



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1361

Date Filmed 4/22/83 Camera No. --- 2

Cameraman bpc

8 3 0 4 0 3 8 4 1 4 5

Routing slips, _____

Bank info. _____

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input checked="" type="checkbox"/> (6) Personal privacy. |
| <input checked="" type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input type="checkbox"/> (3) Exempted by other statute | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input type="checkbox"/> (5) Internal Documents | |

Signed J. Medford
date 3-3-83

3040384146

Routing slips, comment sheets,
memo to file, information pertaining
to conciliation, banking info.

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- | | |
|--|---|
| <input type="checkbox"/> (1) Classified Information | <input checked="" type="checkbox"/> (6) Personal privacy. |
| <input checked="" type="checkbox"/> (2) Internal rules and practices | <input type="checkbox"/> (7) Investigatory files |
| <input checked="" type="checkbox"/> (3) Exempted by other statute <i>FEA</i> | <input type="checkbox"/> (8) Banking Information |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents | |

Signed J. H. [Signature]
Date 3-3-83

83040384147

STEIN & HURON
1619 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

624 9593
83 FEB 28 AM: 91

DOUGLAS B. HURON
EILEEN M. STEIN

(202) 797-3880

MARYLAND OFFICE
7804 SYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 257-9220

*ADMITTED IN D. C. ONLY

P 1:17

February 25, 1983

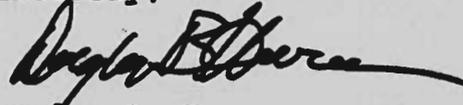
Kenneth Gross, Esquire
Associate General Counsel
Federal Election Commission
1325 K Street, NW
Washington, DC 20005

re: MURs 1284, 1353, 1361, 1389

Dear Mr. Gross:

On behalf of the Carter/Mondale Presidential Committee, Inc. and the Carter/Mondale Reelection Committee, Inc., I am enclosing a check for \$13,000 payable to the United States Treasury. This check covers the total amount of the civil penalty provided for in the conciliation agreement which resolved the captioned matters.

Sincerely,



Douglas B. Huron

Enclosure

3040384148

CARTER-MONDALE RE-ELECTION COMMITTEE, INC.
COMPLIANCE ACCOUNT
2000 L STREET, NW.
WASHINGTON, D.C. 20030

1st AMERICAN
FIRST AMERICAN BANK OF VIRGINIA
MCLEAN, VIRGINIA 22102

1983

FEB 25 1983

68-42477
560 77

PAY Thirteen thousand and 00/100 DOLLARS \$ 13,000.00

TO
THE
ORDER
OF

U.S. TREASURER

Douglas B. Brown

⑆00001983⑆ ⑆056004241⑆ 06237002⑆

83040584149

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Carter/Mondale Presidential) MURs 1284, 1353, 1361, and 1389
Committee, Inc.)
Carter-Mondale Reelection)
Committee, Inc.)

CERTIFICATION

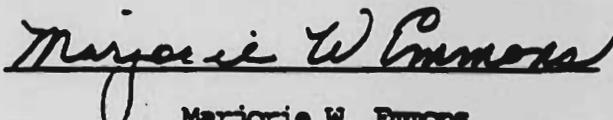
I, Marjorie W. Emons, Recording Secretary for the Federal Election Commission Executive Session on February 1, 1983, do hereby certify that the Commission decided by a vote of 5-1 to approve the conciliation agreement submitted with the General Counsel's January 24, 1983 report in the above-captioned matters, and close the file.

Commissioners Aikens, Elliott, Harris, McDonald, and McGarry voted affirmatively for the decision; Commissioner Reiche dissented.

Attest:

February 2, 1983

Date


Marjorie W. Emons
Secretary of the Commission

85000384150



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 4, 1983

Douglas B. Huron
STEIN AND HURON
1619 New Hampshire Avenue, NW
Washington, D.C. 20009

Re: MUR 1284, 1353, 1361, 1389

Dear Mr. Huron:

On February 1, 1983, the Commission accepted the conciliation agreement signed by you in settlement of violations of the Federal Election Campaign Act of 1971, as amended and Chapters 95 and 96 of Title 26, U.S. Code by the Carter/Mondale Presidential Committee, Inc. and the Carter/Mondale Reelection Committee, Inc. Accordingly, the file has been closed in this matter and will become part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation agreement

8304038411

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Carter/Mondale Presidential)
Committee, Inc.) MURs 1284, 1353, 1361,
Carter-Mondale Reelection) and 1389
Committee, Inc.)

CONCILIATION AGREEMENT

8 3 0 4 0 3 8 4 1 5 2
This matter was initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. Probable cause to believe has been found in MUR 1284 that the Carter/Mondale Presidential Committee, Inc. ("CMPC") violated 2 U.S.C. § 441a(f). Probable cause to believe has been found in MUR 1361 that the Carter/Mondale Presidential Committee, Inc. ("CMPC") violated 2 U.S.C. § 434(b)(8), § 441a(f), § 441b(a) and 11 C.F.R. § 104.3(d), § 104.11 and § 9033.1(a)(1). Reason to believe has been found in MUR 1353 that the Carter/Mondale Presidential Committee, Inc. ("CMPC") violated 2 U.S.C. § 432(c) and 11 C.F.R. § 110.4(c)(2). Probable cause to believe has been found in MUR 1389 that Carter-Mondale Reelection Committee, Inc. ("CMRC") violated 11 C.F.R. § 9004.4(b), § 9003.3(a), and § 9003.5(a).

NOW THEREFORE, the Commission and CMPC and CMRC having duly enter into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) and having participated in informal methods of conciliation,

prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over CMPC and CMRC, and the subject matter of this proceeding. This agreement has the effect of an agreement entered into pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) with regard to MUR 1353.

II. CMPC and CMRC have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. CMPC and CMRC enter voluntarily into this agreement with the Commission.

IV. MUR 1284

A. The pertinent facts in this matter are as follows:

1. Respondent, Carter/Mondale Presidential Committee, Inc., is the principal campaign committee for Presidential candidate Jimmy Carter in the 1980 primary election.

2. During the period January 1, 1979, through February 29, 1980, Respondent received \$80,149.99 in excessive contributions from one hundred forty-four individuals.

3. The Reports Analysis Division of the Federal Election Commission first notified Respondent of its apparent receipt of excessive contributions by letter dated September 10, 1979. The Reports Analysis Division continued to notify Respondent of apparent excessive contributions monitored on Respondent's reports up to and including the 1980 March Monthly Report.

83040384153

4. Respondent has taken the following action on the \$80,149.99 in excessive contributions: refunded \$43,325; attributed \$8,475 to spouse; and attributed \$28,349.99 to the compliance fund for the general election.

5. The Respondent took an average of approximately six months to refund or attribute the excessive contributions. All the excessive contributions were refunded or attributed by the Respondent by the beginning of August of 1981.

6. 2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidates and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

7. 2 U.S.C. § 441a(f) states that no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of § 441a.

WHEREFORE, Respondent Agrees:

B. Respondent accepted \$80,149.99 in excessive contributions from individuals, in violation of 2 U.S.C. § 441a(f).

V. MUR 1361

A. The pertinent facts in this matter are as follows:

1. Respondent, Carter/Mondale Presidential Committee, Inc., is the principal campaign committee for Presidential candidate Jimmy Carter in the 1980 primary election.

83040384134

2. During the period October 1, 1979 through August 31, 1980, Respondent received \$37,100.48 in excessive contributions from 69 individuals.

3. On November 7, 1980, the Audit Division of the Federal Election Commission notified Respondent that it had not taken action on the excessive contributions.

4. Respondent has taken the following action on the \$37,100.48 in excessive contributions: refunded \$11,923; attributed \$9,250 to spouse; and attributed \$15,927.48 to the compliance fund for the general election.

5. The Respondent took an average of approximately nine months to refund or attribute the excessive contributions. All the excessive contributions were refunded or attributed by the Respondent by the end of February, 1981.

6. 2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

7. 2 U.S.C. § 441a(f) states that no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of § 441a.

8. Respondent received the following corporate contributions totaling \$883.56: Pacific Mutual - \$366.06 with respect to a fundraiser held January 8, 1980; Charles F. Curry Real Estate Co. - \$67.50 on January 21, 1980; Strauss Realty Co. - \$100.00 on February 15, 1980; and Russell Gower and Co. - \$350.00 on March 28, 1980.

83040384155

9. Respondent refunded all four corporate contributions as follows: Pacific Mutual - \$366.06 on March 17, 1980; Charles F. Curry Real Estate Co. - \$67.50 on September 24, 1980; Strauss Realty Co. - \$100.00 on September 24, 1980; and Russell Gower and Co. - \$350.00 on December 9, 1980.

10. 2 U.S.C. § 441b(a) states in part that it is unlawful for any political committee to accept or receive a corporate contribution.

11. On its 1980 August Monthly Report, Respondent did not disclose \$98,017.60 in debts in excess of \$500, and understated its disclosed debts by \$57,648.43.

12. Respondent has not amended its August Monthly Report to reflect the \$155,666.03 in undisclosed and understated debts.

13. 2 U.S.C. § 434(b)(8) states in part that each report required to be filed shall disclose the amount and nature of outstanding debts and obligations owed. See also 11 C.F.R. § 104.3(d).

14. 11 C.F.R. § 104.11 states that a debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after the obligation is incurred, whichever comes first. Any loan, debt, or obligation, the amount of which is over \$500, shall be reported as of the time of the transaction.

15. Respondent has not provided the Commission access to detailed invoices from its media agent, Rafshoon

83040384156

Communications, Inc., so that media placement allocations might be verified.

16. 11 C.F.R. § 9033.1(a)(1) provides that, for the purpose of receiving Presidential primary matching fund payments, the candidate has the burden of proving that expenditures by the candidate, the principal campaign committee or any authorized committee are qualified campaign expenses.

WHEREFORE, Respondent agrees:

B. Respondent accepted \$37,100.48 in excessive contributions from individuals, in violation of 2 U.S.C. § 441a(f).

C. Respondent received corporate contributions totaling \$883.56, in violation of 2 U.S.C. § 441b(a).

D. Respondent on its 1980 August Monthly Report did not disclose \$98,017.60 in excess of \$500 and understated its disclosed debts by \$57,648.43, in violation of 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11.

E. Respondent will file an amendment to its August Monthly Report to reflect the \$155,666.03 in undisclosed and understated debts.

F. During the time of the audit, Respondent failed to furnish the Commission with requested documentation to verify media placement allocations in violation of 11 C.F.R. § 9033.1(a)(1).

G. Respondent agrees to make the following information and documents available to the Commission staff concerning the Rafshoon Communication media expenditures.

83040584157

1. An explanation of the methodology used by Rafshoon Communication, Inc. in allocating media expenditures between each of the states.

2. For each state, the total dollar amount of media time and space purchased and allocated to the state.

3. For each state, computer summaries of media purchase contracts. These summaries must provide the same information and otherwise be similar to the sample computer summary which was supplied informally to the Audit Division by counsel. (The total dollar amount reported by the computer summaries added to any communication paid to Rafshoon Communications must equal the total payments from the Respondent to Rafshoon Communications.)

4. An explanation of the computer summaries, including but not limited to an explanation of the codes used on the computer summaries.

5. An explanation of the policy and procedures used when broadcast stations refunded or credited monies to Respondent for media time which was purchased but not used.

