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BEFORE THE FEDERAL ELECTION COMMISSION

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COMMISSION

In the Matter of)
)
MUR 6323) CASE CLOSURE UNDER THE
RANDALL FOR CONGRESS COMMITTEE) ENFORCEMENT PRIORITY
AND THOMAS E. PRICE,) SYSTEM
AS TREASURER¹)
WILLIAM ALFRED RANDALL II)

GENERAL COUNSEL'S REPORT

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

are forwarded to the Commission with a recommendation for dismissal. The Commission has determined that pursuing low-rated matters, compared to other higher-rated matters on the Enforcement docket, warrants the exercise of its prosecutorial discretion to dismiss these cases. The Office of General Counsel scored MUR 6323 as a low-rated matter.

In this matter complainant, Patricia W. Adams, alleges that the Randall for Congress Committee and Thomas E. Price, in his official capacity as treasurer ("the Committee"), violated 2 U.S.C. § 434(b), when the Committee reported a disbursement in the amount of \$661.59 on its 2009 Year-End Report as "mileage" that the complainant asserts was actually a reimbursement by the Committee to the candidate, William Alfred

¹ Victoria S. Pirozzi was the treasurer of the Committee at the time of the activity at issue. Thomas E. Price became treasurer of the Committee on March 29, 2010. There is no information to suggest that Ms. Pirozzi should be named in her personal capacity as treasurer in this matter.

1 Randall II, a Republican candidate for Congress from North Carolina's 13th
2 Congressional District,² for clothing expenses.

3 The complainant also states that the Committee hired her as its Field Operation
4 Director in July of 2009, and agreed to pay her a salary of \$75,000 plus expenses for the
5 duration of the campaign. The complainant acknowledges that she did not have a written
6 contract with the Committee, but states that she and a former campaign manager agreed
7 on the above salary. The complainant resigned from the Committee on December 19,
8 2009, and subsequently forwarded two invoices to the Committee in the amounts of
9 \$23,437.50 and \$1,018.75 for unpaid salary and expenses. The Committee reimbursed
10 the complainant \$418.00 for travel expenses, but did not report any other outstanding
11 debts or obligations to the complainant. Finally, the complainant questions the source of
12 the funds for the personal loans from the candidate (totaling \$11,500) to the Committee
13 disclosed on its 2010 Pre-Primary and Pre-Runoff Reports.

14 The response included a sworn statement by the candidate Bill Randall and a
15 response from the treasurer on behalf of the Committee. Mr. Randall denied the
16 complainant's allegations and asserts that the complainant joined the campaign as a
17 volunteer, and the Committee did not promise her a salary or any other monetary
18 compensation. The Committee asserts that it does not possess any employment contract
19 for the complainant, and states that a previous treasurer was also unaware of any verbal
20 or written salary agreement with the complainant. Further, the Committee asserts that it
21 only reimbursed documented expenses.

² The Republican primary was held on May 4, 2010, resulting in a runoff election between Bill Randall and Bernie Reeves. Mr. Randall prevailed in the June 22, 2010 runoff.

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1 The Committee also denied the complainant's allegations with respect to travel
2 expenses, and asserts that all of Mr. Randall's candidate-related travel was recorded in
3 the Committee's log book. Mr. Randall acknowledged purchasing clothing with his
4 personal credit card, but insists that the \$611.59 disbursement to himself, and disclosed
5 on the Committee's 2009 Year-End Report, was a partial reimbursement for mileage.
6 The Committee states that a third-party reviewed its 2009 Year-End Report and noted no
7 discrepancies. Finally, Mr. Randall states that the \$11,500, which he loaned the
8 Committee, was properly reported.

9 Committees are required to report debts and obligations until they are
10 extinguished, including disputed debts arising from bona fide disagreements between
11 creditors and political committees over the existence or amount of an obligation. *See* 11
12 C.F.R. §§ 104.3(d), 104.11, 116.1(d) and 116.10. Here, the alleged disputed debt is
13 apparently based on alleged unreimbursed expenses/salary, which the complainant claims
14 to have incurred as a result of her work for the Committee from July through December,
15 2009. The complainant provides email correspondence, attached to the complaint, that
16 suggests the Committee owed her some payment for her services and expenses. *See*
17 Attachments to Complaint. The Committee, however, denies any outstanding debt or
18 obligation to the complainant because it maintains that she was not a salaried employee,
19 but rather a volunteer.

20 Given the limited scope of the alleged debt reporting violation and the relatively
21 small amount of reimbursed Committee expenses at issue in this matter, along with the
22 Commission's priorities and resources, and relative to other matters pending on the
23 Enforcement docket, the Office of General Counsel believes that the Commission should

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exercise its prosecutorial discretion and dismiss this matter. *See Heckler v. Chaney*,
470 U.S. 821 (1985).


RECOMMENDATIONS

The Office of General Counsel recommends that the Commission dismiss
MUR 6323, close the file, and approve the appropriate letters. Additionally, this Office
intends on reminding Randall for Congress Committee and Thomas E. Price, in his
official capacity as treasurer, of the requirements of 2 U.S.C. § 434(b)(8) and 11 C.F.R.
§§ 104.3(d), 104.11, and 116.10 concerning the reporting of debts and obligations.

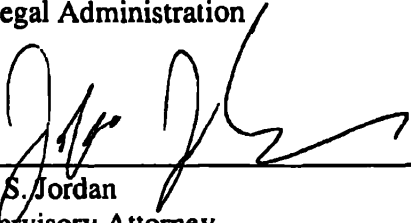
Christopher Hughey
Acting General Counsel

11/16/10
Date

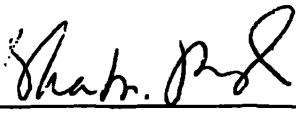
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