



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

Lyn Utrecht, Esq.
Patricia Fiori, Esq.
Ryan, Phillips, Utrecht & MacKinnon
1133 Connecticut Ave., N.W., Suite 300
Washington, D.C. 20036

JUN 21 2006

RE: MUR 5366
Edwards for President
and Julius L. Chambers, in his
official capacity as treasurer

Dear Ms. Utrecht and Ms. Fiori:

On June 5, 2006, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case 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). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1572.

Sincerely,

A handwritten signature in black ink, appearing to read "Brant S. Levine".

Brant S. Levine
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

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In the Matter of:

Edwards for President and Julius
Chambers, in his official capacity as
treasurer

MUR 5366

CONCILIATION AGREEMENT

This matter was initiated by a complaint filed with the Federal Election Commission ("the Commission") by David Keene. The Commission found reason to believe that Edwards for President and Julius Chambers, in his official capacity as treasurer, ("Respondents") violated 2 U.S.C. §§ 441b and 441f.

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

- I The Commission has jurisdiction over Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).
- II Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- III. Respondents enter voluntarily into this agreement with the Commission.
- IV The pertinent facts in this matter are as follows:

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Parties

1. Senator John Edwards was a candidate for President of the United States in the Democratic primaries for the 2004 election; his principal campaign committee was Edwards for President ("the Edwards Committee").
2. The Edwards Committee is a political committee within the meaning of 2 U.S.C. § 431(4). Julius Chambers is treasurer of the Edwards Committee.
3. Tab Turner is an attorney residing in Little Rock, Arkansas, who is the founder and president of Turner & Associates, P.A., a law firm registered as a for-profit corporation with the State of Arkansas.

Applicable Law

4. The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any person from knowingly accepting a contribution made in the name of another. 2 U.S.C. § 441f. The regulations specify that an example of making a contribution in the name of another includes making a monetary contribution and attributing as the source of the money another person when in fact the contributor is the true source. *See* 11 C.F.R. § 110.4(b)(2)(ii).
5. The Act also prohibits political committees from accepting corporate contributions. 2 U.S.C. § 441b(a). Corporations are prohibited from facilitating the making of contributions, including using their resources or facilities to engage in fundraising activities in connection with any federal election. *See* 11 C.F.R. § 114.2(f)(1). The regulations define facilitation to include situations when officials of a corporation direct subordinates "to plan, organize or carry out the fundraising project as part of their work

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responsibilities using corporate ... resources.” 11 C.F.R. § 114.2(f)(2)(i)(A).

Corporations are also prohibited from acting as a conduit for contributions to candidates. *See* 11 C.F.R. § 110.6(b)(2).

6. The Act defines contributions to include paying compensation for the personal services of another person which are rendered to a political committee without charge for any purpose. 2 U.S.C. § 431(8)(A)(ii).

The Arkansas Fundraisers and In-Kind Contributions

7. In January 2003, Tab Turner, a partner in the law firm of Turner & Associates, agreed to host two fundraisers in Arkansas to benefit John Edwards’s presidential campaign. These fundraisers occurred on the evening of February 22, 2003 and raised \$65,700 for the Edwards Committee, \$12,000 of which was refunded to the contributor by the Committee.
8. Brenda Gwin, an employee of Turner & Associates, assisted Turner in planning the fundraisers and in soliciting contributions. The Edwards Committee assigned a senior consultant to oversee the fundraisers. During the two weeks preceding the fundraising events, Gwin and other employees of Turner & Associates communicated with this consultant at least daily concerning the fundraisers, with the frequency of communications increasing as the fundraisers neared. Gwin and the other Turner & Associates employees performed tasks related to the fundraisers, including contacting potential contributors, collecting and forwarding contribution checks, preparing the invitations, and other similar tasks.

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9. Tab Turner instructed his firm staff to reserve two hotel rooms and a rental car for the senior campaign consultant and employees of the Edwards Committee who traveled to Arkansas for the fundraisers. Under procedures in place for the campaign, the Edwards Committee would have normally contacted the hotel and car rental agency to provide a Committee credit card for these expenses. The Edwards Committee contends that due to an oversight, this did not occur for these expenses, which totaled \$2,357.88 and were paid by Tab Turner using a credit card billed to Turner & Associates. In July 2003, when the Committee learned about the expenses and received information that Tab Turner paid for them, the Edwards Committee issued a check to him for \$2,357.88.
10. During the two months following the Arkansas fundraising events, staff of the Edwards Committee regularly interacted with Turner and Brenda Gwin to collect outstanding contributions.

Tab Turner's Contributions to Edwards Committee

11. The night of the fundraiser, Tab Turner contributed \$2,000 to the Edwards Committee using a credit card that, unbeknownst to the Committee, was billed to his law firm. A senior campaign consultant for the Edwards Committee filled out a donor card for Turner, which among other items listed Tab Turner's name, address, and the credit card number that Turner provided to the consultant to be charged for the contribution.
12. Also during the fundraiser, Tab Turner used the same credit card to pay a \$2,000 contribution attributed to his brother and sister-in-law, Neal and

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Elizabeth Turner. The same senior campaign consultant who filled out Tab's donor card filled out the name and address on Neal and Elizabeth's donor card, though it is unknown who filled out the credit card information on their donor card.

13. On Neal and Elizabeth's donor card, the credit card number listed to be charged is identical to that on Tab Turner's donor card. Neal and Elizabeth's donor card also states that the name on the credit card used to make their contribution was "C. Turner." The Edwards Committee contends that when its staff processed this contribution, it did not realize that the credit card number listed on Neal and Elizabeth's donor card was identical to that on Tab Turner's donor card.
14. The Edwards Committee has since refunded the contributions from both Tab Turner and Neal and Elizabeth Turner.
15. The Edwards Committee contends that it implemented adequate and reasonable procedures to insure that it complied with the Act's contribution limitations and prohibitions, such as training its staff on campaign finance law and including an admonition against prohibited contributions on its donor cards. Neal and Elizabeth Turner both signed an Edwards Committee donor card which included a statement that "All contributions must be made from personal funds and may not be reimbursed by any other person." In addition, the donor card also included the following statements: "Contributions to Edwards for President are for use in connection with the presidential primary and are subject to the prohibitions and limitations of the Federal Election

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Campaign Act. Contributions from corporations, labor unions, federal contractors, and foreign nationals are prohibited, and the Committee does not accept contributions from PACs, federal lobbyists and non-U.S. citizens.”

- V. Respondents violated 2 U.S.C. § 441b(a) by accepting prohibited in-kind contributions from Turner & Associates. In order to settle this matter, Respondents will not further contest the Commission’s findings that Respondents violated 2 U.S.C. § 441f by accepting a contribution made in the name of another.
- VI. Respondents will take the following actions:
1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of nine thousand five hundred dollars (\$9,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).
 2. Respondents will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f.
- VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.
- VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.
- IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission


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X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

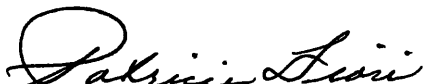
Lawrence H. Norton
General Counsel


BY:


Rhonda J. Vosdignh
Associate General Counsel


Date

FOR RESPONDENTS:


Patricia Fiori, Esq.
Attorney for Respondents


Date

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