



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

NRCC Economic Recovery Workshop, et al.

MUR 5250

STATEMENT OF REASONS

**CHAIRMAN BRADLEY SMITH AND COMMISSIONERS DAVID MASON,
DANNY McDONALD, SCOTT THOMAS AND MICHAEL TONER**

The Federal Election Commission, by a vote of 6-0, voted to find no reason to believe that any of the respondents in this matter violated the Federal Election Campaign Act of 1971, as amended ("the Act"), as a result of the allegations that the National Republican Congressional Committee offered contributors meetings with officials in its Economic Recovery Workshop.¹ Although the Office of the General Counsel recommended that this matter be dismissed because of the case's low score in the Commission's Enforcement Priority System,² the Commission instead based its determination on the substantive case precedent involving the same issue.

In MURs 5194 and 5206, the Commission accepted the recommendations of the Office of the General Counsel to find no reason to believe that the National Republican Congressional Committee, the National Republican Senatorial Committee and others violated provisions of the Act with respect to allegations that meetings with officials, offered to contributors, were contribution offsets that must be reported as a disbursement by the committee that offered the meeting and received the contribution.³ Although the factual background varies slightly from the allegations in those previous matters, the Commission's legal conclusion here is the same: there

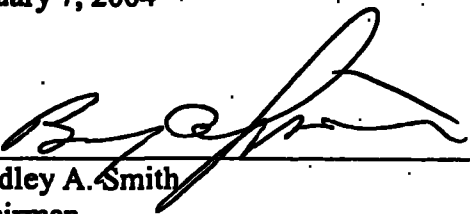
¹ Commissioners Mason, McDonald, Sandstrom, Smith, Thomas, and Toner voted affirmatively for the decision. Federal Election Commission, Minutes of an Executive Session (Aug. 27, 2002) at 18.

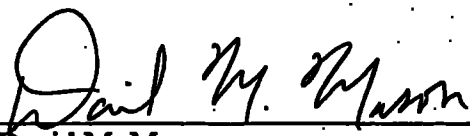
² "Case Closures under Enforcement Priority System," Office of the General Counsel, General Counsel's Report dated Aug. 15, 2002 at 1. See *Heckler v. Chaney*, 470 U.S. 821 (1985).

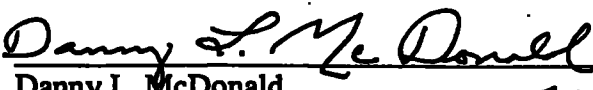
³ See First General Counsel's Report in MURs 5194 and 5206 dated Dec. 16, 2001. The Commission dismissed a case involving similar issues in MUR 4449 (DNC Services/Democratic National Committee, et al.) (closed under the Enforcement Priority System on December 2, 1997). The complainant sued the Commission under 2 U.S.C. § 437g(a)(8) and the U.S. District Court granted summary judgment *sua sponte* in complainant's favor and remanded to the Commission. *Judicial Watch v. FEC*, 10 F. Supp. 2d 39, 42 (D.D.C. 1998). After the Commission appealed, the D.C. Circuit found that Judicial Watch had no standing because it had not "even made a nominal allegation of reporting violations." *Judicial Watch v. FEC*, 180 F.3d 277, 278 (D.C. Cir. 1999).

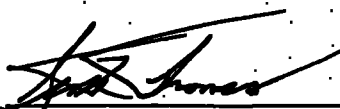
is no basis in the Act or Commission precedent to support this novel theory, and for the reasons explained in the First General Counsel's Report in MURs 5194 and 5206 dated Dec. 6, 2001, incorporated herein by reference, the Commission voted 6-0 to find no reason to believe that the respondents violated any provision of the Act and closed the file in this matter.


January 7, 2004


Bradley A. Smith
Chairman


David M. Mason
Commissioner


Danny L. McDonald
Commissioner
by F. J. J.


Scott E. Thomas
Commissioner


Michael E. Toner
Commissioner

24-04-408-4378