

NOV 29 2007

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

**FEDERAL ELECTION COMMISSION**

999 E Street, N.W.  
Washington, D.C. 20463

2007 NOV 29 P 4 38

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

AUDIT REFERRAL: 07-02R  
DATE REFERRED: July 30, 2007  
DATE ACTIVATED: August 13, 2007

STATUTE OF LIMITATIONS: January 5, 2009-  
December 31, 2009

**SOURCE:**

AUDIT REFERRAL

**RESPONDENTS:**

Martinez for Senate and Nancy H. Watkins, in her  
official capacity as Treasurer

**RELEVANT STATUTES  
AND REGULATIONS:**

2 U.S.C. § 441a(a)  
2 U.S.C. § 441a(f)  
2 U.S.C. § 441a(i)  
2 U.S.C. § 434(a)  
2 U.S.C. § 438(b)  
11 C.F.R. § 102.17(c)  
11 C.F.R. § 104.5(f)  
11 C.F.R. § 110.1(b)  
11 C.F.R. § 110.1(k)  
11 C.F.R. § 111.44(a)

**INTERNAL REPORTS CHECKED:**

Audit Documents  
Disclosure Reports

**FEDERAL AGENCIES CHECKED:**

None

**I. INTRODUCTION**

This matter was initially generated by a Commission audit pursuant to 2 U.S.C. § 438(b) of  
Martinez for Senate (the "Committee") covering the period January 5, 2004 through December 31,  
2004. The Commission approved the Final Audit Report for the Committee on April 10, 2007, and

11044290112

three of the four findings were subsequently referred to this Office.<sup>1</sup> Based on the information set forth in the Final Audit Report, we recommend that the Commission make reason to believe findings as follows:

- The Committee violated 2 U.S.C. § 441a(f) by knowingly accepting contributions exceeding the limits set forth in 2 U.S.C. §§ 441a(a) and 441a(i). *See* Attachment A, Finding 1, at 4-6.
- The Committee did not file 48-hour notices for 109 contributions totaling \$162,014 prior to both the primary and general elections in violation of 2 U.S.C. § 434(a) and 11 C.F.R. § 104.5(f). *See* Attachment A, Finding 2, at 7.
- The Committee did not properly disclose the receipt of net proceeds from four joint fundraising committees in violation of 11 C.F.R. § 102.17(c)(8). *See* Attachment A, Finding 3, at 7-8.

<sup>1</sup> The audit report's findings, along with a complaint generated matter involving the same issues as the audit, MUR 5915, were referred to the Alternative Dispute Resolution Office. However, on July 24, 2007, the Commission voted to return the audit referral to the Office of General Counsel ("OGC") so that OGC may generate a First General Counsel's Report with the appropriate penalty calculations and also voted to hold MUR 5915 in abeyance pending the resolution of the audit referral.

11044290113

11044290114

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19

11044290115

1

2

3

4

5

6

7

8

9

10

11

12

13

11044290116

1  
2  
3  
4  
5  
6  
7  
8  
9

10

**III. RECOMMENDATIONS**

1. Open a MUR in AR 07-02R;
2. Find reason to believe that Martinez for Senate and Nancy H. Watkins, in her official capacity as Treasurer, violated 2 U.S.C. §§ 441a(f);
3. Find reason to believe that Martinez for Senate and Nancy H. Watkins, in her official capacity as Treasurer, violated 2 U.S.C. § 434(a) and 11 C.F.R. § 104.5(f);
4. Find reason to believe that Martinez for Senate and Nancy H. Watkins, in her official capacity as Treasurer, violated 11 C.F.R. § 102.17(c)(8);
5.
6. Approve the Report of the Audit Division on Martinez for Senate as the Factual and Legal Analysis;
7. Approve the appropriate letters.

Date: 11/29/07.

Thomasenia P. Duncan  
General Counsel

By:

  
Ann Marie Terzaken  
Associate General Counsel for  
Enforcement

  
Julie Kara McConnell  
Acting Assistant General Counsel

  
In Lee  
Attorney

11044290118



MAY 17 2005  
RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

2005 MAY 17 P 3 07

**FEDERAL ELECTION COMMISSION**  
999 E Street, N.W.  
Washington, D.C. 20463

**FIRST GENERAL COUNSEL'S REPORT**

**SENSITIVE**

MUR 5549

DATE COMPLAINT FILED September 28, 2004

DATE OF NOTIFICATION October 5, 2004

DATE ACTIVATED March 3, 2005

EXPIRATION OF STATUTE OF LIMITATIONS  
September 7, 2009

**COMPLAINANT**

Mark Brewer

**RESPONDENTS**

Stephen Adams  
Adams Outdoor Advertising, Inc

**RELEVANT STATUTES AND  
REGULATIONS**

2 U S C § 431(17)  
2 U S C § 441b(a)  
2 U S C § 441(d)(a)(3)  
11 C F R § 100 16(a)

**INTERNAL REPORTS CHECKED**

Disclosure Reports

**FEDERAL AGENCIES CHECKED**

None

MUR 5559

DATE COMPLAINT FILED October 8, 2004

DATE OF NOTIFICATION October 15, 2004

DATE ACTIVATED March 3, 2005

EXPIRATION OF STATUTE OF LIMITATIONS  
September 7, 2009

**COMPLAINANT**

Dennis Baylor

**RESPONDENTS**

Stephen Adams  
AOA Holding LLC