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**FEDERAL ELECTION COMMISSION**

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

2004 MAR -3 A 11: 09

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

MURs: 5262 & 5266

DATE COMPLAINT FILED: 4/25/02  
5/03/02

DATE OF NOTIFICATION: 5/08/02

DATE ACTIVATED: 9/26/02

EXPIRATION OF SOL: 7/01/07  
3/28/07

COMPLAINANTS:

Donald L. Walter, Randy D. Walter

RESPONDENTS:

Tim Ryan for Congress,  
and Michael Fraioli as treasurer<sup>1</sup>  
Dennis Rossi  
Second National Bank  
Mahoning County Democratic Party  
and its treasurer

RELEVANT STATUTES:

2 U.S.C. § 431(8)  
2 U.S.C. § 434(b)  
2 U.S.C. § 441a(a)  
2 U.S.C. § 441a(f)  
2 U.S.C. § 441b(a)  
11 C.F.R. § 100.7  
11 C.F.R. § 103.3(b)  
11 C.F.R. § 104.3(d)

INTERNAL REPORTS CHECKED:

Disclosure Reports, RFAs

FEDERAL AGENCIES CHECKED:

None

<sup>1</sup> Julie A. Stitzel was treasurer of the Committee when the complaint was filed and the Committee's response was made. On October 17, 2002, the Commission received an amended Statement of Organization identifying Adrian S. Biviano as treasurer. On April 11, 2003, the Commission received another amended Statement of Organization identifying Michael Fraioli as treasurer.

**I. INTRODUCTION**

The complaints in this matter allege that Tim Ryan for Congress accepted an excessive contribution of \$50,000, in violation of the Federal Election Campaign Act of 1971, as amended ("The Act").<sup>2</sup> The source of this contribution was the candidate and an unknown cosigner for a bank loan. One of the complaints further alleges that the cosigner of this loan was Dennis Rossi, and that Ryan and Rossi obtained the loan at a reduced interest rate. Specifically, the complaint alleges that the interest rate of 6.25% was suspicious. MUR 5266 Complaint at 1. The complaint further alleges that Tim Ryan for Congress ("Committee") and its treasurer accepted a \$2,500 contribution from the Mahoning County Democratic Party, and the source of this contribution was "the Building Trade Unions." *Id.* The complaint further alleges that the Committee appeared to be violating the law because it was not paying rent for its headquarters and it showed no in-kind contribution on its disclosure report. *Id.*

**II. FACTUAL AND LEGAL ANALYSIS**

Tim Ryan was one of several candidates running for his party's nomination, including an eight-term Congressional incumbent whose Congressional district had been redrawn during redistricting. Attachment 1. Prior to the primary election, Mr. Ryan had little money or name recognition and was not favored to win. *Id.* Forty days before the primary election, Mr. Ryan, who apparently had no property to use as collateral, obtained an unsecured bank loan for his Committee from the Second National Bank ("Bank"), cosigned by a friend and former high

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<sup>2</sup> This matter pertains to a 2002 Congressional election in the 17<sup>th</sup> Congressional District of Ohio. All of the facts in this matter occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Act herein are as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA.

1 school athletic coach, Dennis Rossi, for about \$50,000. Attachment 2. *See also* Rossi Response  
2 at 1. During the same forty days, Ryan made disbursements of over \$57,000 in media buys,  
3 printing, radio ads, cable purchases and other media services intended to achieve name  
4 recognition among the voters. The loan comprised over 75% of the Committee's total receipts in  
5 the 2002 April Quarterly Report. The Committee eventually reported the \$50,350 as an  
6 unsecured loan, without any future contributions or future receipts of interest income pledged as  
7 collateral for the loan.<sup>3</sup>

8 **A. THE GUARANTEES**

9 Mr. Ryan determined that he needed money for his campaign. He decided to inquire  
10 about taking out a loan. On March 21, 2002, Mr. Ryan met with Shawn Pompelia, a lending  
11 officer at the Bank, to apply for a loan.<sup>4</sup> Bank Response (Pompelia Aff. ¶ 4). The Bank agreed  
12 to approve a loan if it was cosigned. *Id.* (Pompelia Aff. ¶ 5).