6. For each broadcast station, the total dollar amount of media time purchase by the Respondent and the total dollar amount allocated to each state.

7. For specific media buys, selected at the discretion of the Audit Division, original documentation from the broadcast station which shows:

83040384138

a. the dollar amount of the media purchased contract (if such documentation is not available, a copy of the media purchase contract);

b. the number of broadcasts actually run by the broadcast station;

c. the dates on which the broadcasts were run;
and

d. the amount of any refund or credit for any media time which was purchased but not used.

The sample of media buys selected will be drawn from New Hampshire, Maine, Iowa and their surrounding states. The documentation shall be pulled from the Rafshoon files by or in the presence of Audit Division personnel.

8. If errors are ascertained in the course of the audit, the Audit Division reserves its right to proceed with other procedures and request such other information as would insure a complete and accurate audit. If any potential violations are discovered as a result of the Audit, the Commission reserves its right to proceed with an enforcement action or bring a legal proceeding pursuant to 2 U.S.C. § 437g.

VI. MUR 1353

A. Pertinent facts in this matter are as follows:

1. Respondent, Carter/Mondale Presidential Committee, Inc., is the principal campaign committee for Presidential candidate Jimmy Carter in the 1980 primary election.

83040384159

2. On or about February 21, 1980, Respondent held a fundraising event at the Silver Palace Restaurant in New York City.

3. Respondent accepted \$9,100 in cash receipts in increments of \$100 or more at this event through its agents, Esther Kee and others.

4. Said receipts were not segregated by contributor and inaccurate and inadequate records were kept of the actual cash contributors.

5. Respondent's agents purchased money orders at the Manhattan Savings Bank, with the cash receipts in increments of \$100 or more, on or about February 28, 1980, without consulting with, or acquiring the consent of the actual cash contributors.

6. Respondent's agents attributed the money orders thereby purchased to persons without having evidence that such persons were the actual cash contributors; many of the attributees were employees of the Silver Palace Restaurant.

7. Respondent's agents signed the remitter's signature lines of money orders rather than the actual contributors.

8. Seeking Presidential Primary Matching Funds, respondent furnished the money orders here involved to the Commission in Submission #14 (certified for payment by the Commission on June 4, 1980) and Submissin #17 (certified for payment by the Commission on July 16, 1980).

9. As a result of the above submissions and certifications, Respondent received \$7,130.35 in Presidential Primary Matching funds.

83040384160

WHEREFORE, Respondent agrees:

B. Esther Kee and other volunteers, acting as Respondent's agents, failed to keep accurate contributor records in violation of 2 U.S.C. § 432(c).

C. Esther Kee and other volunteers, acting as Respondent's agents, received cash contributions in increments of \$100 or more from six individuals, and, where cash contributions aggregated in excess of \$100 from an individual, Respondent failed to return the amount over \$100 cash to the contributor, in violation of 11 C.F.R. § 110.4(c)(2).

D. The money orders involved in this matter represent contributions by cash. Moreover, the money orders involved in this matter were signed by Respondent's agents, and not by the actual contributors. The written instruments were not accompanied by written documents signed by the actual contributors. Therefore, the money orders involved in this matter are not matchable.

E. Respondent shall repay \$7,130.35 to the Secretary of the U.S. Treasury, which is the amount equal to the amount of Presidential primary matching funds improperly paid under 11 C.F.R. § 9038.2(a)(1). Respondent will make such repayment pursuant to this agreement in lieu of following the procedures set forth at 11 C.F.R. §§ 9038.2(a)(3), 9038.2(b), 9038.2(c), 9038.2(d) and 9038.2(e), and the analogous provisions of Chapter 96 of Title 26, United States Code.

83040684161

VII. MUR 1389

A. The pertinent facts in this matter are as follows:

1. Respondent, Carter-Mondale Reelection Committee, Inc., is the principal campaign committee for Presidential candidate Jimmy Carter in the 1980 general election.

2. Respondent consists of two reporting entities, the "General Fund" which operates with funds received under 26 U.S.C. § 9006(b) and the "Compliance Fund" which is established in accordance with 11 C.F.R. § 9003.3.

3. Respondent made two expenditures totaling \$4,507.66 from its General Fund account which were for fundraising events relating to the Compliance Fund.

4. 11 C.F.R. § 9004.4(b) states that a candidate shall not use payments received under 11 C.F.R. Part 9005 to solicit contributions to a legal and accounting fund established pursuant to 11 C.F.R. § 9003.3(a).

5. On November 13, 1980, the Committee Compliance Fund paid a telephone expenditure totaling \$227,030.99 for the General Fund. The expenditure was reported in the appropriate General Fund report and the Compliance Fund was reimbursed in approximately one month.

6. Respondent's Compliance Fund made nine expenditures totaling \$57,824.19 for telephone and general travel expenses related to General Fund activity. The expenditures were disclosed in the General Fund reports. These expenditures were offset against the Due-to-General fund account which reflected a

83040384162

total of \$51,592.07 in the General Funds disbursements made for Compliance Fund expenses.

7. Respondent's Compliance Fund was reimbursed by the General Fund for the unreimbursed portion of telephone and travel expenses totaling \$6,232.12.

8. Respondent made from the Compliance fund four disbursements totaling \$25,484.90 for items which were General Fund expenses. The expenditures were for a campaign trip by the First Lady, a dinner at the Vice President's mansion, and a reimbursement for expenses described as for "tactical press relations".

9. Respondent's Compliance Fund was reimbursed from the General Fund for \$25,484.90 in General Fund expenses, and the expenditures were itemized in an amendment to the April 10, 1981 report.

10. Respondent's Compliance Fund paid for 100% of the payroll for finance, budget, and legal cost centers and all computer costs. The Commission's audit staff determined that \$77,815.82 in payroll should have been paid by the General Fund and \$23,264.43 in computer rental and operation costs should have been paid by the General Fund.

11. Respondent's Compliance Fund was reimbursed for the General Fund's share of computer costs and salaries for legal, finance, and budget personnel, totaling \$101,080.25. The reimbursement was itemized in an amendment to the April 10, 1981 Report.

83040684163

12. Pursuant to 11 C.F.R. § 9003.3(a)(2)(i), contributions to a Compliance fund may only be used to defray legal and accounting costs provided to ensure compliance with the Act, to defray any civil and criminal penalties, to make repayments under 11 C.F.R. § 9007.2, to defray the cost of soliciting contributions to the compliance fund, and to make a loan to the General Fund to defray qualified campaign expenses incurred prior to the expenditure report period or prior to the receipt of matching funds.

13. Respondent made eleven disbursements totaling \$19,501,000 from its General Fund to Rafshoon Communications, Inc. for media expenses. Respondent has not provided access to detailed invoices from Rafshoon Communication, Inc. so that qualified campaign expenses may be verified.

14. 11 C.F.R. § 9003.5(a) states that the candidate has the burden of proving that disbursements made by the candidate or any authorized committee(s) are qualified campaign expenses. The candidate and his authorized committees shall obtain and furnish to the Commission at its request any evidence regarding qualified campaign expenses made by the candidate, all authorized committees and all agents thereof.

WHEREFORE, Respondent agrees:

B. Respondent violated 11 C.F.R. § 9004.4(b) by making fundraising expenditures relating to its Compliance Fund from its General Fund account.

C. Respondent violated 11 C.F.R. § 9003.3(a)(2)(i) by using Compliance Fund monies to defray General Fund expenses.

83040384164

D. At the time of the audit, Respondent failed to furnish the Commission with requested documentation to verify media placement expenses in violation of 11 C.F.R. § 9003.5(a).

E. Respondent shall make the following information and documents available to the Commission staff concerning the Rafshoon Communication media expenditures:

1. Computer summaries of media purchase contracts.

These summaries must provide the same information and otherwise be similar to the sample computer summary which was supplied informally to the Audit Division by the counsel. (The total dollar amount reported by the computer summaries added to any commission paid to Rafshoon Communications must equal the total payments from the Respondent to Rafshoon Communications.)

2. An explanation of the computer summaries, including but not limited to an explanation of the codes used on the computer summaries.

3. An explanation of the policy and procedures used when broadcast stations refunded or credited monies to Respondent for media time which was purchased but not used.

4. For specific media buys, selected at the discretion of the Audit Division, original documentation from the broadcast station which shows:

a. the dollar amount of the media purchase contract (if such documentation is not available, a copy of the media purchase contract);

b. the number of broadcasts actually run by the broadcast station;

83040384165

- c. the date on which the broadcasts were run; and
- d. the amount of any refund or credit for any media time which was purchased but not used.

The documentation shall be pulled from the Rafshoon files by or in the presence of Audit Division personnel.

5. If errors are ascertained in the course of the audit, the Audit Division reserves its right to proceed with other procedures and request such other information as would insure a complete and accurate audit. If any potential violations are discovered as a result of the Audit, the Commission reserves its right to proceed with an enforcement action or bring a legal proceeding pursuant to 2 U.S.C. § 437g.

WHEREFORE, Carter/Mondale Presidential Committee, Inc. ("CMPC") and the Carter/Mondale Relection Committee, Inc. ("CMRC") have agreed to the following general provisions which are applicable to MURs 1284, 1361, 1353 and 1389.

VIII. CMPC and CMRC will pay a civil penalty to the Treasurer of the United States in the amount of Thirteen thousand dollars (\$13,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

IX. CMPC and CMRC agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

X. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this

85040384136

agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XI. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

XII. CMPC and CMRC shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission, except that the repayment required by Paragraph VI.E may be made within ninety (90) days from the date this agreement becomes effective.

Charles N. Steele
General Counsel

February 3, 1983
Date

BY: *Kenneth A. Gross*
Kenneth A. Gross
Associate General Counsel

1/11/83
Date

Carter/Mondale Presidential
Committee, Inc.

BY: *Angela B. Shuman*
ITS: Counsel

1/11/83
Date

Carter/Mondale Reelection
Committee, Inc.

BY: *Angela B. Shuman*
ITS: Counsel

83040584157

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Carter/Mondale Presidential) MURs 1284, 1353, 1361, and 1389
Committee, Inc.)
Carter-Mondale Reelection)
Committee, Inc.)

CERTIFICATION

I, Marjorie W. Emons, Recording Secretary for the Federal Election Commission Executive Session on February 1, 1983, do hereby certify that the Commission decided by a vote of 5-1 to approve the conciliation agreement submitted with the General Counsel's January 24, 1983 report in the above-captioned matters.

Commissioners Aikens, Elliott, Harris, McDonald, and McGarry voted affirmatively for the decision; Commissioner Reiche dissented.

Attest:

February 2, 1983

Date

Marjorie W. Emons

Marjorie W. Emons
Secretary of the Commission

83040384168



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS /JODY C. RANSOM *JCR*
DATE: JANUARY 27, 1983
SUBJECT: COMMENTS RE: MURS 1284, 1353, 1361, and 1389;
Memorandum to the Commission dated 1-24-83

Attached is a copy of Commissioner Reiche's
vote sheet with comments regarding his objection to
this matter, for record purposes only.

83040384169

ATTACHMENT:
Copy of Vote Sheet



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL
FROM: MARJORIE W. SIMONS/JODY C. RANSOM *JCR*
DATE: JANUARY 25, 1983
SUBJECT: OBJECTION - MURs 1284, 1353, 1361, 1389
Memorandum to the Commission dated
January 24, 1983

The above-named document was circulated to the
Commission on Monday, January 24, 1983 at 4:00.

