

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
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 )  
Republican Party of Arkansas and ) Audit Referral #03-06  
Blair L. Fortner, as Treasurer; )  
Potlatch Corporation )

MUR # 5428

CERTIFICATION

I, Darlene Harris, recording secretary for the Federal Election Commission executive session on March 9, 2004, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions with respect to Audit Referral #03-06:

1. Open a MUR.
2. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. §§ 434(b)(1), (2) and (4) for misstating its 1999 and 2000 financial activity.
3. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 441a(f) for accepting excessive contributions.
4. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 441b for accepting prohibited contributions.

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5. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. §§ 432(c) and (d) and 11 CFR §§ 102.9(a), (b) and (c) for failing to maintain records of contributions and disbursements.
6. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. §§ 434(b)(3)(A), (B), (C), (D) and (G) for failing to itemize contributions from individuals, contributions and other receipts from political committees and transfers from affiliated committees.
7. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 434(b)(3)(D) and 11 CFR § 104.3(a)(4)(iii)(B) for failing to correctly report transfers from affiliates.
8. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 434(b)(5)(A) and 11 CFR § 104.3(b)(3)(i) for failing to correctly report disbursements for operating expenditures.
9. With respect to Findings 8A and 8B of the audit referral, find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. §§ 441a(f) and 441b, 11 CFR §§ 102.5(a), 106.5(a), 106.5(g) and 104.10(b) by using impermissible funds from its non-federal accounts to pay for federal expenses and the federal share of allocable expenses, by failing to allocate certain expenses, by failing to pay for federal and allocable expenses from a federal account and by failing to report certain federal and allocable expenses.

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10. With respect to Finding 9 of the audit referral, find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 434(b)(5)(A) and 11 CFR § 104.10(b) for incorrectly reporting allocable disbursements and 2 U.S.C. §§ 441b and 441a(f), and 11 CFR §§ 102.5(a), 106.5(a) and 106.5(g) by making disbursements for a portion of the federal share of allocable activity from a non-federal account containing impermissible funds, by improperly allocating disbursements for joint activity, and by failing to make payments for allocable disbursements through a federal account;

and, in the alternative:

find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 441a(a)(2)(A) for making excessive in-kind contributions on behalf of a federal candidate, 2 U.S.C. § 434(b)(6)(B)(i) by failing to report the contributions; and 2 U.S.C. §§ 441b and 441a(f), and 11 CFR § 102.5(a) by making disbursements for federal activity from a non-federal account containing impermissible funds;

and, in the alternative:

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find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 434(b)(6)(B)(iii) for failing to report an independent expenditure made on behalf of a federal candidate, and 2 U.S.C. §§ 441b and 441a(f), and 11 CFR § 102.5(a) by making disbursements for federal activity from a non-federal account containing impermissible funds.

11. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. § 434(b)(8) and 11 CFR § 104.11 for failing to itemize certain outstanding debt.
12. Find reason to believe that the Republican Party of Arkansas and Blair L. Fortner, as treasurer, violated 2 U.S.C. §§ 433(b)(6) and 433(c) for failing to amend the Committee's Statement of Organization to disclose its bank depositories.
13. Find reason to believe that Potlatch Corporation made a prohibited contribution in violation of 2 U.S.C. § 441b.
14. Find reason to believe that Lloyd Lindsey, former treasurer of the Republican Party of Arkansas, violated 2 U.S.C. §§ 434, 441a, and 441b.
15. Approve the Factual and Legal Analyses (2), as recommended in the General Counsel's Report dated February 18, 2004; subject to the appropriate revisions pursuant to the meeting discussion.

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16. Enter into conciliation with the Republican Party of Arkansas and Blair L. Fortner, as treasurer, prior to a finding of probable cause to believe, subject to execution of an agreement to extend the statute of limitations.
17. Enter into conciliation with the Potlatch Corporation prior to a finding of probable cause to believe.
18. Approve the Conciliation Agreements (2), as recommended in the General Counsel's Report dated February 18, 2004; subject to the appropriate revisions

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19. Approve the use of compulsory process to investigate this matter, including subpoenas and orders to submit written answers directed to the Republican Party of Arkansas; Firststar Bank (formerly Mercantile Bank); Bank of America; Strategic Media Services; Olsen & Delisi; Vista Productions; Metzner Media; Millenium Marketing; Direct Strategies; Bill Freeman Consulting Services; Olympia; John Hudgen's Advertising; Targeted Creative Communication; the Republican National Committee; and the National Republican Congressional Committee; and appropriate additional orders to submit written answers and subpoenas for documents and depositions, as necessary.

20. Approve the appropriate letters.

Commissioners Mason, McDonald, Smith, Thomas, Toner, and Weintraub voted affirmatively for the decision.

Attest:

March 10, 2004  
Date

Darlene Harris  
Darlene Harris  
Deputy Secretary of  
the Commission

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