13 Mr. Ryan approached Mr. Rossi about cosigning a loan. Rossi Response at 1. Mr. Rossi  
14 agreed to cosign the loan. *Id.* at 2. Mr. Ryan and Mr. Rossi met with Mr. Pompelia at the Bank a  
15 few days after Mr. Ryan's first meeting with the Bank to complete the transaction. Bank

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<sup>3</sup> The first April Quarterly Report, filed on April 14, 2002, states that the Committee has no loans and that Tim Ryan made a personal contribution of \$50,000 to his Committee on March 28, 2002. The first amended April Quarterly Report, filed on April 22, 2002, states that Tim Ryan made a loan from personal funds to his committee on March 27, 2002. The second amended April Quarterly Report, filed on April 25, 2002, states that the \$50,000 was an unsecured bank loan and that Jeff Rossi was a cosigner on the loan, which is listed as outstanding in its entirety. The Committee failed to identify Dennis Rossi's contribution as a source of the loan until the third amended report, also filed on April 25, 2002, the day after newspaper accounts raised questions about the source and legality of the loan; however, the Committee incorrectly reported the loan amount as \$50,000 and the date of the loan as March 27, 2002. On July 17, 2002, the Committee filed the promissory note and a Schedule C-1 accurately identifying Dennis Rossi as the cosigner for \$50,350 on March 28, 2002. The fourth amended April Quarterly Report, filed on July 30, 2002 provides the same information as the July 17, 2002 amendment.

<sup>4</sup> Mr. Ryan and Mr. Pompelia had evidently both played high school sports, albeit not at the same time, for Mr. Rossi, who would cosign the loan. Additionally, a photograph accompanying a news article attached to Mr. Rossi's response shows Mr. Ryan and Mr. Pompelia in a group of assistant coaches on Rossi's basketball staff at Warren (OH) John F. Kennedy High School in 1997-1998.

Response (Pompelia Aff. ¶ 8). At this meeting, Mr. Rossi and Mr. Pompelia asked Mr. Ryan if the loan was legal. Bank Response (Pompelia Aff. ¶¶ 7-8); Rossi Response at 2. Mr. Ryan assured them it was legal.<sup>5</sup> *Id.*

The Act prohibits an individual from making a contribution to a federal candidate greater than \$1,000 per election. 2 U.S.C. § 441a(a)(1)(A). With exceptions not relevant here, a loan is a contribution by each endorser or guarantor. Unless a written agreement states otherwise, when there are multiple guarantors of a loan, as in this matter, each guarantor of the loan is deemed to have made a contribution in the same proportion to the unpaid balance that each endorser bears to the total number of endorsers, or in this matter, \$25,175. 11 C.F.R. § 100.7(a)(1)(C).

Tim Ryan was the principal person involved in this bank loan. Mr. Ryan personally procured the loan, sought and obtained Mr. Rossi as a cosigner, and assured the bank and Mr. Rossi that the transaction was legal under the Act. Rossi Response at 1-2; Bank Response at 7-8. The Committee and Mr. Ryan deposited the proceeds of the loan into the Committee's account and originally reported it as a personal loan from Mr. Ryan. When a candidate receives a loan

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<sup>5</sup> The Committee asserts that "in early March [2002], the [t]reasurer spoke with a [Commission information specialist] to review the rules governing bank loans generally. The treasurer left that conversation without knowing that cosigning a loan was normally considered a contribution." Committee Supplemental Response at 2. The statement in the Committee's response is less definitive than a statement the treasurer supposedly made to the press in April, 2002, when she allegedly told the Youngstown Vindicator that she had contacted the Commission about the loan and the Commission told her "there would not be a problem with a co-signer." David Skolnick, *Ryan's Loan Raises Concern*, Youngstown Vindicator, Apr. 24, 2002. It also directly conflicts with the Bank's version of what Mr. Ryan told Mr. Pompelia. According to the Bank's response, Mr. Ryan told the Bank that Mr. Ryan called the Commission, and "received verbal assurances from the [Commission] that his actions were in compliance with appropriate laws and regulations regarding loans for political campaigns." Bank Response (Pompelia Aff. ¶ 7). At closing, Mr. Ryan again stated that the Commission "had given him approval for the process." *Id.* (Pompelia Aff. ¶ 8).

Even if Mr. Ryan ever represented to anyone that he personally contacted the Commission, the Committee's statement effectively disavows that representation. Moreover, the nuanced phrasing of the Committee's submission stops short of an assertion that the Information Division told the treasurer that guarantees were not contributions. The available information indicates that the reason that the treasurer "left the conversation without knowing" that a guarantee is a contribution is probably that she did not fully describe the facts when she asked the question.

