



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEB 9 2011

Advanced Copy via E-mail
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Evan T. Barr, Esq.
Steptoe & Johnson, LLP
750 Seventh Avenue
New York, NY 10019

RE: MUR 6454

Dear Mr. Barr:

By letter dated April 12, 2010, the Federal Election Commission (the "Commission") notified your client, Evan H. Snapper, that in the normal course of carrying out its supervisory responsibilities, the Commission became aware of information suggesting Mr. Snapper, may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On February 1, 2011, the Commission found reason to believe that Evan H. Snapper, knowingly and willfully violated 2 U.S.C. § 441f, a provision 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 to accornlance 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.


In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to you as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that you violated the law.

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If you are interested in engaging in pre-probable cause conciliation, please contact Christine C. Gallagher, the attorney assigned to this matter, at (202) 694-1650 or (800) 424-9530, within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within sixty days. See 2 U.S.C. § 437g(a), 11 C.F.R. Part 111 (Subpart A). Conversely, if you are not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

We look forward to your response.

On behalf of the Commission,


Cynthia L. Bauerly
Chair

Enclosures
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondent: Evan H. Snapper

MUR 6454

I. INTRODUCTION

This matter was generated by the Federal Election Commission pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The available information indicates that then-partner Evan H. Snapper of Anchin, Block & Anchin LLP ("Anchin"), an accounting and business management firm headquartered in New York, reimbursed various individuals' political contributions, including his own, using funds from former client, Patricia D. Cornwell's accounts at Anchin.

As more fully set forth below, it appears that during 2007-2008, Mr. Snapper reimbursed contributions totalling \$62,100 from the accounts of Anchin's former client to the Hillary Clinton for President (\$48,300), Jim Gilmore for President (\$4,600) and Jim Gilmore for Senate (\$9,200) political committees. Of this amount, Mr. Snapper knowingly permitted his name to be used to make \$6,900 in contributions in the name of another. Further, the information shows Mr. Snapper recorded some of the reimbursements to the conduits in Anchin's records as a gift, expenses, or as cash or credit card payments, rather than as reimbursements for political contributions.

II. FACTUAL AND LEGAL ANALYSIS

A. Factual Background

Between 2004 and 2009, Anchin provided various business management services to Ms. Cornwell. During this time, Mr. Snapper was a partner in Anchin's business management unit and was in charge of Ms. Cornwell's client services. There was no contract executed between Anchin and Ms. Cornwell spelling out the terms and conditions of Anchin's management

obligations. However, the information indicates that Ms. Cornwell gave Anchin power of attorney to conduct the entirety of her financial affairs. Her earnings were sent directly to Anchin, which deposited those funds into various bank accounts against which the firm wrote checks and wired funds to pay her bills.

1. Reimbursed Contributions to Jim Gilmore Campaigns

The first contributions at issue were made to Jim Gilmore's 2008 Presidential campaign. According to the available information, Ms. Cornwell was a personal friend of Mr. Gilmore. She did not personally contribute to Mr. Gilmore's Presidential campaign, but she informed Mr. Snapper that she would encourage others to do so.

In June 2007, Mr. Snapper and his wife made a total of \$4,600 in contributions (\$2,300 each) to Jim Gilmore's 2008 Presidential campaign. In order to reimburse the contributions, on June 12, 2007, Mr. Snapper paid \$5,000 to himself from Ms. Cornwell's bank account. He recorded the reimbursement in Anchin's records as a bat mitzvah gift from Ms. Cornwell to his daughter.

On November 27, 2007, Ms. Cornwell, by email, asked that Mr. Snapper "handle this situation (Senate contribution) the same way he handled the presidential one." On the same day, Mr. Snapper replied to this email saying he would handle it. On the afternoon of November 27, 2007, the Snappers made a total of \$9,200 in contributions (\$4,600 each) to the Gilmore for Senate committee. The donor cards for the Snappers were signed by Evan Snapper. He charged the contributions to his credit card, and later paid his credit card bill with a check from Ms. Cornwell's account at Anchin.

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2. Reimbursed Contributions to Hillary Clinton for President

The available information suggests Mr. Snapper used Ms. Cornwell's funds to reimburse \$48,300 in contributions to Hillary Clinton's 2008 Presidential campaign. The conduits for these contributions include Ms. Cornwell's relatives and friends, Anchin employees and their spouses, other Anchin associates, and Mr. Snapper himself.¹

During the morning of March 17, 2008, Mr. Snapper forwarded to Ms. Cornwell an invitation to an April 9, 2008 Elton John concert to support the Hillary Clinton Presidential campaign, even though he had previously informed Ms. Cornwell that she had reached the maximum level of contributions to the Clinton campaign. According to the information, on a date unknown, Ms. Cornwell thereafter suggested to Mr. Snapper that she purchase a large block of tickets to the Elton John concert and donate them back to the campaign to be resold, but Mr. Snapper informed her that doing so was prohibited by federal campaign regulations. According to the information, Mr. Snapper thereafter suggested that, if Ms. Cornwell were to identify members of her family and friends who might want to attend the concert, Anchin could obtain tickets for them. Subsequently, an Anchin employee informed Ms. Cornwell via emails dated March 20 and 31, 2008 that she and Mr. Snapper were working on obtaining tickets to the fundraising concert for Ms. Cornwell's friends. They eventually secured tickets, at the cost of \$2,300 each, for nine of Ms. Cornwell's friends and family members, and Mr. Snapper reimbursed these purchases, which constituted political contributions, from Ms. Cornwell's accounts at Anchin.

