar days late. To date, the Committee has not filed its 1997 Year End Report or any of its 1998 Reports, nor has it filed its 1999 Mid-Year Report.

**II. FACTUAL AND LEGAL ANALYSIS**

Based on the Factual and Legal Analysis, see Attachment 1, this Office recommends the Commission find reason to believe the Respondents violated 2 U.S.C. § 434(a)(4)(A)(i), (iii) and (iv).

**III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY**

This Office also recommends that the Commission offer to enter into conciliation with the Respondents prior to a finding of probable cause to believe. Attached for the Commission's approval is a proposed conciliation agreement (Attachment 2).











#### IV. RECOMMENDATIONS


1. Open a MUR.
2. Find reason to believe Freedom Leadership Political Action Committee and James M. Newberry, as treasurer, violated 2 U.S.C. 434(a)(4)(A)(i), (iii) and (iv) and enter into conciliation prior to a *finding of probable cause to believe*.
3. Approve the attached Factual and Legal Analysis and conciliation agreement, and the appropriate letter.

Lawrence M. Noble  
General Counsel

Date

9/30/99

BY:

  
Lois G. Lerner  
Associate General Counsel

Attachments:

1. Factual and Legal Analysis
2. Proposed agreement





FEDERAL ELECTION COMMISSION  
Washington, DC 20463

MEMORANDUM

TO: Lawrence M. Noble  
General Counsel

FROM: Mary W. Dove/Lisa R. Davis  
Acting Commission Secretary

DATE: October 7, 1999

SUBJECT: RAD Referral #99NF-19 - First General Counsel's Report  
dated September 30, 1999.

The above-captioned document was circulated to the Commission  
on Monday, October 04, 1999.

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

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

This matter will be placed on the meeting agenda for  
Tuesday, October 19, 1999.

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