1 for use in his campaign, he receives the loan as an agent of his committee. 2 U.S.C. § 432(e)(2).  
2 See Advisory Opinion 1994-26. Thus, for purposes of the Act, such a loan is treated as if it were  
3 made directly from the bank to the committee, and the candidate is treated as a guarantor of the  
4 loan.

5 In this instance, Mr. Ryan's \$25,175 share of the guarantee is permissible, because a  
6 candidate may contribute unlimited amounts to his or her own campaign. See  
7 11 C.F.R. § 110.10(a). Mr. Rossi's equivalent share is not permissible. Mr. Rossi's share  
8 exceeded both the \$1,000 limit on contributions he could make to Mr. Ryan's campaign pursuant  
9 to 2 U.S.C. § 441a(a)(1)(A) and the \$25,000 aggregate limit on the total amount of contributions  
10 he could make in calendar year 2002 pursuant to 2 U.S.C. § 441a(a)(3). In addition to Rossi's  
11 \$25,175 share of the guarantee, he also contributed \$250 in 2002 to INSURPAC, making his  
12 total 2002 contributions \$25,425. Therefore, we recommend that the Commission find reason to  
13 believe that Dennis Rossi violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3). Moreover,  
14 2 U.S.C. § 441a(f) provides that no candidate or committee shall knowingly accept a contribution  
15 in excess of the limits of 2 U.S.C. § 441a. Mr. Ryan acted as an agent of his campaign and  
16 personally induced Mr. Rossi to guarantee the loan. Accordingly, we also recommend the  
17 Commission find reason to believe that Mr. Ryan and the Committee violated  
18 2 U.S.C. § 441a(f).<sup>6</sup>

19 **B. SECOND NATIONAL BANK**

20 National banks are prohibited from making political contributions. 2 U.S.C. § 441b(a).

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<sup>6</sup> Mr. Ryan is being generated internally as a respondent. We did not learn about his major participation in this matter until we received responses from the other respondents.

1 Any loan of money by a national bank is not a contribution by the lending institution if the loan is  
2 made in accordance with applicable banking laws and regulations and made in the ordinary  
3 course of business. A loan will be deemed to be made in the ordinary course of business if it: (1)  
4 bears the usual and customary rate of interest of the lending institution for the category of loan  
5 involved, (2) is made on a basis which assures repayment, (3) is in writing, and (4) is subject to a  
6 due date or amortization schedule. 2 U.S.C. § 431(8)(B)(vii); 11 C.F.R. § 100.7(b)(11).

7 One of the complaints alleges that the Bank's interest rate of 6.25% for the loan was  
8 significantly lower than the rate for loans at the time. MUR 5266 Complaint at 1. The complaint  
9 describes a newspaper reporter receiving a quote for a much higher rate of interest for an  
10 unsecured personal loan.<sup>7</sup> *Id.*; David Skolnick, *Latell Calls on State Sen. Tim Ryan to Come*  
11 *Clean on his \$50,000 Loan*, Youngstown Vindicator, Apr. 30, 2002.

12 The Bank asserts that the loan and the variable interest rate of 6.25% were within the  
13 lending officer's discretion. The Bank's Chief Lending Officer avers that "[t]he interest rate was  
14 based on an index rate formula that was higher than many interest rates charged for similar  
15 unsecured extensions of credit to individuals during that same period. Thus, the loan in question  
16 did yield a usual and customary interest rate of the bank for this category of loan."<sup>8</sup> Bank  
17 Response (Falatok Aff. ¶ 8). The Chief Lending Officer also states that "I can state without  
18 equivocation that this loan was made in accordance with standard policies and procedures of  
19 Second National Bank in the ordinary course of business and to my knowledge in accordance

<sup>7</sup> The newspaper article does not specify the terms (e.g., variable or fixed rate) or length of the loan, nor does it address the credit history of the reporter inquiring about the loan

<sup>8</sup> The promissory note states that the variable interest rate is based on the index rate, and that at the time of the loan, the index rate was 4.75% per annum. The interest rate applied to the loan was 1.5% points higher. See Attachment 2.

1 with all applicable banking laws and regulations. In reviewing the bank's records on this loan,  
2 the bank was confident of repayment on the due date. The loan was neither the highest, nor the  
3 lowest amount for an unsecured loan to an individual in this category during this time period."

4 *Id.* (Falatok Aff. ¶ 9).