Objections have been received from the Commissioners
as indicated by the name(s) checked:

Commissioner Aikens	<u> X </u>
Commissioner Elliott	<u> </u>
Commissioner Harris	<u> </u>
Commissioner McDonald	<u> </u>
Commissioner McGarry	<u> </u>
Commissioner Reiche	<u> </u>

This matter will be placed on the Executive Session
agenda for Tuesday, February 1, 1983.

63040584170

January 24, 1983

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kayson
SUBJECT: MURs 1284, 1353, 1361 and 1389

Please have the attached Memo to the Commission distributed to the Commission on a 48 hour tally basis as a sensitive matter. Thank you.

Attachment

cc: Thedford

83040384171



SENSITIVE

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
GENERAL SECRETARY

83 JAN 24 A10: 20

January 24, 1983

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel *KAG*

SUBJECT: MURs 1284, 1353, 1361 and 1389

Attached for the Commission's approval is a conciliation agreement signed by Douglas Huron, counsel for the Carter/Mondale Presidential Committee, Inc. ("CMPC") and the Carter/Mondale Reelection Committee, Inc. ("CMRC").

The Office of General Counsel recommends that the Commission accept the attached agreement in settlement of MURs 1284, 1353, 1361, 1389 and to close the files.

Attachments

1. Conciliation Agreement
2. Letter to Huron

83040384172



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1982

Joel D. Joseph, Esquire
Joel Joseph & Associates
4801 Massachusetts Ave., N.W.
Suite 400
Washington, D.C. 20016

RE: MUR 1353
(Sandy McLean)

Dear Mr. Joseph:

On March 2, 1982, the Commission found reason to believe that your client had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to your client. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g (a) (4) (B) and § 437g(a) (12) (A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

If you have any questions, please direct them to Michael Dymersky at 523-4057.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

8 3 0 4 0 3 8 4 1 7 3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1982

Margaret F. McCormick, Esquire
Legal Department, AFL-CIO
Room 804
815 16th Street, N.W.
Washington, D.C. 20006

RE: MUR 1353
(Esther Kee)

Dear Ms. McCormick:

On March 2, 1982, the Commission found reason to believe that your client had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to your client. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

If you have any questions, please direct them to Michael Dymersky at 523-4057.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

8304038417



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 16, 1982

Douglas B. Huron
Stein and Huron
1610 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MURs 1284, 1353, 1361, 1389

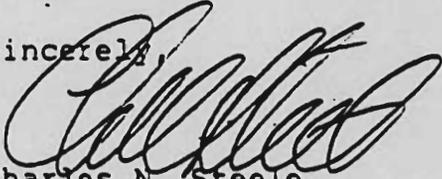
Dear Mr. Huron:

On November 30, 1982, the Commission determined there is probable cause to believe that the Carter/Mondale Reelection Committee, Inc. committed violations of the Code of Federal Regulations and determined to take no further action with regard to the violation of 11 C.F.R. § 9004.7(b)(5). On December 14, 1982, the Commission determined to take no further action against the Carter/Mondale Presidential Committee, Inc.'s violation of 2 U.S.C. § 441f and 26 U.S.C. § 9042(c)(1)(A); and approved the sending of the attached conciliation agreement in settlement of MURs 1284, 1353, 1361 and 1389.

If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty to the U.S. Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Judy Thedford at (202) 523-4529.

Sincerely,


Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

83040384175



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

Douglas B. Huron
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MURs 1284, 1353, 1361, 1389

Dear Mr. Huron:

On November 30, 1982, the Commission determined there is probable cause to believe that the Carter/Mondale Reelection Committee, Inc. committed violations of the Code of Federal Regulations and determined to take no further action with regard to the violation of 11 C.F.R. § 9004.7(b)(5). On December 14, 1982, the Commission determined to take no further action against the Carter/Mondale Presidential Committee, Inc.'s violation of 2 U.S.C. § 441f and 26 U.S.C. § 9042(c)(1)(A); and approved the sending of the attached conciliation agreement in settlement of MURs 1284, 1353, 1361 and 1389.

If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty to the U.S. Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Judy Thedford at (202) 523-4529.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

Judy Thedford

83040384176

Margaret F. McCormick, Esquire
Legal Department, AFL-CIO
Room 804
815 16th Street, N.W.
Washington, D.C. 20006

RE: MUR 1353
(Esther Kee)

Dear Ms. McCormick:

On March 2, 1982, the Commission found reason to believe that your client had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to your client. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

If you have any questions, please direct them to Michael Dymersky at 523-4057.

Sincerely,

Dick
12/15

83040384177

Joel D. Joseph, Esquire
Joel Joseph & Associates
1801 Massachusetts Ave., N.W.
Suite 400
Washington, D.C. 20016

RE: MUR 1353
(Sandy McLean)

Dear Mr. Joseph:

On March 2, 1982, the Commission found reason to believe that your client had violated 2 U.S.C. § 441f, a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to your client. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g (a) (4) (B) and § 437g(a) (12) (A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

If you have any questions, please direct them to Michael Dymersky at 2024057.

Sincerely,

O.K.  12/15

83040584179

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Carter/Mondale Presidential) MURs 1284, 1361, 1353, 1389
Committee, Inc.)
Carter/Mondale Relection)
Committee, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on December 14, 1982, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions with respect to the above-captioned matters:

1. With respect to MUR 1353 -
 - a) take no further action against Sandy Oreste and close the file as to her;
 - b) take no further action against Esther Kee and close the file as to her;
 - c) take no further action against the Carter/Mondale Presidential Committee, Inc. with regard to possible violations of 2 U.S.C. §441f and 26 U.S.C. §9042(c) (1) (A), but proceed with the remaining possible violations of 2 U.S.C. §432(c) and 11 C.F.R. §110.4(c) (2); and,
 - d) approve and send the notification letters to Sandy Oreste and Esther Kee as recommended in the General Counsel's report dated December 3, 1982.

2. [REDACTED]

3040384179

Commissioners Elliott, Harris, McDonald, and McGarry voted affirmatively for the decisions; Commissioners Aikens and Reiche dissented.

Attest:

12/15/82

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

83040584100



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM *JCR*

DATE: DECEMBER 9, 1982

SUBJECT: OBJECTIONS - MURS 1284, 1361, 1353, 1389
General Counsel's Report signed
December 3, 1982

The above-named document was circulated to the
Commission on December 6, 1982 at 4:00.

Commissioners Reiche and Aikens submitted objections
on December 8, 1982.

This matter will be placed on the agenda for the
executive session of Tuesday, December 14, 1982.

83040384131

December 6, 1982

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kayson
SUBJECT: MURs 1284, 1361, 1353, 1389

Please have the attached General Counsel's Report distributed to the Commission on a 48 hour tally basis.
Thank you.

Attachment

-c: Thedford

83040384132

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

82 DEC 6 AIO: 56

In the Matter of)

Carter/Mondale Presidential)
Committee, Inc.)
Carter/Mondale Reelection)
Committee, Inc.)

MURs 1284, 1361, 1353, 1389

GENERAL COUNSEL'S REPORT

I. BACKGROUND

II. FACTUAL AND LEGAL ANALYSIS

83040384133,

B. MUR 1353 Carter/Mondale Presidential Committee, Inc.

1. Respondent Sandy Oreste (a.k.a. Carolyn McLean and Sandy McLean)

On March 2, 1982, the Commission concluded that there was reason to believe that Sandy Oreste violated 2 U.S.C. § 441f. Her response asserted that as secretary to the Primary Committee's director of fundraising activities, Evan Dobbelle, she was exclusively involved in clerical tasks. (Attachment IV). Her clerical duties happened to include the preparation of contributor cards from information on money orders submitted to the Committee by Esther Kee. These money orders are the subject of this MUR and represent funds contributed to the Committee at a fundraiser in New York City.

Oreste's response as well as the factual background so far adduced, make it clear that while she was the only paid Committee

3040384184

agent actually at the Silver Palace Restuarant fundraiser, she was not involved with the failure of other volunteer Committee agents to keep accurate records of cash contributions made by many attendees. Contributions she accepted, if any, were made entirely by personal check. In addition, Oreste asserts that she had difficulty communicating with the participants of the principally Asian-American event. Moreover, even though she was the only paid Committee agent present, she was not functioning as the individual primarily responsible for overseeing the Committee's benefit. As the organizer of the fundraiser, this function fell to Esther Kee. It is also evident that Oreste was not involved in the purchasing of money orders with the cash proceeds of the fundraiser, nor the placing of names and other information derived from lists of attendees on those money orders. She was merely involved in the preparation of contributor information cards from the money orders previously prepared by Kee and other volunteers, and thereafter submitted to the Committee by Kee.

Available evidence makes it difficult to maintain that Oreste knew that the money orders brought to the Committee by Kee bore names of people who had not contributed - - including waiters and cooks employed by the host restaurant. Therefore, the General Counsel recommends that the Commission take no further action against Oreste, and close the file as to her.

2. Respondent Esther Kee

On March 2, 1982, the Commission concluded that there was reason to believe that Esther Kee violated 2 U.S.C./§ 441f. Kee

83040384135

argues that she neither made contributions in the names of others as the Act and Commission regulations define the offense, nor concealed the identities of cash contributors, deliberately or otherwise, when she placed names of people who were at the Silver Palace Restaurant fundraiser on money orders purchased with the cash proceeds. (Attachment III).

No contrary evidence exists which would dispute the fact that the fundraiser attendees who gained admission to the event by contributing cash did so by using funds from their own personal accounts and in their own names. Therefore, the actual tender of cash at the Silver Palace did not violate 2 U.S.C. § 441f at that point in either its contribution or its acceptance. As the individual principally responsible for the Committee's Silver Palace event, Kee delivered the proceeds derived therefrom to the Committee. These proceeds included cash. Apparently as a recordkeeping tool, the Committee requested Kee to secure money orders in place of the cash. On the advice of her husband, an attorney, she agreed. In her efforts to comply, Kee strove to ensure that the actual cash contributors would be aware of her intended actions on their and the Committee's behalf (See affidavits from other volunteers at pp 14-18 of attachment III). And, upon learning the extent of the difficulty she would face in correctly attributing the money orders to the actual cash contributors, Kee quickly compiled the disparate lists of those in attendance at the fundraiser, and made every effort to distinguish those who might have contributed in cash. She did

3040394136

her best with the inadequate records and presented money orders to the Committee bearing names and other information of those who attended the event and might have, in her judgment, contributed cash. It is evident from the record that at no time did Kee intentionally act in a way toward the cash proceeds which was inconsistent with the interests of either the actual cash contributors (they wanted their money in what ever form to benefit the Committee) or the Committee (as mentioned above, the money order form was at that time intended to be solely a recordkeeping tool. Indeed, contributor information cards were prepared by Sandy Oreste based on the information on the face of the money orders).

Based on the facts developed from the existing evidence of Kee's actions with respect to the cash (and subsequently money order) proceeds, there appears to be no support in the General Counsel's view for a recommendation of probable cause to believe that Kee violated Section 441f. Therefore, the General Counsel recommends that the Commission take no further action against Kee, and close the file as to her.

