



**FEDERAL ELECTION COMMISSION**

Washington, D.C. 20463

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**SENSITIVE**

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lawrence H. Norton  
General Counsel

**BY:** Rhonda J. Vosdinger *RJ*  
Associate General Counsel for Enforcement

Ann Marie Terzaken  
Assistant General Counsel *AMT*

Julie Kara McConnell *JKM*  
Attorney

**SUBJECT:** MUR 5365 (Club for Growth)

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On October 19, 2004, the Commission found reason to believe that (1) Club for Growth, Inc. violated 2 U.S.C. §§ 433 and 434 by failing to register and report as a political committee; (2) Club for Growth, Inc. and Club for Growth, Inc. PAC violated 2 U.S.C. § 441a(f) by knowingly accepting contributions in excess of \$5,000 and 2 U.S.C. § 441b(a) by knowingly accepting corporate contributions; (3) Club for Growth, Inc. violated 2 U.S.C. §§ 441a(f), 441b(a) and 11 C.F.R. §§ 102.5, 104.10, 106.1 and 106.6 by failing to attribute and report expenses between multiple federal candidates, by failing to allocate and report shared administrative and fundraising activities and by using prohibited funds to pay for the federal

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share of those expenses, which may have resulted in prohibited and excessive contributions; (4) Club for Growth, Inc. PAC violated 2 U.S.C. §§ 441a(f), 441b and 11 C.F.R. §§ 102.5, 104.10, 106.1 and 106.6 by failing to attribute and report expenses between multiple federal candidates and by failing to allocate and report shared administrative and fundraising activities, which may have resulted in prohibited and excessive contributions; and (5) Club for Growth, Inc. violated 2 U.S.C. § 441b and 11 C.F.R. § 114.2(a) by making prohibited corporate expenditures.

During the course of the investigation, this Office discovered that, as a result of an oversight, neither the reason to believe recommendations nor findings included the Treasurer of Club for Growth, Inc. PAC in any capacity. To clarify the record, this Office recommends that the Commission include Pat Toomey, in his official capacity as Treasurer, in all reason to believe findings made against Club for Growth, Inc. PAC, consistent with the Commission's standard practice for treasurers of political committees.