5 Mr. Pompelia agreed: "The interest rate ... was within the range of interest rates for the  
6 Bank for commercial loan customers. The loan was structured based on an index formula used  
7 by the Bank for unsecured commercial loans to individuals. This interest rate is purely variable  
8 and adjusts to the index rate used by the Bank." *Id.* (Pompelia Aff. ¶ 5). He further states, "I  
9 made this sound credit decision based on the borrowers' credit worthiness and ability to pay.  
10 The loan was made in the ordinary course of business and in the same manner as other individual  
11 unsecured loans that I have completed. It was my belief at the time the loan was made that all  
12 applicable laws had been followed, that bank policy had been strictly adhered to, and that the  
13 loan was a good loan with all likelihood of repayment to the bank at a solid, appropriate rate of  
14 return." *Id.* (Pompelia Aff. ¶ 10).

15 Thus, it appears in the absence of any other information that the interest rate of the loan  
16 assumed the usual and customary rate of interest, within the meaning of subsection (1) of Section  
17 431(8)(B)(vii) of the Act. The rate was variable and short-term; it was neither the lowest nor the  
18 highest for an unsecured loan during the period, and took into account the credit-worthiness of  
19 the borrowers.

20 While the Bank appears to have met the provisions of subsections (1), (3) and (4) of  
21 Section 431(8)(B)(vii) of the Act, the discussion below addresses whether the Bank met  
22 requirements to assure repayment pursuant to the Act. Commission regulations specify three

1 sources of repayment: (1) collateral, (2) amounts guaranteed by secondary sources of repayment,  
2 such as guarantors or cosigners, or (3) other sources of repayment, such as future income from  
3 public financing funds, fundraising, etc. 11 C.F.R. § 100.7(b)(11). 11 C.F.R. § 100.7(b)(11)(i)  
4 provides that "[a] loan ... shall be considered made on a basis which assures repayment if it is  
5 obtained using either of the sources of repayment described in paragraphs (b)(11)(i)(A) or (B) of  
6 this section, or a combination" thereof. 11 C.F.R. § 100.7(b)(11)(i)(A)(2). If none of the three  
7 sources of repayment exists, then loans are considered on a case-by-case basis based on the  
8 totality of the circumstances to determine whether they were made on a basis that assures  
9 repayment. *Id.*, See Advisory Opinion 1994-26, E&J, 56 Fed. Reg. 67118-67123 (1992). In this  
10 matter, the promissory note shows that the loan was guaranteed by a secondary source of  
11 repayment -- namely Mr. Rossi.<sup>9</sup> But even if Mr. Rossi's guarantee was not deemed a specified  
12 source of repayment *per se* within the meaning of the regulation,<sup>10</sup> the totality of the  
13 circumstances indicate that the loan was made on a basis that assures repayment.

14 When considering the totality of the circumstances, the Commission has looked at  
15 whether the loan was obtained in order to influence any candidacy or other political purpose;  
16 whether, depending on the credit-worthiness of the candidate, the candidate and the lending  
17 entities had a pre-existing relationship; and whether the terms of the agreement, e.g., "the interest  
18 rates and other provisions for repayment, appear to be out of the ordinary or unduly favorable to"  
19 the candidate. See Advisory Opinion 1994-26. At the time of the election, Mr. Ryan was a 28-

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<sup>9</sup> Mr. Pompelia's affidavit also states that Mr. Ryan orally represented that the loan would be repaid "with political funds raised at fundraising events and from contributors." Bank Response (Pompelia Aff. ¶ 9). The promissory note, however, contained no formal pledge of committee proceeds as collateral.

<sup>10</sup> The only reference to "secondary sources of repayment" in the regulation states in full that "[a]mounts guaranteed by secondary sources of repayment, such as guarantors and cosigners, shall not exceed the contribution limits of 11 C.F.R. part 110 or contravene the prohibitions of 11 C.F.R. [§] 110.4, part 114 and part 115." As described *supra*, Rossi's guarantee exceeded the contribution limit by more than \$24,000.



