

APR 12 2002

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )

Raymond J. Bowie )

Direct Marketing Finance & Escrow, Inc. )

MUR 5173

Republicans for Choice Political Action Committee )

and Ann E. W. Stone, as treasurer )

GENERAL COUNSEL'S REPORT #5

I. ACTIONS RECOMMENDED

23-04-406-4155

**MUR 5173**  
**General Counsel's Report #5**

Find no probable cause to believe that Republicans for Choice Political Action Committee and Ann E. W. Stone, as treasurer, violated 2 U.S.C. § 441b(a) by knowingly accepting prohibited contributions in the form of forgiveness of debts from Saturn Corporation and Diversified Data Processing & Consulting, Inc. dba Diversified Data & Communications, Inc.

Take no further action concerning the receipt by the Republicans for Choice Political Action Committee and Ann E. W. Stone, as treasurer, of prohibited contributions from Ann E. W. Stone & Associates in violation of 2 U.S.C. § 441b(a).

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5 **II. BACKGROUND**

6 On February 13, 2001, the Commission found reason to believe that the Republicans for  
7 Choice Political Action Committee, and Ann E. W. Stone, as treasurer (the "Committee")  
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15 violated 2 U.S.C.  
16 § 441b(a) by knowingly accepting prohibited contributions in the form of forgiveness of debts  
17 from three corporate vendors, Ann E. W. Stone and Associates, Inc. ("ASA"), Saturn  
18 Corporation ("Saturn") and Diversified Data Processing & Consulting, Inc. dba Diversified Data  
19 & Communications, Inc. ("Diversified").

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<sup>1</sup> This matter was generated from a Commission audit of the Committee undertaken in accordance with 2 U.S.C. § 438(b). See 2 U.S.C. § 437g(a)(2). The audit covered the period from January 1, 1995 through December 31, 1996. The Commission approved the Final Audit Report on December 2, 1999.

**1           The Committee responded untimely to the Commission's reason to believe findings on**  
**2   April 6, 2001 and April 18, 2001. This Office requested additional information from the**  
**3   Committee by letter dated May 3, 2001, and the Committee responded on May 17, 2001.**

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**10           This Office sent the Committee a probable cause brief on March 4, 2002. The Committee**  
**11   requested an extension of time to file its responsive brief until April 10, 2002, but refused to**  
**12   agree to toll the applicable statute of limitations for the length of the requested extension of time.**  
**13   The Commission denied the Committee's request. This Office has not yet received the**  
**14   Committee's responsive brief.**

**B. THE COMMITTEE**

The General Counsel's Brief provides this Office's analysis of the Committee's violations in this matter and is incorporated in this report in its entirety. The Committee's reply brief was due on March 22, 2002. The Committee requested an extension of time to reply, but refused to sign a waiver of the statute of limitations for the period of the extension; the Commission rejected the extension request. On April 5, 2002, the Committee submitted its reply brief untimely, but this Office did not have an opportunity to review it and include an analysis of it in this report.<sup>17</sup> This Office is preparing a separate memorandum to address the Committee's additional arguments from its late-submitted reply brief and will circulate that memorandum concurrently with this Report, for Commission consideration at the April 16, 2002 executive session. This Report makes our recommendations with respect to the Committee's violations.

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<sup>17</sup> The brief was hand delivered and received in the mailroom at 2:29 p.m. Counsel to the Committee did not inform this Office that the brief was being delivered on April 5, 2002, but had indicated earlier that it would be submitted on April 10, 2002. The assigned staff received the brief on Monday, April 8, 2002.

Conversely, this

Office's investigation supports a finding of no probable cause to believe that the Committee violated 2 U.S.C. § 441b(a) by knowingly accepting prohibited contributions in the form of forgiveness of debts from Saturn Corporation and Diversified Data Processing & Consulting, Inc. dba Diversified Data & Communications, Inc. Finally, this Office believes no further action is appropriate concerning the receipt by the Committee of prohibited contributions from Ann E. W. Stone & Associates in violation of 2 U.S.C. § 441b(a).

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

1 V. CONTINGENT SUIT AUTHORITY

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8 VI. RECOMMENDATIONS

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**MUR 5173**  
**General Counsel's Report #5**

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9. Find no probable cause to believe that Republicans for Choice Political Action Committee and Ann E. W. Stone, as treasurer, violated 2 U.S.C. § 441b(a) by knowingly accepting prohibited contributions in the form of forgiveness of debts from Saturn Corporation and Diversified Data Processing & Consulting, Inc. dba Diversified Data & Communications, Inc.;

10. Take no further action concerning the receipt by the Republicans for Choice Political Action Committee and Ann E. W. Stone, as treasurer, of prohibited contributions from Ann E. W. Stone & Associates in violation of 2 U.S.C. § 441b(a);

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14. Approve the appropriate letters.

23-04-406-4162



  
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April 12, 2002

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