3. Respondent Carter/Mondale Presidential Committee

On May 5, 1981, the Commission determined that there was reason to believe that the Primary Committee violated 2 U.S.C. § 441f. In addition, on March 2, 1982, the Commission found reason to believe that the Committee violated 2 U.S.C. § 432(c), 11 C.F.R. § 110.4(c)(2) and 26 U.S.C. § 9042(c)(1)(A)

3040284137

83040584135,

the Commission

findings in this matter are reflective of the belief that the
Committee may have violated 2 U.S.C. § 441f and 26 U.S.C.
§ 9042(c),

83040384139,

C. MUR 1389 Carter/Mondale Reelection Committee, Inc.

On November 30, 1982, the Commission found probable cause to believe that the Carter/Mondale Reelection Committee violated 11 C.F.R. §§ 9004.4(b), 9003.3(a)(2)(i) and 9003.5(a).

III. DISCUSSION OF CIVIL PENALTY

2

IV. RECOMMENDATION

1. With respect to MUR 1353, the Office of General Counsel recommends that the Commission:

a) Take no further action against Sandy Oreste and close the file as to her;

b) Take no further action against Esther Kee and close the file as to her;

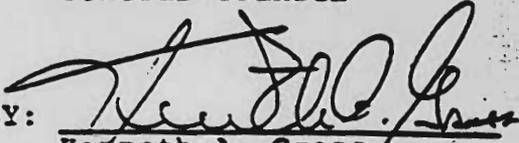
c) Take no further action against the Carter/Mondale Presidential Committee, Inc. with regard to possible violations of 2 U.S.C. § 441f and 26 U.S.C. § 9042(c)(1)(A), but proceed with the remaining possible violations of 2 U.S.C. § 432(c) and 11 C.F.R. § 110.4(c)(2); and,

d) Approve and authorize sending of the attached notification letters to Sandy Oreste and Esther Kee.

3040584100

Charles N. Steele
General Counsel

December 3, 1982
Date

BY: 
Kenneth A. Gross
Associate General Counsel

Attachments

- I.
- II.
- III
- IV.
- V.
- VI.
- VII.

83040784101

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Carter/Mondale Presidential) MURs 1284, 1361, 1353, 1389
Committee, Inc.)
Carter/Mondale Reelection)
Committee, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on November 30, 1982, do hereby certify that the Commission took the following actions with respect to the above-captioned matter:

1.

2. Decided by a vote of 5-0 to

- a) Find probable cause to believe that Carter/Mondale Reelection Committee, Inc. violated 11 C.F.R. §§9004.4(b), 9003.3(a)(2)(i) and 9003.5(a); and
- b) Take no further action against the Carter/Mondale Reelection Committee, Inc. with respect to the violation of 11 C.F.R. §9004.7(b)(5).

Commissioners Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision. Commissioner Aikens was not present at the time of the vote.

Attest:

12/2/82

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

83040384192

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Carter/Mondale Presidential)
Committee, Inc.)
Carter/Mondale Reelection)
Committee, Inc.)

MURs 1284, 1361, 1353, 1389

EXECUTIVE SESSION

82 NOV 22 AID: 01

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

GENERAL COUNSEL'S REPORT

I. BACKGROUND

NOV 30 1982

3040384193

_____ MUR 1353 is in the
investigative stage; MUR 1389 has been briefed and a response
brief was filed by Huron in August of this year. This report
will discuss each matter and make further recommendations to the
Commission.

II. FACTUAL AND LEGAL ANALYSIS

On July 13, 1982, the Commission found probable cause to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) with respect to MUR 1284 and 2 U.S.C. §§ 441a(f), 434(b)(8), 441b(a) and 11 C.F.R. §§ 104.3(d), 104.11, and 9033.1(a)(1) with respect to MUR 1361. The respondent was sent separate agreements in settlement of these matters.

B. MUR 1353 Carter/Mondale Presidential Committee, Inc.

1. Respondent Sandy Oreste (a.k.a. Carolyn McLean and Sandy McLean)

On March 2, 1982, the Commission concluded that there was reason to believe that Sandy Oreste violated 2 U.S.C. § 441f. In a response on her behalf (See attachment IV), Joel Joseph asserts that as secretary to the Carter/Mondale Presidential Committee, Inc.'s ("the Committee") director of fundraising activities, Evan Dobelle, Oreste was exclusively involved in clerical tasks. Her clerical duties happened to include the preparation of

3040384194

contributor cards from information on money orders submitted to the Committee by Esther Kee. These money orders are the subject of the instant MUR, and represent funds contributed to the Committee at a fundraiser in New York City.

Mr. Joseph's response as well as the factual background so far adduced, make it clear that while Oreste was the only paid Committee agent actually at the Silver Palace Restuarant fundraiser, she was not involved with the failure of other volunteer Committee agents to keep accurate records of cash contributions made by many attendees. Contributions she accepted, if any, were made entirely by personal check. In addition, Joseph suggests that language incompatibilities caused Oreste to be unable to communicate with and understand others at the principally Asian-American event. Moreover, even though she was the only paid Committee agent present, she was not functioning as the individual primarily responsible for overseeing the Committee's benefit. As the organizer of the fundraiser, this function fell to Esther Kee. It is also evident that Oreste was not involved in the purchasing of money orders with the cash proceeds of the fundraiser, nor the placing of names and other information derived from lists of attendees on those money orders. She was merely involved in the preparation of contributor information cards from the money orders previously prepared by Kee and other volunteers, and thereafter submitted to the Committee by Kee.

3040084125

Available evidence makes it difficult to maintain that Oreste knew that the money orders brought to the Committee by Kee bore names of people who had not contributed - - including waiters and cooks employed by the host restaurant. Therefore, the General Counsel recommends that the Commission take no further action against Oreste, and close the file as to her.

2. Respondent Esther Kee

On March 2, 1982, the Commission concluded that there was reason to believe that Esther Kee violated 2 U.S.C. § 441f. In a response on her behalf, (See attachment III), Margaret McCormick maintains that Kee neither made contributions in the names of others as the Act and Commission regulations define the offense, nor concealed the identities of cash contributors, deliberately or otherwise, when she placed names of people who were at the Silver Palace Restaurant fundraiser on money orders purchased with the cash proceeds.

No contrary evidence exists which would dispute the fact that the fundraiser attendees who gained admission to the event by contributing cash did so by using funds from their own personal accounts and in their own names. Therefore, the actual tender of cash at the Silver Palace did not violate 2 U.S.C. § 441f at that point in either its contribution or its acceptance. As the individual principally responsible for the Committee's Silver Palace event, Kee delivered the proceeds derived therefrom to the Committee. These proceeds included cash. Apparently as a recordkeeping tool, the Committee requested Kee to secure money

3040384196

orders in place of the cash. On the advice of her husband, an attorney, she agreed. In her efforts to comply, Kee strove to ensure that the actual cash contributors would be aware of her intended actions on their and the Committee's behalf (See affidavits from other volunteers at pp 14-18 of attachment III). And, upon learning the extent of the difficulty she would face in correctly attributing the money orders to the actual cash contributors, Kee quickly compiled the disparate lists of those in attendance at the fundraiser, and made every effort to distinguish those who might have contributed in cash. She did her best with the inadequate records and presented money orders to the Committee bearing names and other information of those who attended the event and might have, in her judgment, contributed cash. It is evident from the record that at no time did Kee intentionally act in a way toward the cash proceeds which was inconsistent with the interests of either the actual cash contributors (they wanted their money in what ever form to benefit the Committee) or the Committee (as mentioned above, the money order form was at that time intended to be solely a recordkeeping tool. Indeed, contributor information cards were prepared by Sandy Oreste based on the information on the face of the money orders).

Based on the facts developed from the existing evidence of Kee's actions with respect to the cash (and subsequently money order) proceeds, there appears to be no support in the General Counsel's view for a recommendation of probable cause to believe

3040384197

that Kee violated Section 441f. Therefore, the General Counsel recommends that the Commission take no further action against Kee, and close the file as to her.

3. Respondent Carter/Mondale Presidential Committee

On May 5, 1981, the Commission determined that there was reason to believe that the Committee violated 2 U.S.C. § 441f. In addition, on March 2, 1982, the Commission found reason to believe that the Committee violated 2 U.S.C. § 432(c), 11 C.F.R. § 110.4(c)(2) and 26 U.S.C. § 9042(c)(1)(A)

3040384108

the Commission
findings in this matter are reflective of the belief that the
Committee may have violated 2 U.S.C. § 441f and 26 U.S.C.
§ 9042(c),

3040384199

C. MUR 1389 Carter/Mondale Reelection Committee, Inc.

On July 8, 1982, a brief stating the position of the General Counsel on the legal and factual issues of this matter was sent to Douglas Huron, counsel for the Carter/Mondale Reelection Committee, Inc. ("the Committee"). The brief recommended that the Commission find probable cause to believe the Committee violated 11 C.F.R. §§ 9004.4(b), 9003.3(a)(2)(i), and 9003.5(a) and to take no further action with respect to the 11 C.F.R. § 9004.7(b)(5) violation. Mr. Huron requested a fifteen day extension which was granted by the Office of General Counsel on July 28, 1982.

The Committee filed a letter dated August 13, 1982 in response to the OGC brief. The Office of General Counsel's position is stated in the July 8, 1982 brief.

The Office of General Counsel recommends finding probable cause to believe that the Carter/Mondale Reelection Committee, Inc. violated 11 C.F.R. §§ 9004.4(b), 9003.3(a)(2)(i), and 9003.5(a) and taking no further action with respect to the Committee's violation of 11 C.F.R. § 9004.7(b)(5).

3040584200

III. DISCUSSION OF CIVIL PENALTY

IV. RECOMMENDATION

1. With respect to MUR 1389, the Office of General Counsel recommends that the Commission:

a) Find probable cause to believe that Carter/Mondale Reelection Committee, Inc. violated 11 C.F.R. §§ 9004.4(b), 9003.3(a)(2)(i) and 9003.5(a); and,

b) Take no further action against the Carter/Mondale Reelection Committee, Inc. with respect to the violation of 11 C.F.R. § 9004.7(b)(5).

2. With respect to MUR 1353, the Office of General Counsel recommends that the Commission:

a) Take no further action against Sandy Oreste and close the file as to her;

3040384201

b) Take no further action against Esther Kee and close the file as to her;

1;

d) Take no further action against the Carter/Mondale Presidential Committee, Inc. with regard to possible violations of 2 U.S.C. § 441f and 26 U.S.C. § 9042.(c)(1)(A); and,

e) Approve and authorization sending of the attached notification letters to Sandy Oreste and Esther Kee.

3.

183040384202
Date

19 November 1982


Charles N. Steele
General Counsel

Attachments

- I.
- II.
- III.
- IV.
- V.
- VI.
- VII.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 15, 1982

Douglas B. Huron
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1361

Dear Mr. Huron:

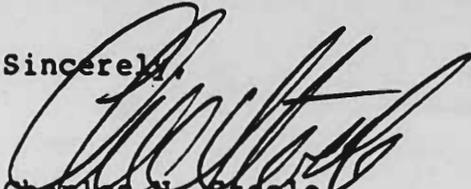
On July 13, 1982, the Commission determined there is probable cause to believe that the Carter/Mondale Presidential Committee, Inc. committed violations of the Federal Election Campaign Act of 1971, as amended. Specifically, the Commission found probable cause to believe that your client violated 2 U.S.C. §§ 441b(a), 441a(f), 434(b)(8), and 11 C.F.R. §§ 104.3(d), 104.11, and 9033.1(a)(1) and no probable cause to believe that your client violated 2 U.S.C. § 441b(a) with respect to the Mississippi Bank.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclosed a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Judy Thedford, at (202)523-4057.