1 year-old law school graduate with no apparent property available as collateral for a loan. Mr.  
2 Rossi had a pre-existing business relationship with the Bank. Rossi Response at 2. As noted,  
3 Mr. Rossi and Mr. Ryan also coached athletics at the same high school as Mr. Pompelia.<sup>11</sup>

4 The Bank states in its response that Mr. Pompelia's "decision was final and completely  
5 within his discretion for a loan of this type and amount." Bank Response at 1. The Bank  
6 required a cosigner, Mr. Rossi, whom the Bank states had a suitable credit history for an  
7 unsecured loan. Bank Response (Pompelia Aff. ¶ 5.). Rossi agreed that the loan's terms were  
8 based on his excellent credit history. Rossi Response at 2. The Bank appears to have relied on  
9 Mr. Rossi's credit history and banking relationship when granting the loan. Had the Bank been  
10 forced to rely solely on Mr. Ryan's credit history, it apparently would not have lent the money.  
11 According to Pompelia, "[i]n order to assure repayment of the loan, I determined that the Bank  
12 would make the loan if there was a co-borrower acceptable to the Bank. After discussions  
13 involving the prospective co-borrowers, I completed the Bank's internal documentation  
14 requirements along with the Bank's loan pricing model." Bank Response (Pompelia Aff. ¶ 5).  
15 Mr. Rossi agreed, "[t]he financial institution, Second National Bank of Warren, would not loan  
16 that amount on the Candidate's signature alone, and the Candidate had insufficient collateral for  
17 the purpose." Rossi Response at 1. Considering the totality of the circumstances, it appears that  
18 the Bank intended to assure repayment of the loan.<sup>12</sup> The Bank required a cosigner with a solid  
19 credit history. The Bank appears not to have provided political support for Mr. Ryan. Neither

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<sup>11</sup> Mr. Pompelia evidently served as a volunteer assistant coach at the high school in addition to holding a position as a loan officer at the Bank.

<sup>12</sup> Although the loan term was for six months, it was completely paid off in three months, which strengthens the Bank's position that it was assured repayment. At the time of the loan, Mr. Ryan informed the Bank "that [Ryan] would pay the loan back within the six-month period when the loan was due or sooner with political funds raised at fundraising events and from contributors." Bank Response (Pompelia Aff. ¶ 9).

1 the loan officer nor the chief lending officer with the Bank made any individual contributions to  
2 Mr. Ryan's committee. The loan officer attempted to ascertain the legality of the loan by asking  
3 Mr. Ryan if the contribution was legal. Bank Response at 7-8. Accordingly, this Office  
4 recommends the Commission find no reason to believe that the Second National Bank violated  
5 the Act in this matter.

6 **C. LOCAL COMMITTEE CONTRIBUTIONS AND RENT PAYMENTS**

7 Two other issues raised in the complaints remain: the role of the Mahoning Democratic  
8 Party in making a \$2,500 contribution; and whether the Committee made rent payments.

9 One of the complaints states that a local committee, the Mahoning County Democratic  
10 Party, made an unlawful contribution of \$2,500 to Tim Ryan for Congress by funneling  
11 contributions from local labor organizations. *See* MUR 5266 Complaint at 1. According to the  
12 pre-primary report filed by the Committee, the contribution was received on April 11, 2002. The  
13 Committee responds that it refunded the contribution on April 26, 2002, as reflected in its 2002  
14 July Quarterly Report. The treasurer must refund an illegal contribution within 30 days from  
15 which the illegality is discovered, or if the legality of a questionable contribution cannot be  
16 ascertained. 11 C.F.R. § 103.3(b). In this matter, the Committee refunded the contribution less  
17 than 30 days after it was received; therefore, we recommend the Commission find no reason to  
18 believe that the Committee and its treasurer violated the Act as it pertains to the Mahoning  
19 County Democratic Party. This Office also recommends the Commission find no reason to  
20 believe that the Mahoning County Democratic Party violated the Act in this matter and close this  
21 matter as it pertains to the Mahoning County Democratic Party.

22 The same complaint also alleges that the Committee appeared to violate the law because  
23 it was not paying rent "for some months" and did not report an in-kind contribution of rent for its

1 facilities in Warren, Ohio. *Id.* The Committee states that at the time it “filed its pre-election  
2 report on April 17, 2002, the Committee had been in the space for less than a month and had not  
3 yet made any rent or overhead expense payments related to the space. Since that time, the  
4 Committee has paid appropriate rent ... and these payments will be reflected on the next report  
5 filed with the Commission.”<sup>13</sup> Committee Response at 2. The Committee made quarterly  
6 payments, or at least paid in lump sums for periods equal to three months or more, to Heritage  
7 Galleria, located at 196 E. Market St. Warren, Ohio – also the Committee’s address during the  
8 same period in 2002. According to the 2002 July Quarterly Report, the Committee made  
9 separate disbursements on May 30, 2002, for March, April and May rent. The March payment  
10 was \$225, the April payment was \$450 and the May payment was \$450. According to the 2002  
11 October Quarterly Report, the Committee made a disbursement of \$1,800 for rent on September  
12 30. The Committee reported no disbursements for rent in the 2002 Year End Report. It appears  
13 the Committee pre-paid through the end of the election with its \$1,800 payment. At \$450 per  
14 month, the \$1800 payment on September 30 would apply to four months (July, August,  
15 September, October).<sup>14</sup>

