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2002 DEC 16 P 2:59

December 9, 2002

Mr. Jeff Jordan, Esq.
Supervisory Attorney
Central Enforcement Docket
The Federal Election Commission
Washington, D.C. 20463

Re: MUR 5328

Via facsimile and United States Postal Service
Certified Return Receipt #7001-2510-0008-0161-1669

Dear Mr. Jordan:

The purpose of this letter is to respond to the Federal Election Commission's (FEC) request MUR 5328 for information concerning certain donations to the Wofford for Congress campaign (the Campaign) made by Congresswoman Nancy Pelosi, the PAC to the Future and Team Majority political action committee (Team Majority).

As discussed in detail below, the Wofford for Congress campaign fully complied with all applicable laws, rules and regulations in the handling of contributions to the Campaign, including any and all contributions from the above-named sources.

Facts:

On April 30, 2002, the PAC to the Future issued check number 2199 (Check 2199) in the sum of \$5,000 to the Campaign (see attachment A). Check 2199 was received by the Campaign on June 30, 2002. Check 2199 was then deposited and properly reported. This contribution then and now fully complied with all applicable laws, rules and regulations.

On September 16, 2002, Team Majority issued check number 1055 (Check 1055) in the sum of \$1,000 to the Campaign (see attachment B). Check 1055 was received by the Campaign on September 27, 2002. At the time of receipt of Check 1055, the Campaign had no information to cause the Campaign to consider this a questionable or prohibited contribution. Check 1055 was then deposited and properly reported.



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On October 8, 2002, Team Majority issued check number 1072 (Check 1072) in the sum of \$4,000 to the Campaign (see attachment C). Check 1072 was received by the Campaign on October 24, 2002. At the time of receipt of Check 1072, the Campaign had no information to cause the Campaign to consider this a questionable or prohibited contribution. Check 1072 was then deposited and properly reported.

On October 24, 2002, an article entitled "Pelosi's PAC Stirs Questions" appeared in the publication *Roll Call*. This article provided the Campaign the first indication that the contributions provided by Checks 1055 and 1072 might be questionable or prohibited.

On October 25, 2002—less than 24 hours after becoming aware of the possibility of a questionable or prohibited contribution—the Campaign issued a refund check in the amount of \$5,000 to Team Majority. This refund was undertaken as a prophylactic measure and without any regard to the actual legality of the contributions in question.

The refund to Team Majority occurred just 29 calendar days after the receipt of the Check 1055 (including both the day of receipt and the day the refund was issued in that calculation).

Analysis:

According to the FEC guidelines, the date a contribution is received by the Campaign is the triggering date for the purposes of the campaign receiving the contribution. See FEC, Campaign Guide for Congressional Candidates and Committees, July 2002, at p. 16 [hereinafter FEC Guide].

Pursuant to FEC rules, "[i]f a committee deposits a contribution that appears to be legal and later discovers that it is prohibited (based on new information not available when the contribution was deposited), the committee must disburse the contribution within 30 days of making the discovery." FEC Guide at p. 22; 11 CFR § 103.3(b)(2).

As set out above, the Campaign was unaware that the contributions provided by Checks 1055 and 1072 might be questionable let alone prohibited at the time of their respective receipt and deposit. When the Campaign was made aware that these contributions might be prohibited contributions, the Campaign disbursed these funds within twenty-four hours of that notice. Even if the FEC were to determine that the contributions here would have been prohibited, the Campaign's actions in handling these contributions more than complied with the 30-day disbursement requirement set out in section 103.3(b)(2).



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Not only was the return of these funds effectuated within the time required under the applicable section 103.3(b)(2), but also the contributions were disbursed in less than 30 days of their receipt. Even if the Campaign had been aware that these contributions were questionable at receipt—which the Campaign was not—the Campaign still would have fully complied with the disbursement requirement set out by the FEC rules. See 11 CFR §103.3(b)(1).

Conclusion:

The information provided here clearly demonstrates that for the purposes of the Federal Election Act of 1971 (as amended) the Campaign fully complied with all laws, rules and regulations in the handling of the contributions for which the FEC has requested information.

We appreciate the opportunity to assist the Commission in its efforts. If you should require any additional information, please feel free to contact me at 202-828-7637.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Housman', written over the typed name.

Robert Housman
Counsel

Bracewell & Patterson, L.L.P.

RH/mh
Enclosure