Sincerely,


Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

63040384203

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Carter/Mondale Presidential)
Committee, Inc.)

MUR 1361

CERTIFICATION

I, Marjorie W. Emmons, Recording Secretary for the Federal Election Commission Executive Session on July 13, 1982, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 1361:

1. Find probable cause to believe that Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. §§441b(a), 441a(f), 434(b)(8), and 11 C.F.R. §§104.3(d), 104.11 and 9033.1(a)(1).
2. Find no probable cause to believe that Carter/Mondale Presidential Committee is in violation of 2 U.S.C. §441b(a) with regard to a corporate contribution from the Mississippi Bank.
3. Initiate conciliation with the letter and conciliation agreement attached to the General Counsel's July 1, 1982 report in this matter.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision.

Attest:

7-14-82

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

83040384204

July 1, 1982

MEMORANDUM TO: Marjorie Emmons
FROM: George Demougeot
SUBJECT: MUR 1361

Please have the attached General Counsel's Report distributed to the Commission for the agenda of July 13, 1982.

Thank you.

Attachment

83040384203

SENSITIVE

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

82 JUL 1 P 3: 37

In the Matter of)
Carter/Mondale Presidential)
Committee, Inc.)

MUR 1361

EXECUTIVE SESSION

GENERAL COUNSEL'S REPORT

JUL 13 1982

I. BACKGROUND

The Audit Division referred several matters to the Office of General Counsel upon completion of its Audit of the Carter/Mondale Presidential Committee, Inc. ("the Committee"). Subsequently, the Commission found reason to believe the Committee violated 2 U.S.C. § 441b(a), § 441a(f), § 434(b)(8) and 11 C.F.R. § 104.3(d), § 104.11, and § 9033.1(a)(1). Counsel, Douglas Huron, responded to the reason to believe notification on September 21, 1981.

A brief stating the position of the General Counsel in this matter was mailed to Mr. Huron on January 4, 1982; he submitted the attached response on January 22, 1982 (Attachment I).

I. LEGAL ANALYSIS

Respondent's counsel filed the attached response.

The Office of General Counsel's Legal Analysis of this matter is contained in the Office of General Counsel brief dated January 4, 1982.

83040384206

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

IV. RECOMMENDATION

The Office of General Counsel recommends finding:

1. Probable cause to believe that Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. §§ 441b(a), 441a(f), 434(b)(8), and 11 C.F.R. §§ 104.3(d), 104.11 and 9033.1(a)(1), and

2. Initiating conciliation with the attached letter and agreement.

Date

July 1, 1982

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments

- I. Huron Response
- II. Proposed Letter
- III. Proposed Conciliation Agreement

83040384207



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 12, 1982

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1361

Dear Mr. Huron:

This letter is to acknowledge receipt of your letter of September 21, 1981 on behalf of your client, the Carter/Mondale Presidential Committee, Inc. Based on that response and other information obtained during investigation of this matter, the Commission found reason to believe that the Committee had violated 2 U.S.C. § 432(b)(3) in connection with the above-captioned MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action on this particular violation.

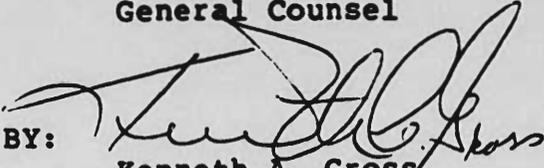
The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

If you have any questions, please direct them to Dolores Pesce at 523-5071.

Sincerely,

Charles N. Steele
General Counsel

BY:


Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Factual and Legal Analysis

83040384208

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Carter/Mondale Presidential
Committee, Inc.

MUR NO. 1361
STAFF MEMBER &
TEL. NO:
Dolores Pesce
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

83040384209

Based on its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"), the Audit Division referred several matters to the Office of General Counsel. On July 21, 1981, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions of \$9,435.60 from the Mississippi Bank as well as contributions totaling \$883.56 from four other corporate entities. By letter dated September 21, the Committee submitted a response to the Commission's finding. In addition, the Mississippi Bank submitted a response dated August 28 with addendum of August 31, 1981. Based on these responses, there is reason to believe that the Committee violated 2 U.S.C. § 432(b)(3) by commingling its funds with the personal funds of W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank.

FACTUAL BASIS AND LEGAL ANALYSIS

As alleged in the Audit referral, the Mississippi Bank contributed \$9,435.60 to the Committee on February 20, 1980. The bank challenges this allegation with the following explanation.

In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

In January 1980, Mr. McMullan's secretary made written requests to the Committee that it pay a total amount of \$9,435.60 for expenses incurred in connection with Mrs. Carter's visit. By letter dated January 15, she requested \$2,008.93 for printing, telephone, postage, and shipping expenses, and by letter dated January 16, she requested \$7,426.67 for hotel expenses. Both requests stated that the amount due was payable to Mr. McMullan. On February 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around February 28. On February 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

This explanation raises the issue of a possible 2 U.S.C. § 432(b)(3) violation by the Committee. 2 U.S.C. § 432(b)(3) states:

83040384210

All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

In accordance with this provision, Mr. McMullan's deposit of \$9,435.60 in Committee funds into his personal account was a prohibited activity. The funds should have been deposited into a separate account, designated solely for Committee funds, or the Committee should have paid for its incurred expenditures directly. However, the documents provided in the bank response allow a tracking of these monies which were disbursed from Mr. McMullan's account after only one day. Upon consideration of this mitigating factor, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

Recommendation

Find reason to believe that the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

83040684211



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 12, 1982

W. P. McMullan, Jr.
The Mississippi Bank
P.O. Box 979
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. McMullan:

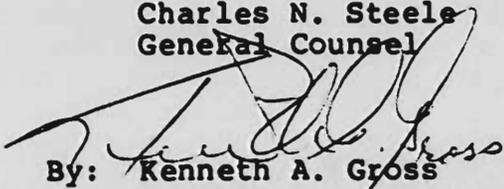
On March 2, 1982, the Commission found reason to believe that you had violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act, as amended ("the Act"), in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information. If you have any questions, please direct them to Dolores Pesce at (202)523-5071.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

Enclosure

General Counsel's Factual and Legal Analysis

83040384213

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

Respondent: W.P. McMullan, Jr.

MUR NO. 1361
STAFF MEMBER &
TEL. NO:
Dolores Pesce
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

83040384215
Based on its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"), the Audit Division referred several matters to the Office of General Counsel. On July 21, 1981, the Commission found reason to believe that the the Mississippi Bank violated 2 U.S.C. § 441b(a) by making corporate contributions of \$9,435.60 to the Committee. By letters of counsel dated August 28 and August 31, 1981, the bank submitted a response to the Commission's finding, denying any violation of the Federal Election Campaign Act. Based on that response, there is reason to believe that W.P. McMullan, Chairman of the Board and Chief Executive Officer of the Mississippi Bank, violated 2 U.S.C. § 432(b) (3) by commingling Committee funds with his personal funds.

FACTUAL BASIS AND LEGAL ANALYSIS

As alleged in the Audit referral, the Mississippi Bank contributed \$9,435.60 to the Committee on February 20, 1980. The

bank challenges this allegation with the following explanation. In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

In January 1980, Mr. McMullan's secretary made written requests to the Committee that it pay a total amount of \$9,435.60 for expenses incurred in connection with Mrs. Carter's visit. By letter dated January 15, she requested \$2,008.93 for printing, telephone, postage, and shipping expenses, and by letter dated January 16, she requested \$7,426.67 for hotel expenses. Both requests stated that the amount due was payable to Mr. McMullan. On February 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around February 28. On February 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

83040384214

This explanation raises the issue of a possible 2 U.S.C. § 432(b)(3) violation by Mr. McMullan. 2 U.S.C. § 432(b)(3) states:

All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

In accordance with this provision, Mr. McMullan's deposit of \$9,435.60 in Committee funds into his personal account was a prohibited activity. The funds should have been deposited into a separate account, designated solely for Committee funds, or the Committee should have paid for its incurred expenditures directly. However, the documents provided in the bank response allow a tracking of these monies which were disbursed from Mr. McMullan's account after only one day. Upon consideration of this mitigating factor, the Office of General Counsel recommends that the Commission find reason to believe that W.P. McMullan, Jr. violated 2 U.S.C. § 432(b)(3), but take no further action.

Recommendation

Find reason to believe that W.P. McMullan, Jr. violated 2 U.S.C. § 432(b)(3), but take no further action.

83040584215



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 12, 1982

James A. Peden, Jr.
Stennett, Wilkinson and Ward
P.O. Box 22627
Jackson, Mississippi 39205

Re: MUR 1361

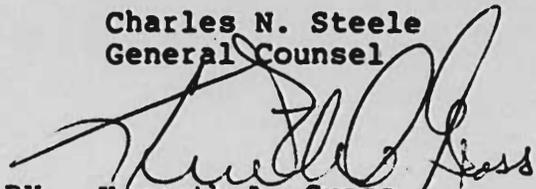
Dear Mr. Peden:

This is to advise you that after an investigation was conducted, the Commission concluded on March 2, 1982, that there is no probable cause to believe that your client, the Mississippi Bank, violated the Act. Accordingly, the file in this matter, numbered MUR 1361, has been closed as it pertains to your client. This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Dolores Pesce at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel


BY: Kenneth A. Gross
Associate General Counsel

63040584216



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 12, 1982

Jona Goldrich
Goldrich, Kest and Associates
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

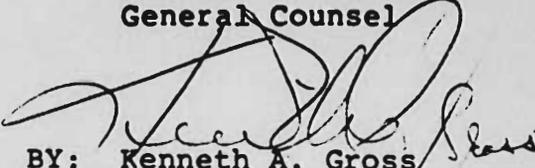
Dear Mr. Goldrich:

This is to advise you that after an investigation was conducted, the Commission concluded on March 2, 1982, that there is no probable cause to believe that you violated the Act. Accordingly, the file in this matter, numbered MUR 1361, has been closed as it pertains to you. This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Dolores Pesce at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

83040584217



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Handwritten: 3/11/82

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1361

Dear Mr. Huron:

This letter is to acknowledge receipt of your letter of September 21, 1981 on behalf of your client, the Carter/Mondale Presidential Committee, Inc. Based on that response and other information obtained during investigation of this matter, the Commission found reason to believe that the Committee had violated 2 U.S.C. § 432(b) (3) in connection with the above-captioned MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action on this particular violation.

The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

If you have any questions, please direct them to Dolores Pesce at 523-5071.

Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Enclosure

General Counsel's Factual and Legal Analysis

8 3 0 4 0 3 8 4 2 1 8



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

W. P. McMullan, Jr.
The Mississippi Bank
P.O. Box 979
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. McMullan:

On March 2, 1982, the Commission found reason to believe that you had violated 2 U.S.C. § 432(b) (3), a provision of the Federal Election Campaign Act, as amended ("the Act"), in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a) (4) (B) and § 437g(a) (12) (A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information. If you have any questions, please direct them to Dolores Pesce at (202)523-5071.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Factual and Legal Analysis

83040384219



FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

DP
3/11/82

James A. Peden, Jr.
Stennett, Wilkinson and Ward
P.O. Box 22627
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. Peden:

This is to advise you that after an investigation was conducted, the Commission concluded on March 2, 1982, that there is no probable cause to believe that your client, the Mississippi Bank, violated the Act. Accordingly, the file in this matter, numbered MUR 1361, has been closed as it pertains to your client. This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Dolores Pesce at (202)523-5071.