16 Although the irregular nature of the Committee’s rent payments is somewhat odd, it does  
17 not necessarily indicate that the Committee accepted an in-kind contribution. For most of 2002,  
18 the Committee appears either to have been behind in its rent or to have operated under an  
19 arrangement that permitted it to pay for occupancy already enjoyed. However, in the last month

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<sup>13</sup> Apparently the April report referred to by the Committee is the April Quarterly Report filed on April 14, 2002, not April 17, 2002. The Committee did not file any report with the Commission on April 17, 2002.

<sup>14</sup> The November payment was likely a partial payment, similar to the March payment. Disbursements less than \$200, need not be reported pursuant to 2 U.S.C. 434(b)(5)(A). So if the November rent payment was less than \$200, the Committee was not required to disclose it. The November 2002 election was held on November 5. Even if the campaign office remained open a week after the election, based on a monthly payment of \$450, a pro-rated amount would likely be around \$200.

1 prior to the general election, the Committee appears to have been current or even in advance on  
2 its rent payments. In the absence of other information, any conclusion that the Committee  
3 accepted a contribution would be entirely speculative. In their Statement of Reasons in MUR  
4 4690 (Hillary Rodham Clinton for U.S. Senate Exploratory Committee, issued December 21,  
5 2000), four Commissioners stated, "Absent personal knowledge, the Complainant, at a  
6 minimum, should have made a sufficiently specific allegation ... so as to warrant a focused  
7 investigation that can prove or disprove the charge." In the same Statement of Reasons, the four  
8 Commissioners also stated, "Unwarranted legal conclusions from asserted facts, see SOR in  
9 MUR 4869 (American Postal Workers Union), or mere speculation, see SOR of Chairman Wold  
10 and Commissioners Mason and Thomas in MUR 4850 (Fossella), will not be accepted as true."  
11 Accordingly, given the unwarranted legal conclusion in the instant matter, this Office  
12 recommends the Commission find no reason to believe that the Committee and its treasurer  
13 violated 2 U.S.C. § 441a(f) as it pertains to rent payments. Furthermore, as the Committee  
14 reported its disbursements for rent, this Office recommends the Commission find no reason to  
15 believe the Committee and its treasurer violated 2 U.S.C. § 434(b) as it pertains to rent payments.

16 **III. CONCILIATION**

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**IV. RECOMMENDATIONS**

1. Merge MUR 5262 and MUR 5266 and hereafter refer to this matter as MUR 5262.
2. Find reason to believe that Dennis Rossi violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3).
3. Find reason to believe that Tim Ryan for Congress and Michael Fraioli, as treasurer, violated 2 U.S.C. § 441a(f).
4. Find reason to believe that Tim Ryan violated 2 U.S.C. § 441a(f).
5. Find no reason to believe that the Second National Bank violated the Act in this matter and close this matter as it pertains to the Second National Bank.
6. Find no reason to believe that Tim Ryan for Congress and Michael Fraioli, as treasurer, violated the Act as it pertains to the Mahoning County Democratic Party.

7. Find no reason to believe that the Mahoning County Democratic Party violated the Act in this matter and close this matter as it pertains to the Mahoning County Democratic Party.
8. Find no reason to believe that Tim Ryan for Congress and Michael Fraioli, as treasurer, violated 2 U.S.C. §§ 434(b) and 44a(f) as it pertains to rent payments.
9. Enter into conciliation with Dennis Rossi, Tim Ryan and Tim Ryan for Congress and Michael Fraioli, as treasurer, prior to a finding of probable cause to believe.
10. Approve the attached Factual and Legal Analyses.
11. Approve the attached Conciliation Agreements.
12. Approve the appropriate letters.

Lawrence H. Norton  
General Counsel

3/3/04  
Date

BY: Rhonda J. Vosdingh by LLC  
Rhonda J. Vosdingh  
Associate General Counsel  
for Enforcement

Cynthia E. Tompkins  
Cynthia E. Tompkins  
Assistant General Counsel

Margaret J. Toalson  
Margaret J. Toalson  
Attorney

Attachments:

1. Newspaper Articles
2. Promissory Note for Loan from Bank
3. Factual and Legal Analyses
4. Conciliation Agreements