

AUG 30 2005

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

2005 AUG 30 A 9:17

MUR 5305

**SENSITIVE**

In the Matter of

James M. Rhodes, et al.

GENERAL COUNSEL'S REPORT #4

**I. ACTIONS RECOMMENDED**

Accept the attached signed conciliation agreements with James M. Rhodes, Rhodes Design and Development Corporation ("RDDC"), Bravo, Inc. d/b/a Rhodes Framing ("Bravo") and Rhodes Ranch General Partnership ("Rhodes Ranch") (collectively "Rhodes respondents"), Nadine Giudicessi and James A. Bevan; take no further action with respect to Donna Escoto, Lori J. Marko, Mona M. Wilcox, Ronald E. Gillette, Gary Guidicessi, Dean L. Griffith, Dirk P. Griffith, Margaret Hester, Kevin Hester, Nancy D. Kurtick, Kathryn J. Sanucci, and Andrea J. Zoanni; and close the file as to those respondents.

**II. BACKGROUND**

This matter involves a contribution reimbursement scheme conducted by James Rhodes resulting in contributions totaling \$37,000 to Herrera for Congress ("Herrera Committee") and Friends for Harry Reid ("Reid Committee") in the names of fourteen RDDC employees and two of their spouses. At Rhodes's request, RDDC employees Giudicessi (RDDC's Corporate Controller) and Bevan (RDDC's Chief Financial Officer) solicited other employees to make contributions to the Herrera and Reid Committees. Nadine Giudicessi and James Bevan solicited and collected contribution checks from fellow employees, a fellow employee's husband, and from Giudicessi's husband. Giudicessi and Bevan also wrote their

26044132159

own contribution checks. These contributions were all reimbursed through three entities in which Rhodes has either an ownership or partnership interest: RDDC, Bravo and Rhodes Ranch. The reimbursed contributions were transmitted to the Herrera and Reid Committees differently; while Giudicessi sent the Reid contributions to the Reid Committee's offices, respondent Herrera picked up at least some of the contributions to his campaign in person.

The Commission found reason to believe that Rhodes violated 2 U.S.C. §§ 441f, 441b(a), and 441a(a)(1)(A) by making contributions to the Herrera Committee and the Reid Committee in the names of his employees and their spouses, and that RDDC violated 2 U.S.C. §§ 441f and 441b(a) by making corporate contributions in connection with a federal election.

The Commission found reason to believe that Giudicessi and Bevan violated 2 U.S.C. § 441f by permitting their names to be used to effect contributions in the name of another. Our informal investigation revealed that the conduct of Rhodes and RDDC was knowing and willful, that Rhodes reimbursed the contributions through two additional companies (Bravo and Rhodes Ranch), and that Giudicessi and Bevan implemented the scheme at Rhodes's direction. The Commission subsequently found reason to believe that Bravo knowingly and willfully violated 2 U.S.C. §§ 441f and 441b(a) and that Rhodes Ranch knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A) :

26044132160

PAGES 3-5 HAVE BEEN REMOVED

26044132161

26044132162

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14

**C. Remaining Respondents**

**1. The Twelve Remaining Conduit Contributors**

The Commission also found reason to believe that twelve individuals besides Giudicessi and Bevan violated 2 U.S.C. § 441f by having their contributions to the Herrera and Reid Committees reimbursed by Rhodes. As noted in the First General Counsel's Report we expected to recommend that the Commission take no further action and close the file with

1 respect to the conduit contributors if they did not play an active role in the reimbursement  
2 scheme and they proved to be cooperative with our investigation. These 12 conduit  
3 contributors - Donna Escoto, Lori J. Marko, Mona M. Wilcox, Gary Guidicessi, Dean L.  
4 Griffith, Dirk P. Griffith, Ronald E. Gillette, Margaret Hester, Kevin Hester, Nancy D.  
5 Kurtick, Kathryn J. Sanucci, and Andrea J. Zoanni - were not active participants in the  
6 reimbursement scheme and cooperated with the investigation. Therefore, this Office  
7 recommends that the Commission take no further action and close the file as to them.

26044132163

26044132164

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**IV. RECOMMENDATIONS**

1. Accept the Conciliation Agreement with James M. Rhodes, Rhodes Design and Development Corp., Bravo, Inc. d/b/a Rhodes Framing, and Rhodes Ranch General Partnership.
2. Accept the Conciliation Agreement with Nadine Giudicessi.
3. Accept the Conciliation Agreement with James A. Bevan.
4. Take no further action with respect to Donna Escoto, Lori J. Marko, Mona M. Wilcox, Ronald E. Gillette, Gary Guidicessi, Dean L. Griffith, Dirk P. Griffith, Margaret Hester, Kevin Hester, Nancy D. Kurtick, Kathryn J. Sanucci, and Andrea J. Zoanni.

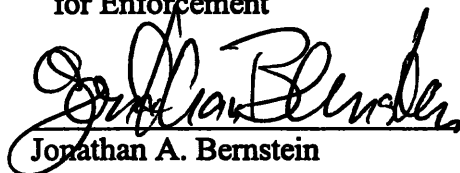
5. Close the file as to these respondents.

6. Approve the appropriate letters.

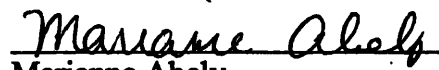
Lawrence H. Norton  
General Counsel

Rhonda J. Vosdingh  
Associate General Counsel  
for Enforcement

BY:

  
Jonathan A. Bernstein  
Assistant General Counsel

29 August, 2005  
Date

  
Marianne Abely  
Attorney

26044132165