



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUG 16 2004

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert A. Burka, Esq.
Irwin P. Raij, Esq.
Foley & Lardner
3000 K Street, NW
Suite 500
Washington, DC 20007-5109

RE: MURs 5350 and 5354
Schneider for Congress, *et al.*
MUR 5361
Michael J. Shelton

Dear Messrs. Burka and Raij:

On March 3, 2003 and March 10, 2003, the Federal Election Commission notified your clients, Schneider for Congress and Harold Schneider, as treasurer (the "Committee"), Jan Schneider, Pamela Omidyar, Pierre Omidyar, Jane Trainor, Josh Trainor, Harold Schneider, Seth Schneider, Shahala Arbabi, Dr. Elahe Mir-Djalali, Katherine Schneider, and Samuel Schneider, of two complaints alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). On June 24, 2004, the Commission found, on the basis of the information in the complaints and information provided by your clients, that there is no reason to believe that: Jan Schneider violated the Act or Commission regulations in connection with MUR 5350; the Committee violated 2 U.S.C. § 439a(b)(2); or that Harold Schneider, Samuel Schneider, Jane Trainor, Josh Trainor, Seth Schneider, or Katherine Schneider violated 2 U.S.C. § 441f. The Commission also took no action with respect to allegations that the following individuals violated 2 U.S.C. § 441a(a)(1)(A): Samuel Schneider; Jane Trainor; Josh Trainor; Seth Schneider; Joseph Kalish; Lynn Kalish; Katherine Schneider; Pierre M. Omidyar; Pamela Omidyar; Shahala Arbabi; and Dr. Elahe Mir-Djalali. Finally, the Commission took no action with respect to allegations in MURs 5350 and 5354 that the Committee violated 2 U.S.C. § 434(b).

On the same date, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441d(a)(1) in connection with the failure of disclaimers to state who paid for certain political communications. The Commission also found reason to believe that the Committee violated 2 U.S.C. § 441a(f) when it accepted excessive advances from campaign staffers Marilyn Harwell and Michael J. Shelton, respectively, for non-transportation or subsistence campaign-related expenses. See 11 C.F.R. § 116.5(b) (when an individual pays for goods or services on behalf of a candidate or a political committee other than the individual's personal transportation or

subsistence expenses, he or she is making a contribution). Additionally, the Commission found reason to believe the Committee violated 2 U.S.C. § 441a(f) because some of the \$2,000 contributions it accepted might not have been properly designated as being equally divided between Ms. Schneider's primary and general elections. However, after considering the circumstances of these matters, the Commission determined to take no further action against the Committee. Finally, the Commission found that the Committee violated 2 U.S.C. § 433(c) for failing to amend its statement of organization within ten days to reflect the name of its new treasurer, Harold Schneider, after its former treasurer resigned, and determined to take no further action. The Committee should take steps to ensure that this activity does not occur in the future.

Finally, on June 24, 2004, the Commission reviewed the allegations in the Committee's complaint filed on April 15, 2003, and found that on the basis of the information provided in the complaint and information provided by Mr. Shelton, there is no reason to believe Mr. Shelton violated 2 U.S.C. § 441d. On the same date, the Commission found reason to believe that Mr. Shelton violated 2 U.S.C. §§ 441a(a)(1)(A) and (a)(3), which prohibit excessive contributions, as a result of Mr. Shelton's advances to the Committee, as described above. However, after considering the circumstances of this matter, the Commission determined to take no further action against Mr. Shelton.

Accordingly, on June 24, 2004, the Commission closed the files in these matters. Documents related to these cases will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Copies of the dispositive General Counsel's Report and the Commission's certifications are enclosed for your information. The Act allows a complainant to seek judicial review of the Commission's dismissal of the action. *See* 2 U.S.C. § 437g(a)(8).

If you have any questions, please contact Ruth Heilizer, the attorney assigned to this matter, at (202) 694-1598.

Sincerely,



Bradley A. Smith
Chairman

Enclosures

General Counsel's Report dated June 21, 2004
Amended Certification dated June 28, 2004
Memorandum to the Commission dated August 4, 2004
Corrected Certification dated August 9, 2004