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Federal Election Commission
Washington, DC 20463

SENSITIVE

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon
Staff Director

FROM: Allan D. Silberman
Director, ADR Office

BY: Lynn M. Fraser
Assistant Director, ADR Office

SUBJECT: Case for ADR Activation

DATE: February 25, 2005

On December 21, 2004, the ADR Office received from RAD the following case to review and determine its appropriateness for ADR processing. Based on that review, we determined that the case, ADR 223/RR 04L-20, is appropriate for ADR and recommend that it be assigned to the ADR Office.

ADR 223/RR 04L-20: Respondents, the National Italian American Political Action Committee and Anthony N. Mallace, Treasurer ("Respondents" or "Committee") filed a 2003 April Quarterly Report on January 7, 2004. On this report the Respondents failed to provide an address and/or adequate purpose for 28 of 32 disbursements totaling \$53,034.66 disclosed on its 2003 April Quarterly Report. The Reports Analysis Division ("RAD") sent a Request for Additional Information ("RFAI") to try to obtain the required information. In conversations with RAD staff, Respondents indicated that an amended 2003 April Quarterly Report would be filed to provide the required information. As of the date of the referral, the Committee had not filed an amended report.

Attached for the Commission's review is the *ADR Case Analysis Report* on ADR 223, along with a copy of the ADR Rating report. The *ADR Case Analysis Report* includes an analysis of the case and a description of the issues that the ADR Office anticipates addressing if the case is assigned to ADR. In addition, the *ADR Case Analysis Report* has been reviewed by OGC, which concurs in the description of the case.

If the Commission concurs in the recommendation to assign the matter to ADRO, the above case description will be provided to Respondents as part of ADRO's notification package sent to Respondents.

ADR Director's Recommendation: We recommend that **ADR 223/RR 04L-20** be assigned to the ADR Office for processing.

ADR CASE ANALYSIS REPORT

ADR Case: 223

Respondents:

National Italian American Political Action
Committee
Anthony N. Mallace, CPA, J.D., Treasurer

RAD Referral: 04L-20

Respondents' Rep.: Anthony N. Mallace

Date Forwarded to ADRO: 12/21/04

Committee Type: Unauthorized

Date Reviewed by ADRO: 1/14/05

Committee Name: National Italian American
Political Action Committee

District & State: N/A

Election Cycle: 2004

Summary of Referral: Respondents, the National Italian American Political Action Committee and Anthony N. Mallace, Treasurer ("Respondents" or "Committee") filed a 2003 April Quarterly Report on January 7, 2004. On this report the Respondents failed to provide an address and/or adequate purpose for 28 of 32 disbursements totaling \$53,034.66 disclosed on its 2003 April Quarterly Report. The Reports Analysis Division ("RAD") sent a Request for Additional Information ("RFAI") to try to obtain the required information.

Alleged Violations: 2 U.S.C. § 434(b)(5)(A) and 11 C.F.R. § 104.3(b)(3)(i)

Respondents' Reply to RAD: In conversations with RAD staff, Respondents indicated that an amended 2003 April Quarterly Report would be filed to provide the required information. As of the date of the referral, the Committee had not filed an amended report.

Issues:

- Inadequate reporting of disbursements 2 U.S.C. § 434(b)(5)(A) and 11 C.F.R. § 104.3(b)(3)(i)

Related FEC Experience/Guidance: The statute, regulations, FEC website and brochures available to committees are clear on the necessity of full disclosure when itemizing disbursements. The FECA states that if disbursements to an individual exceed \$200 in a calendar year, the committee is required to provide the payee's name and address, together with the date, amount and purpose of such operating expenditures.

Potential Terms of Settlement: The potential terms of settlement might be, in addition to filing an amended report with the required information, attendance at an FEC seminar on PAC filing requirements, appointment of a compliance officer, and/or a civil penalty.

ADR Director's Recommendation: Assign to ADRO



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DATE & TIME OF TRANSMITTAL: **Monday, February 28, 2005 11:00**

BALLOT DEADLINE: **Thursday, March 03, 2005 4:00**

COMMISSIONER: MASON, McDONALD, SMITH, THOMAS, TONER, WEINTRAUB

SUBJECT: **Case for ADR Activation ADR 223/RR04L-20
Memorandum from the Director, ADR Office
dated February 25, 2005.**

() I approve the recommendation(s)

() I object to the recommendation(s)

() I am recused from voting.

COMMENTS: _____

DATE: _____

SIGNATURE: _____

A definite vote is required. All ballots must be signed and dated. Please return
ONLY THE BALLOT to the Commission Secretary. Please return ballot no later
than date and time shown above.

FROM THE OFFICE OF THE SECRETARY OF THE COMMISSION