¹ Mr. Snapper signed a donor card containing statements regarding the individual contribution limits for the 2008 general election, that contributions must be made from a contributor's personal funds, and that individuals are strictly prohibited from reimbursing another person for making a contribution. Furthermore, Mr. Snapper signed a donor card as "attorney-in-fact" for Ms. Cornwell in connection with a 2007 contribution from her to the Hillary Clinton for President committee. The donor card also contains the statement that individuals are strictly prohibited from reimbursing another person for making a contribution.

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1 Mr. Snapper also recruited eleven Anchin employees, including some spouses, to attend
2 the concert at Ms. Cornwell's expense. Mr. Snapper used Ms. Cornwell's accounts for all the
3 Clinton reimbursements. The contributions were reimbursed with cash, through payments by
4 check to individuals, or through payments directly to the individuals' credit card companies. Mr.
5 Snapper recorded some of the reimbursements to the conduits in Anchin's records as expenses,
6 or as cash or credit card payments, rather than as reimbursements for political contributions in
7 order to conceal the true purpose of the payments as reimbursements for political contributions.
8 For example, in the case of the contributions by an Anchin partner and his wife, the
9 reimbursement in the amount of \$2,300 is described on the accounts payable invoice as "design
10 services." Although the records initially reflected the reimbursement to another conduit as
11 "Elton John Tickets," they were later altered only to reflect "reimbursement."

12 **B. Legal Analysis**

13 The Act provides that "no person shall make a contribution in the name of another person
14 or knowingly permit his name to be used to effect such a contribution." 2 U.S.C. § 441f. The
15 prohibition extends to knowingly helping or assisting any person in making a contribution in the
16 name of another. 11 C.F.R. § 110.4(b)(1)(iii).

17 Based on the available information, there is reason to believe that Mr. Snapper violated
18 2 U.S.C. § 441f by knowingly permitting his name to be used to make contributions in the name
19 of another, and by knowingly assisting others to make contributions in the name of another.
20 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b)(1)(i) - (iii). Mr. Snapper permitted his name to be used to
21 make \$13,800 in contributions to the Gilmore campaigns, and then reimbursed his and his wife's
22 contributions through disbursements from Ms. Cornwell's accounts. Further, knowing that Ms.
23 Cornwell had "maxed out" her permissible contribution limits, he assisted in making \$48,300 in

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1 contributions to the Hillary Clinton for President committee by making his own contribution,
2 helping or recruiting others to buy tickets for the concert fundraising event, and then authorizing
3 the reimbursement of those contributions through disbursements from Ms. Cornwell's accounts.

4 There is sufficient information at this stage of the proceeding to find that there is reason
5 to believe the violation was knowing and willful. To establish a knowing and willful violation,
6 there must be knowledge that one is violating the law. *See FEC v. John A. Dramasi for*
7 *Congress Comm.*, 640 F. Supp. 985, 987 (D.N.J. 1986). A knowing and willful violation may be
8 established "by proof that the defendant acted deliberately and with knowledge that the
9 representation was false." *U.S. v. Hopkins*, 916 F.2d 207, 214 (5th Cir. 1990). A knowing and
10 willful violation may be inferred "from the defendants' elaborate scheme for disguising" their
11 actions. *See id. at 214-15.*²

12 It appears that Mr. Snapper knew the contribution limitations of the Act, as the
13 information indicates he knew Ms. Cornwell had "maxed out" to the Hillary Clinton campaign,
14 and that her plan to purchase tickets and donate them back to the campaign to be resold violated
15 federal campaign laws. In addition, he signed a donor card containing statements regarding the
16 individual contribution limits, that contributions must be made from a contributor's personal
17 funds, and that individuals are strictly prohibited from reimbursing another person for making a
18 contribution. *See, e.g.*, MUR 5871 (Nae) Factual and Legal Analyses to Thomas W. Nae, to
19 Kimberly Mermis, and to Connie Moorman (knowing and willful violations supported by signed
20 donor authorization cards).

² In a number of matters involving Section 441f violations, the Commission has found reason to believe or probable cause to believe that the conduct of the individuals reimbursing the contributors was knowing and willful. *See, e.g.*, MUR 5504 (Karoly Law Offices), MUR 5955 (Jose Valdez), MUR 5666 (MZM, Inc./Richard A. Burlung), MUR 5903 (PBS&J Corp.), MUR 5818 (Fieger, Kenney & Johnson), MUR 5366 (Tab Turner & Associates), and MUR 5092 (Michael Lazaroff).

1 Mr. Snapper did not record in Anchin's records that all of the payments to the conduits
2 were reimbursements for political contributions and apparently falsified some accounting records
3 to reflect that some of the reimbursements were for expenses, or in one case, a gift in order to
4 conceal the true purpose of the payments as reimbursements for political contributions. For
5 example, as noted previously, Mr. Snapper recorded the reimbursement for his and his wife's
6 contributions to Gilmore's 2008 Presidential campaign as a bat mitzvah gift to his daughter, and
7 recorded a reimbursement for tickets to the Clinton fundraiser purchased by an Anchin partner
8 and his wife as "design services." This activity presents further evidence of knowing and willful
9 violations. *See* MUR 5849 (Cannon) Factual and Legal Analysis to Kathleen Cannon
10 (Commission found reason to believe corporate officer knowingly and willfully violated
11 2 U.S.C. § 441f where evidence showed that she authorized the reimbursements of political
12 contributions with bank funds and attempted to disguise the conduit reimbursements by directing
13 that they be categorized in bank accounting records as various types of expenses).

14 Therefore, there is reason to believe Evan H. Snapper knowingly and willfully violated
15 2 U.S.C. § 441(f).

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