



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

Jess Waguespack, Treasurer  
Charlie Melancon Campaign Committee, Inc.  
511 Congress Street  
P.O. Box 549  
Napoleanville, Lousiana 70390

MAY 09 2006

RE: MUR 5741

Dear Mr. Waguespack:

On May 2, 2006, the Federal Election Commission found that there is reason to believe Charlie Melancon Campaign Committee, Inc. ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(b), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). This finding was based upon information ascertained in the normal course of carrying out its supervisory responsibilities. *See* 2 U.S.C. § 437g(a)(2). The Factual and Legal Analysis, which more fully explains the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

Please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. *See* 18 U.S.C. § 1519.

If you are interested in expediting the resolution of this matter by pursuing pre-probable cause conciliation.

you should respond to this notification as soon as possible.

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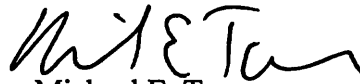
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Kimberly Hart, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



Michael E. Toner  
Chairman

Enclosures

Factual and Legal Analysis

Procedures

Designation of Counsel Form

cc: Charles Melancon  
511 Congress Street  
P.O. Box 549  
Napoleanville, LA 70390

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1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

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8 **RESPONDENTS:** Charlie Melancon Campaign Committee  
9 and Jess Waguespack in his official capacity  
10 as treasurer  
11

**MUR 5741**

12 **I. GENERATION OF MATTER**

13 This matter was initiated by the Federal Election Commission ("Commission")  
14 pursuant to information ascertained in the normal course of carrying out its supervisory  
15 responsibilities.

16 **II. FACTUAL SUMMARY**

17 Charlie Melancon Campaign Committee ("Committee") is the authorized  
18 committee of congressional candidate Charles Melancon in connection with his campaign  
19 for the U.S. House of Representatives in Louisiana. Jess Waguespack is the treasurer of  
20 the Committee.

21 **III. ANALYSIS**

22 Treasurer Waguespack filed the Committee's 2004 30 Day Post-Runoff Report on  
23 January 3, 2005, and reported disbursements of \$50,971.78 covering the period from  
24 November 15, 2004 through December 24, 2004. On January 31, 2005, Treasurer  
25 Waguespack filed an amended 2004 30 Day Post-Runoff Report, and reported  
26 \$656,823.30 in additional disbursements covering the same time period. The  
27 \$656,823.30 figure contained 158 added disbursements along with the 15 disbursements

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1 reported by the Committee on its original 2004 30 Day Post-Runoff Report.<sup>1</sup> The  
2 additional disbursements represented a 1,289% increase in activity from the original  
3 report and represented approximately 92.8% of the Committee's disbursements for the  
4 period.

5 The explanation the Committee proffered for its reporting failure came in the  
6 following response.

7 You have asked about an increase in the disbursements and debts  
8 on the Amended 30 Day Post-Runoff Report (11/15/04-12/24/05).  
9 The Charlie Melancon Campaign Committee was a small first-time  
10 campaign that filed its original Post-Runoff Report during a time of  
11 transition. The runoff election, which attracted an unusual amount  
12 of national attention and a high volume of activity, was over and most  
13 of the staff had departed or changed roles, including the person who  
14 had originally handled reporting. The person who was asked to  
15 prepare the report was brought in at the last minute to work with data  
16 entered by the old staff and did not have any time to independently  
17 verify the information. Upon discovery of missing information on the  
18 original report, the staff quickly investigated the matter and amended  
19 the report in a matter of days. The campaign now has experienced staff  
20 in place to handle campaign finance matters and has put into place  
21 procedures to ensure that this situation does not reoccur.<sup>2</sup>  
22

23 The treasurer of a political committee must file reports of all receipts and  
24 disbursements in accordance with the Act. 2 U.S.C. § 434(a)(1). A political committee  
25 is required to file a post-general election report no later than the 30<sup>th</sup> day after any general  
26 election in which the candidate has sought election, and which shall be complete as of the

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<sup>1</sup> The majority of the additional disbursements (\$571,860.23 of the \$656,823.30) were for seven "media buys" by the Committee and the remaining additional disbursements (\$84,963.07) were for various expenditures such as salary, taxes, fundraising, polling, etc.

<sup>2</sup> In response to the Commission's Request for Additional Information on April 12, 2004, the Committee filed another Amended 2004 30 Day Post-Runoff Report on May 19, 2005, disclosing no change in the amount of total disbursements on Line 22 of the Detailed Summary Page. However, the report included an electronic text memo providing the Committee's explanation for the increased activity on its amended report. The "person who was asked to prepare the report" is evidently someone other than the treasurer. Waguespack has been the treasurer since the Committee was organized in early 2004.

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20<sup>th</sup> day after such general election. 2 U.S.C. § 434(a)(2)(A)(ii). The report shall disclose, *inter alia*, the total amount of disbursements, and an itemization of all disbursements, including expenditures made to meet the candidate's or committee's operating expenses. 2 U.S.C. § 434(b)(4)(A); 11 C.F.R. § 104.3(b)(2)(i). The Commission found that the Committee did not comply with reporting requirements when it failed to disclose the \$656,823.30 in disbursements on the original 2004 30 Day Post-Runoff filed on January 3, 2005. The earliest amendment to the report was filed 28 days later.

Accordingly, the Commission found that there is reason to believe that Charlie Melancon Campaign Committee and Jess Waguespack, in his official capacity as treasurer, violated 2 U.S.C. § 434(b).

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