



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D C 20463

**FEB 13 2004**

Charles E. Kelly, Esq.  
706 South 8<sup>th</sup> Street  
Las Vegas, NV 89101

**RE: MUR 5305**  
Margaret Hester  
Andrea J. Zoanni  
Kathryn J. Sanucci  
Kevin Hester  
Dirk P. Griffith  
Dean L. Griffith  
Nadine Giudicessi  
Gary Giudicessi  
Nancy D. Kurtik  
Ronald E. Gillette

Dear Mr. Kelly:

On October 3, 2002, the Federal Election Commission notified your clients, Margaret Hester, Andrea J. Zoanni, Kathryn K. Sanucci, Kevin Hester, Dirk P. Griffith, Dean L. Griffith, Nadine Giudicessi, Gary Giudicessi, Nancy D. Kurtik, and Ronald E. Gillette, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint and information provided by you, the Commission, on February 3, 2004, found that there is reason to believe your clients violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analyses, which formed a basis for the Commission's finding, are attached for your information.

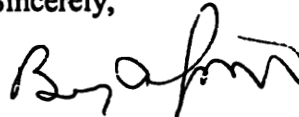
You may submit any factual or legal materials you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

Sincerely,



Bradley A. Smith  
Chairman

Enclosures  
Factual and Legal Analyses

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Margaret Hester

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. *See* 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Margaret Hester, an RDDC Human Resources Manager, contributed \$2,000 to the Herrera Committee – \$1,000 on June 30, 2001 towards the primary election, and \$1,000 on March 29, 2002, towards the general election.

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### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Ms. Hester, and their spouses contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Margaret Hester violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Andrea J. Zoanni

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. See 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Andrea J. Zoanni, an RDDC Payroll Clerk, contributed \$2,000 to the Herrera Committee on June 30, 2001 – \$1,000 for both the primary and general elections.

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### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Ms. Zoanni, and their spouses contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Andrea J. Zoanni violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Kathryn J. Sanucci

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. *See* 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Kathryn J. Sanucci, an RDDC Product Supervisor, contributed \$2,000 to the Herrera Committee – \$1,000 on April 24, 2001 towards the primary election, and \$1,000 on June 30, 2001 towards the general election.

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### III. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Ms. Sanucci, and their spouses contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Kathryn J. Sanucci violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Kevin Hester

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. See 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Kevin Hester, the spouse of RDDC employee Margaret Hester, contributed \$1,000 to the Herrera Committee on March 29, 2002 towards the primary election.

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### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees and their spouses, like Mr. Hester, contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Kevin Hester violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Dirk P. Griffith

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. See 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Dirk P. Griffith, RDDC's General Supervisor, contributed \$2,000 to the Herrera Committee on June 30, 2001 – \$1,000 for both the primary and general elections.

In addition to their contributions to the Herrera Committee, five of the RDDC contributors also made contributions to Friends for Harry Reid ("the Reid Committee") during

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the 2000 election cycle. Among these contributors was Mr. Griffith, who contributed \$2,000 to the Reid Committee on June 29, 2001 – \$1,000 for both the primary and general elections.

### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended (“the Act”), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to either a single candidate or, in some cases, two candidates during the 2002 election cycle. The five individuals who contributed to the Reid Committee, including Mr. Griffith, did so just one day before they contributed to the Herrera Committee. These individuals contributed the maximum to both committees for both the primary and general election, for a total of \$4,000 each over a period of two days. None of the Rhodes contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Mr. Griffith, and their spouses contributed the maximum allowable under the Act to both the Herrera and Reid Committees and were reimbursed either with RDDC funds or with Mr. Rhodes’ personal funds.

Therefore, there is reason to believe Dirk P. Griffith violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect contributions in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Dean L. Griffith

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. See 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Dean L. Griffith, RDDC's General Manager, contributed \$2,000 to the Herrera Committee on June 30, 2001 – \$1,000 for both the primary and general elections.

In addition to their contributions to the Herrera Committee, five of the RDDC contributors also made contributions to Friends for Harry Reid ("the Reid Committee") during

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the 2000 election cycle. Among these contributors was Mr. Griffith, who contributed \$2,000 to the Reid Committee on June 29, 2001 – \$1,000 for both the primary and general elections.

### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended (“the Act”), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to either a single candidate or, in some cases, two candidates during the 2002 election cycle. The five individuals who contributed to the Reid Committee, including Mr. Griffith, did so just one day before they contributed to the Herrera Committee. These individuals contributed the maximum to both committees for both the primary and general election, for a total of \$4,000 each over a period of two days. None of the Rhodes contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Mr. Griffith, and their spouses contributed the maximum allowable under the Act to both the Herrera and Reid Committees and were reimbursed either with RDDC funds or with Mr. Rhodes’ personal funds.

Therefore, there is reason to believe Dean L. Griffith violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect contributions in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Nadine Giudicessi

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. See 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Nadine Giudicessi, an RDDC Controller, contributed \$2,000 to the Herrera Committee on June 30, 2001 – \$1,000 for both the primary and general elections.

In addition to their contributions to the Herrera Committee, five of the RDDC contributors also made contributions to Friends for Harry Reid ("the Reid Committee") during

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the 2000 election cycle. Among these contributors was Ms. Giudicessi, who contributed \$2,000 to the Reid Committee on June 29, 2001 – \$1,000 for both the primary and general elections.

### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended (“the Act”), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to either a single candidate or, in some cases, two candidates during the 2002 election cycle. The five individuals who contributed to the Reid Committee, including Ms. Giudicessi, did so just one day before they contributed to the Herrera Committee. These individuals contributed the maximum to both committees for both the primary and general election, for a total of \$4,000 each over a period of two days. None of the Rhodes contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Ms. Giudicessi, and their spouses contributed the maximum allowable under the Act to both the Herrera and Reid Committees and were reimbursed either with RDDC funds or with Mr. Rhodes’ personal funds.

Therefore, there is reason to believe Nadine Giudicessi violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect contributions in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:**

Gary Giudicessi

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. *See* 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Gary Giudicessi, the spouse of RDDC employee Nadine Giudicessi, contributed \$2,000 to the Herrera Committee on March 29, 2002 – \$1,000 towards the primary election and \$1,000 towards the general election.

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### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees and their spouses, like Mr. Giudicessi, contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Gary Giudicessi violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution in the name of another.

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**FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Nancy D. Kurtik

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. *See* 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Nancy D. Kurtik, an RDDC Director of Sales, contributed \$1,000 to the Herrera Committee on April 24, 2001 towards the primary election.

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### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Ms. Kurtik, and their spouses contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Nancy D. Kurtik violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another.

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Ronald E. Gillette

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. *See* 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Ronald E. Gillette, an RDDC Corporate Counsel, contributed \$2,000 to the Herrera Committee on March 29, 2002 – \$1,000 towards the primary election and \$1,000 towards the general election.

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### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Mr. Gillette, and their spouses contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Ronald E. Gillette violated 2 U.S.C. § 441f by knowingly allowing his name to be used to effect a contribution in the name of another.

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