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BEFORE THE FEDERAL ELECTION COMMISSION

2011 NOV 30 A 9 22

In the Matter of)
) DISMISSAL AND
MUR 6480) CASE CLOSURE UNDER THE
CT Working Families Federal PAC) ENFORCEMENT PRIORITY SYSTEM
And Deborah Noble, as treasurer)
Working Families Campaign Committee)
And Mary Rydingsward, as treasurer)

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GENERAL COUNSEL'S REPORT

Under the Enforcement Priority System ("EPS"), the Commission uses formal scoring criteria to allocate its resources and decide which cases to pursue. These criteria include, but are not limited to, an assessment of (1) the gravity of the alleged violation, both with respect to the type of activity and the amount in violation, (2) the apparent impact the alleged violation may have had on the electoral process, (3) the legal complexity of issues raised in the case, (4) recent trends in potential violations of the Federal Election Campaign Act of 1971, as amended ("Act"), and (5) development of the law with respect to certain subject matters. It is the Commission's policy that pursuing low-rated matters, compared to other higher-rated matters on the Enforcement docket, warrants the exercise of its prosecutorial discretion to dismiss certain cases or when the allegations are speculative and are sufficiently refuted by the responses, to make no reason to believe findings. The Office of General Counsel has scored MUR 6480 as a low-rated matter and has also determined that it should not be referred to the Alternative Dispute Resolution Office.

For the reasons stated below, the Office of General Counsel recommends that the Commission make no reason to believe findings as to some of the allegations and dismiss other allegations concerning CT Working Families Federal PAC and Deborah Noble, in her official capacity as treasurer. The Office of General Counsel also recommends that the

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1 Commission make no reason to believe findings concerning Working Families Campaign
2 Committee and Mary Rydingsward, in her official capacity as treasurer.

3 The Complainant, Christopher C. Healy, State Party Chairman of the Connecticut
4 Republicans, alleges that CT Working Families Federal PAC d/b/a Take Back Congress CT,
5 a State Committee registered with the Commission (the "Federal PAC"), violated the Act and
6 Commission regulations because it does not use the name "Working Families Campaign
7 Committee" (the "State Party"), which is the name of an independent political party
8 registered with the Connecticut State Elections Enforcement Commission. The Complainant
9 further alleges that the Federal PAC violated the Act by accepting contributions from the
10 State Party. Finally, the Complainant alleges that the State Party's contributions are not
11 "listed as income" in the Federal PAC's disclosure reports.

12 In the response to the complaint, the State Party argues that the Federal PAC's name
13 complies with Commission regulations as it does not include the name of any candidate.¹
14 With respect to the allegation that the payments from the State Party to the Federal PAC were
15 illegal contributions, the State Party responded that they were not contributions but rather
16 reimbursements for shared activities that were funded by the Federal PAC.

17 The only naming requirement for political committees under the Act and Commission
18 regulations is that the name of an unauthorized political committee shall not include the name
19 of any candidate. See 2 U.S.C. § 432(e)(4); 11 C.F.R. § 102.14(a). Because the Federal PAC
20 is not an authorized committee of a candidate and does not use the name of a candidate in its
21 name, it does not violate 2 U.S.C. § 432(e)(4) or Commission regulations.

¹ The State Party also relies on Advisory Opinion 2010-22, in which it asserts the Commission received notice of the two names when it requested the Commission consider whether Connecticut Working Families Federal PAC d/b/a Take Back Congress CT would qualify as a State committee of a political party within the meaning of the Act and Commission regulations.

1 Political committees are prohibited from knowingly accepting a contribution that does
2 not conform to the Act's contribution limits and source prohibitions. *See* 2 U.S.C. § 441a(f);
3 11 C.F.R. § 110.9. However, a state party that has established a nonfederal account may
4 allocate certain expenses, such as administrative expenses, between their federal and
5 nonfederal accounts and transfer funds from its nonfederal account to its federal account to
6 cover the nonfederal share of allocable expenses. *See* 11 C.F.R. §§ 102.5, 106.7.

7 The payments made by the State Party to the Federal PAC were described in the State
8 Party's disclosure reports as reimbursements of shared expenses. On July 28, 2011, the
9 Federal PAC disclosed the payments from the State Party in a series of amended disclosure
10 reports, which included a Schedule H3 (administrative expenses).² Thus, the payments from
11 the State Party to the Federal PAC were ultimately reported as allocable expenses and were
12 disclosed as such by the Federal PAC in its reports filed with the Commission. Accordingly,
13 it does not appear that CT Working Families Federal PAC and Deborah Noble, in her official
14 capacity as treasurer violated 2 U.S.C. § 441a(f). Further, because the State Party's payments
15 to the Federal PAC were for the purpose of reimbursing the Federal PAC for allocable
16 expenses, it does not appear that Working Families Campaign Committee and Mary
17 Rydingsward, in her official capacity as treasurer, violated 2 U.S.C. § 441a(a)

18 In light of the filing of the amended disclosure reports, further Enforcement action
19 concerning the Federal PAC's reporting of the receipts is not warranted. Under EPS, the
20 Office of General Counsel has scored MUR 6480 as a low-rated matter, and in furtherance of
21 the Commission's priorities as discussed above, the Office of General Counsel therefore

² Following the receipt of the complaint in this matter, on July 28, 2011, the Federal PAC amended its 2010 Year-End, February 2011 Monthly, and March 2011 Monthly reports to include a Schedule H, which reflects the expense reimbursements referred to in the complaint.

1 believes that the Commission should exercise its prosecutorial discretion and dismiss this
2 matter as it relates to CT Working Families Federal PAC and Deborah Noble, in her official
3 capacity as treasurer, concerning the reporting of certain reimbursements under 2 U.S.C.
4 § 434(b). Additionally, based on the forgoing reasons, this Office recommends that the
5 Commission find no reason to believe that CT Working Families Federal PAC and Deborah
6 Noble, in her official capacity as treasurer, violated 2 U.S.C. §§ 432(e)(4) and 441a(f), with
7 respect to its registered name or the receipt of the reimbursements at issue in this matter. The
8 Office of General Counsel also recommends that the Commission find no reason to believe
9 that Working Families Campaign Committee and Mary Rydingsward, in her official capacity
10 as treasurer, violated 2 U.S.C. § 441a(a) in submitting reimbursements for the allocable
11 federal activity described in this matter.

12 **RECOMMENDATIONS**

- 13 1. Dismiss the allegation that CT Working Families Federal PAC and
14 Deborah Noble, in her official capacity as treasurer, violated 2 U.S.C.
15 § 434(b);
16
- 17 2. Find no reason to believe that CT Working Families Federal PAC and
18 Deborah Noble, in her official capacity as treasurer, violated 2 U.S.C.
19 §§ 432(e)(4) and 441a(f);
20
- 21 3. Find no reason to believe that Working Families Campaign Committee and
22 Mary Rydingsward, in her official capacity as treasurer, violated 2 U.S.C.
23 § 441a(a);
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- 25 4. Close the file and approve the appropriate letters.
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Anthony Herman
General Counsel

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7 Date

6/10/11

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10 BY: Gregory R. Baker
Special Counsel
Complaints Examination
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