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FEDERAL ELECTION COMMISSION

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

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

AUDIT REFERRAL: 02-10

DATE ACTIVATED: August 15, 2002

EXPIRATION OF STATUTE OF LIMITATIONS:

October 7, 2002 – January 15, 2006

STAFF MEMBER: Dawn R. Jackson

SOURCE: AUDIT REFERRAL

RESPONDENTS: Rod Grams for U.S. Senate, and
Christine Grams, as Treasurer¹
David Weiner
Republicans House-District 6B, and
John Kuriger, as Treasurer
41st Senate District Republicans, and
Thomas Hulting, as Treasurer
Freeborn County Republicans, and
James Munyer, as Treasurer
Olmsted County Republicans, and
Daniel Thornton, as Treasurer
Redwood County Republicans, and
Roald Haugan, as Treasurer
Waseca County Republicans, and
John Wilkus, as Treasurer

RELEVANT STATUTES 2 U.S.C. § 438(b)
AND REGULATIONS: 2 U.S.C. § 434(b)
2 U.S.C. § 433(a)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)
11 C.F.R. § 103.3(b)(3)
11 C.F.R. § 110.1(b)(4)-(5)
11 C.F.R. § 110.1(k)(3)

INTERNAL REPORTS CHECKED: Audit Documents
Disclosure Reports

FEDERAL AGENCIES CHECKED: None

¹ Tim Schmidt was Treasurer of Rod Grams for U.S. Senate from November 30, 1993 - July 26, 2001.
Christine Grams is the current Treasurer.

1 **I. INTRODUCTION**

2 The Commission audited Rod Grams for U.S. Senate and Christine Grams, as Treasurer,
3 (the "Committee") pursuant to 2 U.S.C. § 438(b). The Audit Division referred this matter to the
4 Office of General Counsel for a possible compliance action. See Attachment 1. The Office of
5 General Counsel identified two issues warranting the Commission's consideration for
6 enforcement. The issues are the Committee's receipt of excessive contributions and the failure
7 of certain other political committees to register and report.²

8 **II. FACTUAL AND LEGAL ANALYSIS**

9 **A. Excessive Contributions**

10 Based on the factual and legal analysis contained in the audit referral, this Office
11 recommends that the Commission find reason to believe that Rod Grams for U.S. Senate and its
12 Treasurer, Christine Grams, violated 2 U.S.C. § 441a(f) by receiving \$160,353 in excessive
13 contributions from individual contributors (\$157,378) and unregistered political committees
14 (\$2,975).
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16 Pursuant to Commission practice, this Office generally names as respondents those
17 contributors who
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21 In this matter, of the 172 excessive contributors, only one

² In the following streamlined Report, the Office of General Counsel does not provide a separate analysis of the matter. Instead, this Office relies on the findings in the audit referral as the factual and legal basis for its recommendations.

1 individual surpassed these thresholds, David Weiner - \$2,400.³ Accordingly, this Office
2 recommends that the Commission find reason to believe that David Weiner violated 2 U.S.C.
3 § 441a(a)(1)(A). Consistent with Commission's treatment of the individual contributors in
4 AR # 02-06 (Franks), we recommend that the Commission take no further action against David
5 Weiner.

6 **B. Unregistered Political Committees**

7 Based on the factual and legal analysis contained in the audit referral, there are six
8 political committees that expended over \$1,000 for contributions to the Committee during the
9 2000 Primary Election. These committees failed to register and report as political committees
10 with the Commission. Accordingly, this Office recommends that the Commission find reason to
11 believe that the Republicans House-District 6B, and John Kuriger, as Treasurer, 41st Senate
12 District Republicans, and Thomas Hulting, as Treasurer, the Freeborn County Republicans, and
13 James Munyer, as Treasurer, Olmsted County Republicans, and Daniel Thornton, as Treasurer,
14 Redwood County Republicans, and Roald Haugan, as Treasurer, Waseca County Republicans,
15 and John Wilkus, as Treasurer violated 2 U.S.C. §§ 433(a) and 434 by failing to register and
16 report as political committees. However, given the small amount of money involved, this Office
17 recommends that the Commission exercise its prosecutorial discretion by taking no further action
18 with respect to the six political organizations.

³ Under the new rules for presumptive reattribution, the Committee could have reattributed the excessive portion of the contribution to any person whose name is imprinted on the check. *See* 67 FR 69,928 (Nov. 19, 2002). In addition, under the new rules for presumptive redesignation, the Committee could have redesignated the excessive portion to another election in the election cycle without a signed consent. *Id.* David Weiner was the only individual who was not able to effectively cure the excessive contribution under the new rules.

1 **II. DISCUSSION OF CONCILIATION AND CIVIL PENALTY**

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1 **IV. RECOMMENDATIONS**

2 1. Open a Matter Under Review;

3 2. Find reason to believe that Rod Grams for U.S. Senate and Christine Grams, as
4 Treasurer, accepted excessive contributions in violation of 2 U.S.C. § 441a(f);

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6 3. Enter into conciliation with Rod Grams for U.S. Senate and Christine Grams, as
7 Treasurer, prior to a finding of probable cause to believe;

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9 4. Find reason to believe that David Weiner made an excessive contribution to Rod
10 Grams for U.S. Senate in violation of 2 U.S.C. § 441a(a)(1)(A), but take no further
11 action;

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13 5. Find reason to believe that the Republicans House-District 6B, and John Kuriger,
14 as Treasurer; 41st Senate District Republicans, and Thomas Hulting as Treasurer;
15 Freeborn County Republicans, and James Munyer, as Treasurer; Olmsted County
16 Republicans, and Daniel Thornton, as Treasurer; Redwood County Republicans, and
17 Roald Haugan, as Treasurer; and Waseca County Republicans, and John Wilkus, as
18 Treasurer, violated 2 U.S.C. §§ 431(4)(c) and 434 by failing to register and report, but
19 take no further action;

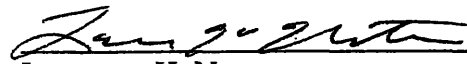
20 6. Approve the attached Conciliation Agreement to Rod Grams for U.S. Senate and
Christine Grams, as Treasurer;

7. Approve the attached Factual and Legal Analysis to Rod Grams for U.S. Senate
and Christine Grams, as Treasurer;


8. Approve the attached Factual and Legal Analysis to David Weiner;


21 9. Approve the attached sample of the Factual and Legal Analysis, one of which will
22 be sent out to each of the six identified unregistered political committees; and

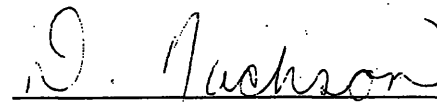
23 10. Approve the appropriate letters.
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Lawrence H. Norton
General Counsel

4/20/07
Date

BY: 
Gregory R. Baker
Acting Associate General Counsel


Lorenzo Holloway
Assistant General Counsel


Dawn R. Jackson
Attorney

Attachments:

1. Audit Referral Materials for AR# 02-10
2. Rod Grams for U.S. Senate Response to Interim Audit Report
3. Proposed Conciliation Agreement (Rod Grams for U.S. Senate and Christine Grams, as Treasurer)
4. Proposed Factual and Legal Analysis (Rod Grams for U.S. Senate and Christine Grams, as Treasurer)
5. Proposed Factual and Legal Analysis (David Weiner)
6. Example of the Proposed Factual and Legal Analysis (Six Identified Unregistered Political Committees)