



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

SEP 26 2006

B. Holly Schadler
Michael B. Trister
Lichtman, Trister & Ross, PLLC
1666 Connecticut Avenue, N.W. Suite 500
Washington, D.C. 20009

RE: MUR 5808

Dear Counsel:

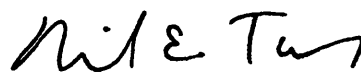
In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting that Planned Parenthood Action Fund, Inc. PAC and Chris Kormo, in his official capacity as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On September 12, 2006, the Commission found reason to believe that Planned Parenthood Action Fund, Inc. PAC and Chris Kormo, in his official capacity as treasurer, violated 2 U.S.C. §§ 434(b) and 441b, provisions of the Act. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519. In the meantime, 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 investigation to be made public.

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We look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Toner". The signature is written in a cursive style with a large, sweeping "M" and "T".

Michael E. Toner
Chairman

Enclosures
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Planned Parenthood Action Fund Inc. PAC
and Chris Korsmo, in his official capacity
as Treasurer

MUR: 5808

I. INTRODUCTION

This matter was generated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires the treasurer of a political committee to file disclosure reports in accordance with the provisions of 2 U.S.C. § 434(a). *See* 2 U.S.C. § 434(a)(1). The disclosure reports must disclose, for the reporting period and the calendar year, the total amount of all receipts and all receipts in certain categories and the total amount of all disbursements and all disbursements in certain categories, along with the name and address of each person who provided any receipt, or received any disbursement, in an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such receipt or disbursement. *See* 2 U.S.C. § 434(b)(2) - (b)(5). In addition, the Act prohibits corporations from making contributions in connection with a federal election. 2 U.S.C. § 441b(a). Section 441b(a) also makes it unlawful for any candidate, political committee, or other person knowingly to accept or receive corporate contributions.

The available information indicates that Planned Parenthood Fund Inc. PAC and Chris Korsmo, in his official capacity as Treasurer ("the PAC"), failed to disclose receipts and

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disbursements in the PAC's 2004 disclosure reports, disclosed receipts and disbursements that did not occur, and accepted corporate contributions from Planned Parenthood Action Fund ("the Fund"), the PAC's connected organization, and from the Planned Parenthood Federal of America, a tax-exempt corporation affiliated with the Fund, as reflected in the chart below.

Date	Activity
Between 10/5/2004 and 11/9/2004	A total of \$95,124 in contributions from individuals was misdeposited into the PAC's account. The PAC failed to report these receipts in its original 30 Day Post-General Report.
11/9/2004	The PAC believed a \$50,000 transfer had been made from the Fund to the PAC, and reported the transaction in its Amended 30 Day Post General Report. However, this transaction never actually occurred. Thus, the PAC reported in its Amended 30 Day Post General Report a \$50,000 receipt that did not occur.
11/10/2004	\$10,000 was transferred to the PAC from Planned Parenthood Foundation – a corporation affiliated with the Planned Parenthood Federal of America (a tax-exempt corporation affiliated with the Fund). The PAC transferred these funds out of its account within 30 days – the time period within which treasurers are permitted to examine deposited contributions for evidence of illegality before returning the contribution to the contributor. <i>See</i> 11 C.F.R. § 103.3(b). However, the PAC failed to report this receipt in its original 30 Day Post General Report.
11/19/2004	\$76,503 was transferred from the PAC to the Fund to make a partial repayment of the misdeposited \$95,124. The PAC failed to report this disbursement in its original 30 Day Post-General Report.
12/12/2004	The PAC believed that \$18,621 was transferred from the PAC to the Fund to complete repayment of the misdeposited \$95,124, and reported this apparent transaction. However, the transfer never occurred. Thus, the PAC reported in its 2004 Year End Report a \$18,621 disbursement that did not occur.
11/9/2004	\$51,000 was transferred from the Fund to the PAC on 11/9/2004, then returned from the PAC to the Fund on 12/2/04. The funds

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	<p>were transferred out of the PAC's account within 30 days – the time period within which treasurers are permitted to examine deposited contributions for evidence of illegality before returning the contribution to the contributor. <i>See</i> 11 C.F.R. § 103.3(b). However, the PAC failed to report the \$51,000 receipt and the \$51,000 disbursement in its 30 Day Post General Report and 2004 Year End Report, respectively.</p>
9/15/2004	<p>(1). \$24,309 was transferred from the Fund, a corporation, to the PAC.</p> <p>(2). The PAC failed to report its receipt of \$24,309 in corporate funds in its 2004 October Monthly Report.</p>
Between 8/13/2004 and 12/2/2004	<p>(1). The PAC made a total of \$700,000 in disbursements to Planned Parenthood Federation of America. The Federation, a corporation, transferred the \$700,000 back to the PAC, thereby making prohibited corporate contributions. <i>See</i> Advisory Opinion 1992-28 (loan repayments from corporations are prohibited under the Act).</p> <p>(2). The PAC failed to disclose the \$700,000 in disbursements and the \$700,000 in receipts in its disclosure reports, as set forth below:</p> <p>8/13/2004 – The PAC disbursed 200,000 to the Federation, but did not report the disbursement in its 2004 Sept Monthly Report.</p> <p>9/13/2004 – The Federation returned the 200,000 to the PAC. The PAC did not report this receipt in its 2004 October Monthly Report.</p> <p>10/1/2004 – The PAC disbursed 300,000 to the Federation, but did not report the disbursement in its 30 Day Post-General Report.</p> <p>10/15/2004 – The Federation returned the 300,000 to the PAC. The PAC did not report this receipt in its 30 Day Post General Report.</p> <p>10/26/2004 – The PAC disbursed 200,000 to the Federation, but did not report the disbursement in its 30 Day Post General Report.</p> <p>11/17/2004 – The Federation returned 100,000 to the PAC. The PAC did not report this receipt in its 30 Day Post General Report.</p> <p>12/2/2004 – The Federation returned the remaining 100,000 to the PAC The PAC did not report this receipt in its 2004 Year End Report</p>
Between 10/14/2004 and 11/22/2004	<p>The PAC failed to report \$3,000 in contribution refunds and \$280 in unitemized receipts in its original 30 Day Post-General Report.</p>

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Because the PAC failed to disclose all of its receipts and disbursements in its 2004 disclosure reports and disclosed receipts and disbursements that did not occur, there is reason to believe Planned Parenthood Action Fund, Inc. and Chris Korsmo, in his official capacity as Treasurer, violated 2 U.S.C. § 434(b). In addition, because the PAC accepted corporate funds from Planned Parenthood Action Fund, Inc., and Planned Parenthood Federation of America, there is reason to believe Planned Parenthood Action Fund, Inc. and Chris Korsmo, in his official capacity as Treasurer, violated 2 U.S.C. § 441b.

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