

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

2
3 In the Matter of)

4)
5 MUR 5838)

6 Friends of Stephen Harrison)
7)
8)
9)

2007 JUN 18 P 3:38
CASE CLOSURE UNDER THE
ENFORCEMENT PRIORITY SYSTEM

SENSITIVE

10 **GENERAL COUNSEL'S REPORT**

11 Under the Enforcement Priority System, matters that are low-rated

12
13 are forwarded to the Commission with a recommendation for dismissal. The

14 Commission has determined that pursuing low-rated matters compared to other higher rated
15 matters on the Enforcement docket warrants the exercise of its prosecutorial discretion to
16 dismiss these cases.

17 The Office of General Counsel scored MUR 5838 as a low-rated matter. In this case,
18 the complainant alleges that Friends of Stephen Harrison and Alice Harrison, as treasurer (the
19 "Committee"), did not report an in-kind contribution or disbursement for office space
20 provided by the candidate's law firm, and thus the complainant requests the Commission
21 investigate whether the alleged contribution constituted an illegal corporate contribution.
22 Additionally, the complainant contends that the Committee accepted contributions from two
23 state candidate committees that in turn had accepted corporate contributions. Also, the
24 complainant alleges that the Committee accepted an excessive contribution from an
25 unregistered political committee for a state candidate, Friends of Ralph J. Peretto ("FRP"),
26 which contributed over \$1,500 to the Committee in one calendar year.

27 The Committee responded that it did use office space of the candidate's law firm, but
28 that space consisted of the candidate's personal office and the rent was paid from the

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1 candidate's personal funds. Furthermore, the law firm was not a corporation. The
2 Committee also indicated that while the two state candidate committees may have received
3 contributions from corporations, such contributions were permissible under state law and no
4 corporate funds were "funneled" to the Committee through the state committees. Regarding
5 the receipt of contributions from FRP, the Committee responded that FRP was registered
6 with the New York State Board of Elections and was advised by the Committee to "take any
7 actions necessary" to register with the Commission.

8 FRP also responded to the complaint and admitted to failing to register with the
9 Commission as a political committee after contributing more than \$1,000 to the Committee.
10 FRP further noted that it did not know if it had to register as a political committee with the
11 Commission at the time the contributions were made, but had made an inquiry with the New
12 York State Board of Elections' legal counsel before making the contributions and was
13 informed it was permissible to contribute to the Committee under certain conditions.

14 In light of the de minimis nature of the allegations presented in MUR 5838 and in
15 furtherance of the Commission's priorities and resources, relative to other matters pending on
16 the Enforcement docket, the Office of General Counsel believes that the Commission should
17 exercise its prosecutorial discretion and dismiss the matter. *See Heckler v. Chaney*, 470 U.S.
18 821 (1985).

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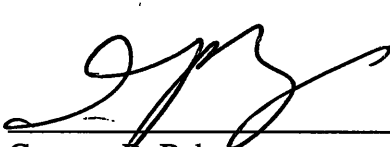
RECOMMENDATION

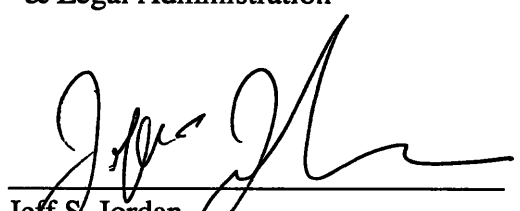
The Office of General Counsel recommends that the Commission dismiss MUR 5838, close the file effective two weeks from the date of the Commission vote, and approve the appropriate letters. Closing the case as of this date will allow CELA and General Law and Advice the necessary time to prepare the closing letters and the case file for the public record.

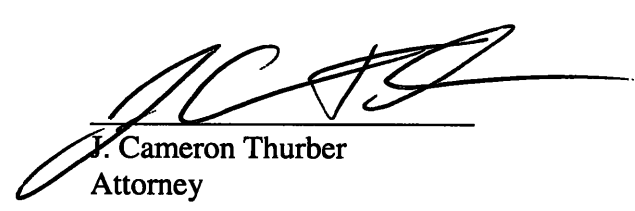
Thomasenia P. Duncan
General Counsel

6/10/07
Date

BY:


Gregory R. Baker
Special Counsel
Complaints Examination
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Jeff S. Jordan
Supervisory Attorney
Complaints Examination
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J. Cameron Thurber
Attorney

Attachment:
Narrative in MUR 5838

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5 **MUR 5838**

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7 **Complainant:** Vincent Ignizio

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9 **Respondents:** Friends of Stephen Harrison
10 and Alice Harrison, as treasurer
11 Stephen A. Harrison, Esq.
12 Friends of Ralph J. Perfetto
13

14 **Allegations:** The complainant alleges that Friends of Stephen Harrison and Alice
15 Harrison, as treasurer (the "Committee"), did not report an in-kind contribution or
16 disbursement for office space provided by the candidate's law firm. Additionally, the
17 complainant alleges the Committee accepted contributions from illegal sources, including
18 from two committees for state candidates that accepted corporate contributions and from
19 a third unregistered political committee for a state candidate, Friends of Ralph J. Perfetto
20 ("FRP"), which allegedly contributed over \$1,500 to the Committee within one calendar
21 year.
22

23 **Response:** The Committee responded that while the Committee uses office space of the
24 candidate's law firm such space consists of the candidate's personal office and the rent is
25 paid from the candidate's personal funds. Moreover, the law firm is not a corporation.
26 The Committee also noted that while the two state candidate committees may have
27 received contributions from corporations, such contributions were allowed under state
28 law and no corporate funds were "funneled" to the Committee through the state
29 committees. Regarding the receipt of contributions from FRP, the Committee responded
30 that FRP is registered with the New York State Board of Elections and was advised by
31 the Committee to "take any actions necessary" to register with the Commission.
32

33 FRP responded and admitted to failing to register with the Commission as a political
34 committee after contributing more than \$1,000 to the Committee. FRP indicated that it
35 did not know if had to register as a political committee with the Commission, but had
36 made an inquiry with the New York State Board of Elections' legal counsel before
37 making the contributions and was informed it was permissible to contribute to the
38 Committee under certain conditions.
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40 **Date complaint filed:** October 10, 2006

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42 **Responses filed:** November 3, 2006 and November 6, 2006

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