

JUN 07 2000

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

**SENSITIVE**

**FIRST GENERAL COUNSEL'S REPORT**

RAD REFERRAL: 99NF-22  
DATE ACTIVATED: April 25, 2000

EXPIRATION OF STATUTE OF  
LIMITATIONS: July 31, 2002  
STAFF MEMBERS: Donald E. Campbell  
April Sands

SOURCE: INTERNALLY GENERATED

RESPONDENTS: The Loose Group and Frank G. Stevenson Jr., as treasurer

RELEVANT STATUTE: 2 U.S.C. §§ 434(a)(4)(A)(iii) and (iv)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT  
2000 JUL -7 A 11:43

**I. GENERATION OF MATTER**

On November 3, 1999, the Reports Analysis Division ("RAD") referred The Loose Group and Frank G. Stevenson Jr., as treasurer ("Respondents"), for failure to file three (3) Reports of Receipts and Disbursements in a timely manner for the 1997-1998 election cycle. These three reports are the 1997 Mid-Year, 1997 Year End, and the 1998 30 Day Post-General Report.

**II. FACTUAL AND LEGAL ANALYSIS**

Based on the Factual and Legal Analysis, Attachment 1, this Office recommends that the Commission find reason to believe The Loose Group and Frank G. Stevenson Jr., as treasurer, violated 2 U.S.C. §§ 434(a)(4)(A)(iii) and (iv).

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

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

RAD Referral 99NF-22  
First General Counsel's Report  
Page 3




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**IV. RECOMMENDATIONS**

1. Open a MUR.
2. Find reason to believe that The Loose Group and Frank G. Stevenson Jr., as treasurer, violated 2 U.S.C. §§ 434(a)(4)(A)(iii) and (iv), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the attached Factual and Legal Analysis, proposed conciliation agreement and the appropriate letter.

Lawrence M. Noble  
General Counsel

7/6/00  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

**Attachments:**

1. Factual and Legal Analysis
2. Proposed conciliation agreement



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

**MEMORANDUM**

**TO:** Office of the Commission Secretary  
**FROM:** Office of General Counsel *KCS*  
**DATE:** July 7, 2000  
**SUBJECT:** 99NF-22-First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of \_\_\_\_\_

Open Session \_\_\_\_\_

Closed Session \_\_\_\_\_

**CIRCULATIONS**

**SENSITIVE**  
**NON-SENSITIVE**

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72 Hour TALLY VOTE ☒  
24 Hour TALLY VOTE ☐  
24 Hour NO OBJECTION ☐  
INFORMATION ☐

**DISTRIBUTION**

**COMPLIANCE**

☒

Open/Closed Letters ☐  
MUR ☐  
DSP ☐

**STATUS SHEETS**  
Enforcement ☐  
Litigation ☐  
PFESP ☐

**RATING SHEETS** ☐

**AUDIT MATTERS** ☐

**LITIGATION** ☐

**ADVISORY OPINIONS** ☐

**REGULATIONS** ☐

**OTHER** ☐