Sincerely,

Charles N. Steele
General Counsel

83040584210



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DP
3/11/82

Jona Goldrich
Goldrich, Kest and Associates
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

Dear Mr. Goldrich:

This is to advise you that after an investigation was conducted, the Commission concluded on March 2, 1982, that there is no probable cause to believe that you violated the Act. Accordingly, the file in this matter, numbered MUR 1361, has been closed as it pertains to you. This matter will become part of the public record within 30 days after it has been closed with respect to all other respondents involved. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days. The Commission reminds you, however, that the confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) remain in effect until the entire matter has been closed. The Commission will notify you when the entire file has been closed.

If you have any questions, contact Dolores Pesce at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

83040384221

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)	
)	
W.P. McMullan, Jr.)	MUR 1361
Carter/Mondale Presidential)	
Committee, Inc.)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 10, 1982, the Commission approved by a vote of 6-0 the sending of the Revised Factual and Legal Analyses as submitted with the Memorandum to the Commission dated March 5, 1982.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

3-10-82

Date

Jody P. Custer

for Marjorie W. Emmons
Secretary of the Commission

83040384222

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

3-5-82, 5:18
3-8-82, 11:00

March 5, 1982

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kayson
SUBJECT: MUR 1361

Please have the attached Memo th the Commission
distributed to the Commission on a 48 hour tally basis.
Thank you.

Attachment

cc: Pesce

83040584212

SENSITIVE



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 5, 1982

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

KAG - by KST

RE: MUR 1361 Factual and Legal Analyses

In accordance with the Commission's directive on March 2, we have added a sentence in the Factual and Legal Analyses informing respondents what action should have been taken to avoid a violation (page 3). Also, we have corrected the statement of fact about the requests for payment submitted by Mr. McMullan's secretary (page 2).

RECOMMENDATION:

Approve and send the attached revised Factual and Legal Analyses (2).

Attachments

1. Factual and Legal Analysis for W.P. McMullan, Jr.
2. Factual and Legal Analysis for the Carter/Mondale Presidential Committee, Inc.

83040394224

82 MAR 5 P5: 10
RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

ATTACHMENT 1

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

Respondent: W.P. McMullan, Jr.

MUR NO. 1361
STAFF MEMBER &
TEL. NO:
Dolores Pesce
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

Based on its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"), the Audit Division referred several matters to the Office of General Counsel. On July 21, 1981, the Commission found reason to believe that the the Mississippi Bank violated 2 U.S.C. § 441b(a) by making corporate contributions of \$9,435.60 to the Committee. By letters of counsel dated August 28 and August 31, 1981, the bank submitted a response to the Commission's finding, denying any violation of the Federal Election Campaign Act. Based on that response, there is reason to believe that W.P. McMullan, Chairman of the Board and Chief Executive Officer of the Mississippi Bank, violated 2 U.S.C. § 432(b)(3) by commingling Committee funds with his personal funds.

FACTUAL BASIS AND LEGAL ANALYSIS

As alleged in the Audit referral, the Mississippi Bank contributed \$9,435.60 to the Committee on February 20, 1980. The

83040384235

bank challenges this allegation with the following explanation. In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

In January 1980, Mr. McMullan's secretary made written requests to the Committee that it pay a total amount of \$9,435.60 for expenses incurred in connection with Mrs. Carter's visit. By letter dated January 15, she requested \$2,008.93 for printing, telephone, postage, and shipping expenses, and by letter dated January 16, she requested \$7,426.67 for hotel expenses. Both requests stated that the amount due was payable to Mr. McMullan. On February 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around February 28. On February 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

83040384216

This explanation raises the issue of a possible 2 U.S.C. § 432(b)(3) violation by Mr. McMullan. 2 U.S.C. § 432(b)(3) states:

All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

In accordance with this provision, Mr. McMullan's deposit of \$9,435.60 in Committee funds into his personal account was a prohibited activity. The funds should have been deposited into a separate account, designated solely for Committee funds, or the Committee should have paid for its incurred expenditures directly. However, the documents provided in the bank response allow a tracking of these monies which were disbursed from Mr. McMullan's account after only one day. Upon consideration of this mitigating factor, the Office of General Counsel recommends that the Commission find reason to believe that W.P. McMullan, Jr. violated 2 U.S.C. § 432(b)(3), but take no further action.

Recommendation

Find reason to believe that W.P. McMullan, Jr. violated 2 U.S.C. § 432(b)(3), but take no further action.

83040384227

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Carter/Mondale Presidential
Committee, Inc.

MUR NO. 1361
STAFF MEMBER &
TEL. NO:
Dolores Pesce
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

Based on its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"), the Audit Division referred several matters to the Office of General Counsel. On July 21, 1981, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions of \$9,435.60 from the Mississippi Bank as well as contributions totaling \$883.56 from four other corporate entities. By letter dated September 21, the Committee submitted a response to the Commission's finding. In addition, the Mississippi Bank submitted a response dated August 28 with addendum of August 31, 1981. Based on these responses, there is reason to believe that the Committee violated 2 U.S.C. § 432(b)(3) by commingling its funds with the personal funds of W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank.

FACTUAL BASIS AND LEGAL ANALYSIS

As alleged in the Audit referral, the Mississippi Bank contributed \$9,435.60 to the Committee on February 20, 1980. The bank challenges this allegation with the following explanation.

83040384228

In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

In January 1980, Mr. McMullan's secretary made written requests to the Committee that it pay a total amount of \$9,435.60 for expenses incurred in connection with Mrs. Carter's visit. By letter dated January 15, she requested \$2,008.93 for printing, telephone, postage, and shipping expenses, and by letter dated January 16, she requested \$7,426.67 for hotel expenses. Both requests stated that the amount due was payable to Mr. McMullan. On February 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around February 28. On February 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

This explanation raises the issue of a possible 2 U.S.C. § 432(b)(3) violation by the Committee. 2 U.S.C. § 432(b)(3) states:

83040384229

All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

In accordance with this provision, Mr. McMullan's deposit of \$9,435.60 in Committee funds into his personal account was a prohibited activity. The funds should have been deposited into a separate account, designated solely for Committee funds, or the Committee should have paid for its incurred expenditures directly. However, the documents provided in the bank response allow a tracking of these monies which were disbursed from Mr. McMullan's account after only one day. Upon consideration of this mitigating factor, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

Recommendation

Find reason to believe that the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

83040384230

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Carter/Mondale Presidential)
Committee, Inc. et al.)

MUR 1361

AMENDED CERTIFICATION

I, Lena L. Stafford, Recording Secretary for the Federal Election Commission Executive Session on March 2, 1982, do hereby certify that the Commission took the following actions in MUR 1361:

1. Decided in a vote of 5-0 to amend the Factual and Legal Analyses attached to the General Counsel's Report dated February 16, 1982 to be sent to the Carter/Mondale Presidential Committee, Inc. (Attachment 8) and to Mr. W. P. McMullan, Jr. (Attachment 7) to contain language concerning the recommended procedures required.

Commissioners Aikens, Elliott, Harris, McDonald, and Reiche voted affirmatively. Commissioner McGarry was not present at the time of the vote.

2. Decided in a vote of 4-1 to delete paragraph 3 (Attachment 7) of the proposed letter to Mr. W. P. McMullan, Jr. on page 73 of the General Counsel's Report dated February 16, 1982.

Commissioners Aikens, Elliott, Harris, and McDonald voted affirmatively. Commissioner Reiche dissented. Commissioner McGarry was not present at the time of the vote.

3. Decided in a vote of 4-1 to approve the recommendations as set forth in the General Counsel's Report dated February 16, 1982, as follows:

- (a) Find no probable cause to believe on a 2 U.S.C. §441a(a) (1) (A) violation by Jona Goldrich and close the file in regard to him.

8 3 0 4 0 3 8 4 2 3 1

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Carter/Mondale Presidential) MUR 1361
Committee, Inc. et al.)

CERTIFICATION

I, Lena L. Stafford, Recording Secretary for the Federal Election Commission Executive Session on March 2, 1982, do hereby certify that the Commission took the following actions in MUR 1361:

1. Decided in a vote of 5-0 to amend the Factual and Legal Analyses attached to the General Counsel's Report dated February 16, 1982 to be sent to the Carter/Mondale Presidential Committee, Inc. (Attachment 8) and to Mr. W. P. McMullan, Jr. (Attachment 7) to contain language concerning the recommended procedures required.

Commissioners Aikens, Elliott, Harris, McDonald, and Reiche voted affirmatively. Commissioner McGarry was not present at the time of the vote.

2. Decided in a vote of 4-1 to delete paragraph 3 (Attachment 7) of the proposed letter to Mr. W. P. McMullan, Jr. on page 73 of the General Counsel's Report dated February 16, 1982.

Commissioners Aikens, Harris, McDonald, and Reiche voted affirmatively. Commissioner Reiche dissented. Commissioner McGarry was not present at the time of the vote.

3. Decided in a vote of 4-1 to approve the recommendations as set forth in the General Counsel's Report dated February 16, 1982, as follows:

- (a) Find no probable cause to believe on a 2 U.S.C. §441a(a)(1)(A) violation by Jona Goldrich and close the file in regard to him.

83040384232

- 8 3 0 4 0 3 8 4 2 3 5
- (b) Approve and send the closing letter attached to the General Counsel's Report dated February 16, 1982 to Jona Goldrich (Attachment 5).
 - (c) Find no probable cause to believe on a 2 U.S.C. §441b(a) violation by the Mississippi Bank and close the file in regard to it.
 - (d) Approve and send the closing letter attached to the General Counsel's Report dated February 16, 1982 to Counsel for the Mississippi Bank (Attachment 6).
 - (e) Find reason to believe that W. P. McMullan, Jr. violated 2 U.S.C. §432(b)(3), but take no further action and close the file in regard to him.
 - (f) Approve and send the letter and Factual and Legal Analysis attached to the General Counsel's Report dated February 16, 1982 to Mr. McMullan (Attachment 7), as amended in #1 and #2 of this Certification.
 - (g) Find reason to believe that the Committee violated 2 U.S.C. §432(b)(3), but take no further action.
 - (h) Approve and send the letter and Factual and Legal Analysis attached to the General Counsel's Report dated February 16, 1982, to Counsel for the Committee (Attachment 8), as amended in #1 of this Certification.

Commissioners Aikens, Harris, McDonald, and Reiche voted affirmatively for the General Counsel's recommendations above as amended. Commissioner Elliott dissented. Commissioner McGarry was not present at the time of the vote.

Attest:

3-4-82
Date

Lena L. Stafford
Recording Secretary



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE

FROM: MARJORIE W. EMMONS/JODY CUSTER *jc*
OFFICE OF THE SECRETARY TO THE COMMISSION

DATE: FEBRUARY 23, 1982

SUBJECT: ADDITIONAL OBJECTION - MUR 1361 General
Counsel's Report dated February 16, 1982;
Received in OCS, 2-19-82, 9:31

You were notified previously of an objection by
Commissioner Elliott.

Commissioner Reiche submitted an additional objection
at 1:58, February 23, 1982.

This matter will be discussed in executive session
on Tuesday, March 2, 1982. A copy of Commissioner Reiche's
vote sheet with his comments is attached.

