

10044262836

RECEIVED AUG 11 2006
FEDERAL ELECTION
COMMISSION
SECRETARIAT

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

2006 AUG 11 P 12:08

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD REFERRAL: 05L-02

DATE ACTIVATED: 12/20/05

EXPIRATION OF SOL: 7/31/08

SOURCE:

INTERNALLY GENERATED

RESPONDENTS:

Democratic Party of Virginia-Federal
Campaign Committee and Abbi G. Easter, in
her official capacity as treasurer

RELEVANT STATUTE & REGULATION:

2 U.S.C. § 434(b)

INTERNAL REPORTS CHECKED:

Disclosure Reports
RAD Referral Materials

FEDERAL AGENCIES CHECKED:

None

I. INTRODUCTION

The Democratic Party of Virginia is the state committee of the Democratic Party for the Commonwealth of Virginia as defined in 2 U.S.C. § 431(15) and 11 C.F.R. § 100.14(a). In 2004, the Democratic Party of Virginia amended its 2003 Mid-Year Report to disclose \$170,715.29 in combined additional receipts and disbursements that it omitted from its original report. For the reasons set out below, we recommend that the Commission find reason to believe that the Democratic Party of Virginia-Federal Campaign Committee and Abbi G. Easter, in her official capacity as treasurer (the "DPVA"), violated 2 U.S.C. § 434(b) by failing to disclose receipts and disbursements in its 2003 Mid-Year Report.

II. DISCUSSION

A. Factual and Legal Analysis

The DPVA filed its 2003 Mid-Year Report on July 31, 2003. On March 31, 2004, the Reports Analysis Division ("RAD") issued a Request for Additional Information ("RFAT") inquiring about activity that appeared to be misreported or missing from the report. In response, the DPVA filed an amended 2003 Mid-Year Report on May 14, 2004, providing the requested information and clarifications and disclosing additional receipts and disbursements totaling \$170,715.29.

When RAD requested an explanation for the increased activity in the DPVA's amended report, the DPVA explained that the additional receipts and disbursements resulted from a "miscommunication" between the DPVA and its accountants. The DPVA explained that its accountants had submitted an incomplete general ledger of contributions and disbursements for the applicable period and that neither the DPVA nor the accountants were aware of these omissions when the original report was submitted. The DPVA asserts it took "immediate steps" to provide the additional information and amend the report when it became aware of the problem.

10044262837

The treasurer of a political committee must file reports of all receipts and disbursements in accordance with the Act. 2 U.S.C. § 434(a)(1). In a calendar year for which there is no regularly scheduled general election, all political committees, other than authorized committees of a candidate, shall file a Mid-Year Report no later than July 31. Such report shall disclose the total amount of receipts and disbursements covering the period beginning January 1 and ending June 30. 2 U.S.C. §§ 434(a)(4)(A)(iv) and 434(b)(2) and (4). The Committee failed to comply with these reporting requirements by not disclosing \$170,715.29 in combined receipts and disbursements in its original 2003 Mid-Year Report. Based on the foregoing, this Office recommends that the Commission find reason to believe that the Democratic Party of Virginia—Federal Campaign Committee and Abbi G. Easter, in her official capacity as treasurer, violated 2 U.S.C. § 434(b).

10044262838

1

2

3 **III. RECOMMENDATIONS**

4

1. Open a MUR.

5

6

2. Find reason to believe that the Democratic Party of Virginia-Federal Campaign Committee and Abbi G. Easter, in her official capacity as treasurer, violated 2 U.S.C. § 434(b).

7

8

9

10

3. Approve the attached Factual and Legal Analysis.

11

12

4.

13

14

15

10044262839

5.

6. Approve the appropriate letter.

Lawrence H. Norton
General Counsel

Lawrence L. Calvert, Jr.
Deputy Associate General Counsel
for Enforcement

Date

8/10/06

BY:

Kathleen M. Guith
Kathleen M. Guith
Acting Assistant General Counsel

Dominique Dillenseger by KA
Dominique Dillenseger
Attorney

Attachments:

1. Factual and Legal Analysis

10044262840