Attachment:
Copy of vote sheet

83040384234



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE, GENERAL COUNSEL
FROM: MARJORIE W. EMMONS/JODY CUSTIER *JC*
DATE: FEBRUARY 23, 1982
SUBJECT: OBJECTION - MUR 1361 General Counsel's Report
dated February 16, 1982

The above-named document was circulated to the Commission on
February 19, 1982 at 2:00.

Commissioner Elliott submitted an objection at 4:55, February 22,
1982.

This matter will be placed on the agenda for the Executive
Session of Tuesday, March 2, 1982. A copy of Commissioner Elliott's
vote sheet with her comments is attached.

Attachment:
Vote sheet

8
3
0
4
0
3
8
4
2
3
3
5

February 19, 1982

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kayson
SUBJECT: MUR 1361

Please have the attached General Counsel's Report distributed to the Commission on a 48 hour tally basis.

Thank you.

Attachment

cc: Pesce

83040384236

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

February 16, 1982

82 FEB 19 A 9: 31

In the Matter of)
Carter/Mondale Presidential) MUR 1361
Committee, Inc., et al.)

GENERAL COUNSEL'S REPORT

SENSITIVE

I. Background

On July 21, 1981, the Commission found reason to believe on violations by the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"), the Mississippi Bank, and Jona Goldrich. Mr. Goldrich responded to RTB notification by letter dated August 3, 1981 (Attachment 1). The Mississippi Bank responded through letters of counsel dated August 28 and 31, 1981 (Attachment 2). The Committee responded through letter of counsel dated September 21, 1981 (Attachment 3).

Based on these responses, the Office of General Counsel prepared briefs on whether or not there is probable cause to believe violations occurred with regard to: 1) 2 U.S.C. § 441a(a)(1)(A) by Jona Goldrich; 2) 2 U.S.C. § 441b(a) by the Mississippi Bank; and 3) 2 U.S.C. § 441b(a), § 441a(f), § 434(b)(8) and 11 C.F.R. § 9033.1(a)(1) by the Committee. The briefs were mailed to all 3 respondents on January 4, 1982.

The Mississippi Bank responded to our brief, stating its concurrence with our analysis (Attachment 4). Mr. Goldrich did not submit a reply brief. We will proceed in this report to make recommendations on these two respondents, in accordance with the

83040384237

legal analysis presented in our briefs dated December 8, 1981. As to recommendations on probable/no probable cause for the Committee, we will submit a separate report once discussions with Committee counsel on the issue of 11 C.F.R. §9033.1(a)(1) are complete.

The following legal analysis concerns a new finding, namely, that the Committee and W.P. McMullan, Jr. violated 2 U.S.C. §432(b)(3) by commingling Committee funds with those in Mr. McMullan's personal bank account. This finding is based on the responses to the reason to believe notifications.

II. Factual and Legal Analysis

On July 21, 1981, the Commission found reason to believe that the Mississippi Bank made corporate contributions to the Committee, thereby placing both the bank and the Committee in violation of 2 U.S.C. § 441b(a). As alleged in the Audit referral, the bank contributed \$9,435.60 to the Committee on February 20, 1980. The bank and the Committee challenge the allegation and provide this explanation of the circumstances under which the Committee made expenditures totaling \$9,435.60.

In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W.P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's

83040384238

bank office that the Committee expenses were collected and tallied.

In January 1980, Mr. McMullan's secretary made written requests to the Committee to pay for its incurred expenditures; specifically, on January 15 for \$2,008.93 in incidental expenses to be paid to Mr. McMullan, and on January 16 for \$7,426.67 in hotel expenses to be paid directly to the hotel. On January 26, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around January 28. On January 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

In the General Counsel's briefs to the Mississippi Bank and the Committee, we discuss the bearing of this explanation on 2 U.S.C. § 441b(a) violations.

The explanation, however, raises a new issue of possible 2 U.S.C. § 432(b)(3) violations by Mr. McMullan and the Committee. Section 432(b)(3) states:

All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

In accordance with this provision, Mr. McMullan's deposit of \$9,435.60 in Committee funds into his personal account was a prohibited activity. However, the documents provided in the bank response allow a tracking of these monies which were disbursed

83040384239

from Mr. McMullan's account after only one day. Upon consideration of this mitigating factor, the Office of General Counsel recommends that the Commission find reason to believe that W.P. McMullan, Jr. and the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

III. Recommendations

1. Find no probable cause to believe on a 2 U.S.C. § 441a(a)(1)(A) violation by Jona Goldrich and close the file in regard to him.

2. Approve and send the attached closing letter to Jona Goldrich (Attachment 5).

3. Find no probable cause to believe on a 2 U.S.C. § 441b(a) violation by the Mississippi Bank and close the file in regard to it.

4. Approve and send the attached closing letter to counsel for the Mississippi Bank (Attachment 6).

5. Find reason to believe that W.P. McMullan, Jr. violated 2 U.S.C. § 432(b)(3), but take no further action and close the file in regard to him.

6. Approve and send the attached letter and Factual and Legal Analysis to Mr. McMullan (Attachment 7).

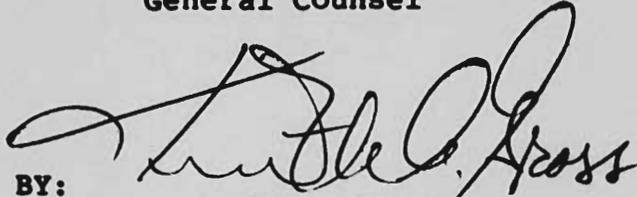
7. Find reason to believe that the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

83040384240

8. Approve and send the attached letter and Factual and Legal Analysis to counsel for the Committee (Attachment 8).

Feb 18, 1982
Date

Charles N. Steele
General Counsel

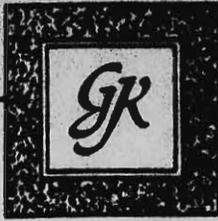
BY: 

Kenneth A. Gross
Associate General Counsel

Attachments

1. August 3, 1981 letter from Jona Goldrich
2. August 28 and 31, 1981 letters from counsel for the Mississippi Bank
3. September 21, 1981 letter from counsel for the Committee
4. January 8, 1982 letter from counsel for the Mississippi Bank
5. Closing letter to Jona Goldrich
6. Closing letter to counsel for the Mississippi Bank
7. Letter and Factual and Legal Analysis to Mr. McMullan
8. Letter and Factual and Legal Analysis to counsel for the Committee

83040384241



Goldrich & Kest

5150 Overland Avenue • Culver City, California 90230 • (213) 204-2050

ATTACHMENT I

10 99
GCC# 5250
81 AUG 7 AM: 50
①

21 AUG 10 AM: 24
GENERAL INVEST.

August 3, 1981

Federal Election Commission
Washington D.C. 20463

Re: MJR 1361

Gentlemen:

I received your letter dated July 23, 1981 stating that I might be in violation of section 441a(a) (1) (A) of the Federal Election Campaign Act of 1971.

When we contributed to the Carter/Mondale campaign, we inquired whether partnership checks were acceptable, and according to the campaign committee they were indeed. Enclosed I am sending you copies of our checks, indicating there were drawn on a partnership account.

The names of the partners and the percentages which they hold in the partnership are as follows:

Jona Goldrich	36%	share of subject contributions	\$ 900.00
Sol Kest	24%	" " "	\$ 600.00
Robert Stern	20%	" " "	\$ 500.00
Robert Hirsch	20%	" " "	\$ 500.00

We therefore are under the impression that we stayed within the limits as specified by the Federal Election Commission and did not exceed the individual \$ 1,000.00 limit contribution.

I trust this is a sufficient explanation and that no action should be taken against me or my partners. If you need any further explanation or documentation, please let me know and we will gladly oblige.

Very truly yours,

GOLDRICH, KEST & ASSOCIATES

Jona Goldrich
Partner

JG/jf
Encl.

83040384242



Goldrich, Kest, Hirsch, Stern

625 SO. FAIRFAX BLVD. BEVERLY HILLS, CALIFORNIA 90210

3324

PAY

ENCLOSURE 000 AND 00 CTS

DOLLARS

TO THE ORDER OF

Disburse with the Trust

APR 28 1980
UNION BANK
BEVERLY HILLS, CA
90-1876

DATE	CHECK NO.	AMOUNT
2-5-80	3324	1000

GOLDRICH, KEST, HIRSCH, STERN

0000 100000

BEVERLY HILLS REGIONAL HEAD OFFICE
Union Bank
6150 OVERLAND BLVD., AT BEVERLY DRIVE
BEVERLY HILLS, CALIFORNIA 90210

90-1876
122

Goldrich, Kest, Hirsch, Stern

5150 OVERLAND AVENUE
CULVER CITY, CALIFORNIA 90230

3154

PAY

ENCLOSURE 000 AND 00 CTS

DOLLARS

TO THE ORDER OF

Carter Mandel Committee

APR 17 1980
UNION BANK
BEVERLY HILLS, CA
90-1876

DATE	CHECK NO.	AMOUNT
3/28/80	3154	500.00

GOLDRICH, KEST, HIRSCH, STERN

00000 50000

BEVERLY HILLS REGIONAL HEAD OFFICE
Union Bank
6150 OVERLAND BLVD., AT BEVERLY DRIVE
BEVERLY HILLS, CALIFORNIA 90210

10-77
1220

Goldrich, Kest, Hirsch, Stern

5150 OVERLAND AVENUE
CULVER CITY, CALIFORNIA 90230

4746

PAY

ENCLOSURE 000 AND 00 CTS

TO THE ORDER OF

Carter Mandel Committee

APR 24 1980
UNION BANK
BEVERLY HILLS, CA
90-1876

DATE	CHECK NO.	AMOUNT
5/24/80	4746	1000

GOLDRICH, KEST, HIRSCH, STERN

0000 100000

3040384243

NOT

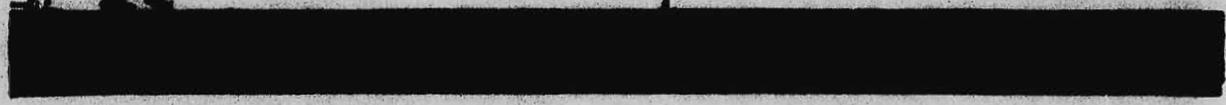
FOR DEPOSIT ONLY
ACCT. # 1-063-29

PAT. AIR. BANK P.F.C.
F.I.L. 0510-0003-3

FB '60' 28
R.E.G.
F.R.S. LOS ANGELES
1960

PAT. AIR. BANK P.F.C.
F.I.L. 0510-0003-3

3



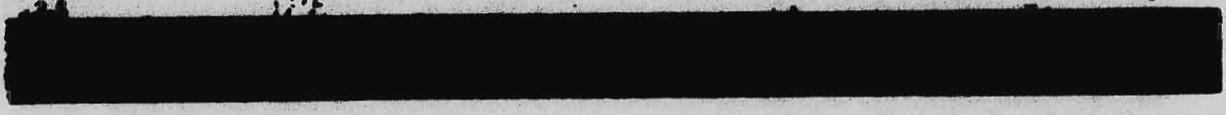
#2 FB '60' 28
PAY ANY BANK
THE NATL. BANK OF WASHINGTON
WASHINGTON, D.C.

0510-0003-3

83040384244

FOR DEPOSIT ONLY
ACCT. # 1-063-29.4

AP '60' 17
R.E.G.
F.R.S. LOS ANGELES
1220-0018-9



AP '60' 11
PAY ANY BANK
THE NATL. BANK OF WASHINGTON
WASHINGTON, D.C.

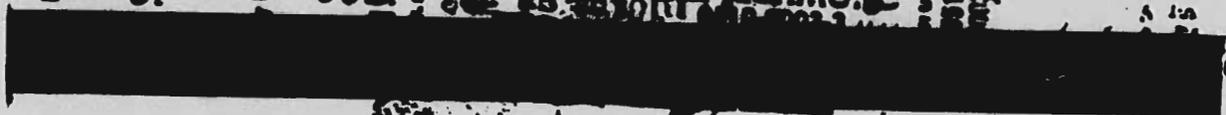
0510-0003-3

Credited to The Account of
The Within Named Payee
The National Bank of Washington
Washington, D. C.

FOR DEPOSIT ONLY
ACCT. # 1-063-29.4

RICHMOND
1-063-29.4

PAY ANY BANK
THE NATL. BANK OF WASHINGTON
WASHINGTON, D.C.



JUL 23 1960
PAY ANY BANK
THE NATL. BANK OF WASHINGTON
WASHINGTON, D.C.

0510-0003-3

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW

GENE A. WILKINSON
ERWIN C. WARD
JAMES A. PEDEN, JR.
ANSON B. CHUNN
SHELBY R. ROGERS, JR.
DERRYL W. PEDEN
STANLEY Q. SMITH
CRAIG N. LANDRUM
CECILE C. EDWARDS

E. W. STENNETT (1899-1979)
HORACE STEELE (1907-1980)

ATTACHMENT II

(4)

81 SEP 1 P 3: 05

(601) 948-2000
100 CONGRESS STREET SOUTH
POST OFFICE BOX 29827
JACKSON, MISSISSIPPI 39205

August 28, 1981

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D. C. 20463

ATTENTION: Kenneth A. Gross, Esq.
Associate General Counsel

Re: MUR 1361

Pesc

Dear Mr. McGarry:

This law firm represents The Mississippi Bank, Jackson, Mississippi. On behalf of our client, we are hereby responding to your letter of July 23, 1981, and to the accompanying General Counsel's Factual and Legal Analysis, which document is also dated July 23, 1981.

By a letter dated August 24, 1981, Kenneth A. Gross, Esq., Associate General Counsel for the Federal Election Commission, extended to September 1, 1981, The Mississippi Bank's response time.

The Mississippi Bank is a banking corporation organized and chartered under the laws of the State of Mississippi. The bank has its main office and principal place of business in Jackson, Mississippi.

The Mississippi Bank denies that it made a contribution of \$9,435.60 or of any other amount to the Carter-Mondale Presidential Committee, Inc. ("Committee"). The Mississippi Bank denies that it violated the provisions of 2 U.S.C. §441b(a), of any other provision of the Federal Election Campaign Act, of any regulation promulgated thereunder, or of any other statute or regulation. If any report has been filed with the Federal Election Commission indicating a contribution by The Mississippi Bank, then that report is in error.

In investigating the events that may have given rise to such a report, we have determined that the following transpired in connection with a visit made by former First Lady Rosalynn Carter to Jackson, Mississippi, for the purpose of speaking at a dinner held on or about December 6, 1979. In connection with the trip, the Committee incurred certain printing,

83040384245

SEP 1 P 5: 12

RECEIVED
GENERAL COUNSEL

telephone, postage, shipping, and hotel expenses totaling \$9,435.60, which sum is the amount in question.

Those expenses, which are evidenced by attached invoices, are itemized as follows:

\$1,155.00 - Premier Printing Company, for printing expenses (Exhibit A)

163.82 - The Mississippi Bank, for long distance telephone calls made on the bank's telephone (Exhibit B)

450.00 - Bill Hankins, for postage in regard to invitations (Exhibit C)

187.50 - Bob Boteler, for postage in regard to invitations (Exhibit C)

27.16 - W. P. McMullan, Jr., for postage in regard to literature (Exhibit D)

8.45 - W. P. McMullan, Jr., for postage in regard to ticket checks (Exhibit E)

17.00 - W. P. McMullan, Jr., for Federal Express charges (Exhibit F)

7,426.67 - Coliseum Ramada Inn, for use of hotel facilities (Exhibit G)

\$9,435.60 - TOTAL

In regard to the statement from the Coliseum Ramada Inn (Exhibit G), there was apparently some negotiation in regard to the original charge of \$8,561.72, which was adjusted upward to \$8,629.69 and finally downward to \$7,426.67, as will be shown in greater detail in a later exhibit.

W. P. McMullan, Jr., who made the expenditures indicated by Exhibits D, E, and F, served as finance chairman in Mississippi for the Carter-Mondale Presidential Committee, Inc. Mr. McMullan is Chairman of the Board and Chief Executive Officer of The Mississippi Bank. The aforementioned expenses evidenced by Exhibits A-G were apparently collected and tallied in Mr. McMullan's office.

The Committee was requested to pay \$2,008.93 of these expenses by a letter dated January 15, 1980 (Exhibit G-1). This \$2,008.93 sum represents all of the aforesaid total of \$9,935.60 except the \$7,426.67 bill from the Coliseum Ramada Inn. The Committee was apparently requested to pay that bill, although we are unable to find any written record of such a request.

83040384246

6

On February 20, 1980, for the purpose of paying all the said expenses, the Committee issued its check No. 5579 drawn on its operating account at The National Bank of Washington in the amount of \$9,435.60 (Exhibit H). Notations on the check stub attached to the bottom of the check indicate the purpose of the payment. The abbreviation "FLMS" apparently refers to "First Lady - Mississippi".

The Committee made its check payable to W. P. McMullan, Jr. We would point out that, by a clerical error, the "Mc" in Mr. McMullan's name was omitted. Typed under Mr. McMullan's name was his office address, The Mississippi Bank, Post Office Box 979, Jackson, Mississippi 39205.

We suspect, although we do not know for certain, that some person processing the check for a subsequent report to the Federal Election Commission erroneously listed the payee of the check as The Mississippi Bank rather than W. P. McMullan, Jr.

The Committee mailed the check to Mr. McMullan's office, where it was received on or about February 28, 1980. Mr. McMullan's secretary, Martha F. Keveryn, had the check deposited into Mr. McMullan's personal account, No. 53-7000-2, at The Mississippi Bank on February 29, 1980, as is shown by a deposit slip bearing that date (Exhibit I) and by an account statement dated March 27, 1980 (Exhibit J).

On February 29, 1980, Ms. Keveryn prepared a memorandum to Mr. McMullan announcing receipt of the check from the Committee, explaining how the check was to be divided, and indicating that the check had been deposited into Mr. McMullan's account. The memorandum further indicated that she had prepared appropriate disbursement checks for Mr. McMullan's signature (Exhibit K).

Mr. McMullan signed the various checks, which are all dated February 29, 1980. The checks, copies of which are attached as exhibits, may be identified as follows:

<u>Check No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Reference</u>
2392	Premier Printing	\$1,155.00	Exhibit L
2393	The Mississippi Bank	163.82	Exhibit M
2394	Bill Hankins	450.00	Exhibit N
2395	Bob Boteler	187.50	Exhibit O
2396	Coliseum Ramada Inn	7,426.67	Exhibit P

As you will note, the aforesaid checks correspond with the invoices identified as Exhibits A, B, C, and G. Rather than write a check or checks to himself for the sums indicated by Exhibits D, E, and F, Mr. McMullan simply left those sums in his personal account.

Appropriate notations were placed on the respective checks to indicate the purpose of the payment. Moreover - and we would invite your particular attention to this point - Mr. McMullan placed below his

83040384247

signature on each of the checks the words "Escrow Agent, Carter-Mondale Presidential Committee, Inc." Although we are unaware of any statute or regulation that required him to place these words on his checks, using these words explained to anyone who might be concerned the source of the funds and the fact that Mr. McMullan was simply making disbursement as an escrow agent. Using these words was certainly in keeping with the spirit of the Federal Election Campaign Act in regard to full disclosure of financial matters.

Before concluding this response, it would perhaps be appropriate to make reference to one other matter. The memorandum previously identified as Exhibit K makes reference to the fact that rooms at the Coliseum Ramada Inn for Patty Steele and Peter Conlon were to be complimentary. These two persons were both connected with the Carter-Mondale Presidential Committee, Inc. It is our understanding that it is customary in the hotel business to provide complimentary rooms for persons who bring conventions, large groups, or other activities involving large billings to a particular hotel. Providing complimentary rooms was thus apparently done in the ordinary course of business.

Based on the information outlined above and on the attached exhibits, The Mississippi Bank therefore respectfully submits the following conclusions:

- (1) The Mississippi Bank made no contribution to the Carter-Mondale Presidential Committee, Inc., and committed no violation of law.
- (2) No funds belonging to The Mississippi Bank were utilized in any of the subject transactions.
- (3) The sums comprising the figure of \$9,435.60 are all itemized and all represent legitimate expenses on behalf of the Committee.
- (4) The Committee paid all these expenses by Check No. 5579 in the amount of \$9,435.60.
- (5) This check was sent to W. P. McMullan, Jr., who deposited the check into his personal account and immediately wrote disbursement checks to the appropriate parties, indicating on those checks that he was acting as escrow agent for the Committee.

83040384248

8

The Mississippi Bank therefore respectfully requests that the allegations made against it by the Federal Election Commission be dismissed with prejudice. If we can provide further information concerning this matter, please do not hesitate to call on us.

Sincerely yours,

STENNETT, WILKINSON & WARD

BY: Gene A. Wilkinson
Gene A. Wilkinson

BY: James A. Peden, Jr.
James A. Peden, Jr.

Enclosures

cc: Mr. W. P. McMullan, Jr.
Douglas B. Huron, Esq.

83040384249

*Put on
bill !!*

9

INVOICE



Premier Printing Company

2485 WEST CAPITOL STREET JACKSON, MISSISSIPPI 39209
TELEPHONE 352-4091 352-4092 352-4093

SOLD TO Carter-Mondale Presidential Committee DATE 12/6/79

P. O. Box 500

JOB NO. 1799

Washington, D.C. 20044

QUANTITY	DESCRIPTION	AMOUNT
3,000	Carter Mondale Invitations Printed Scored & Folded	\$285.00
3,000	"We Will Attend" Invitations	175.00
3,000	A-7 Invitation Envelopes (Carter-Mondale)	290.00
3,000	A-2 Invitation Envelopes (Eastland)	195.00
500	Special Invitations	95.00
1,000	Tickets, Printed & Numbered	60.00
		1100.00
	TAX	55.00
YOUR P.O. NO.	BY	\$1155.00

830403394250

"EXHIBIT A"

0.00 * I

0.00 * I

0.50 +

1.52 +

0.74 +

1.43 +

0.54 +

0.50 +

6.28 +

3.56 +

5.62 +

0.84 +

6.96 +

6.51 +

0.84 +

0.84 +

0.50 +

0.88 +

0.20 +

0.50 +

0.48 +

0.52 +

0.50 +

0.50 +

0.52 +

0.52 +

1.18 +

0.50 +

0.50 +

0.52 +

0.88 +

0.52 +

0.52 +

1.18 +

3.38 +

1.36 +

3.90 +

1.14 +

1.52 +

1.96 +

0.52 +

1.34 +

0.64 +

4.42 +

2.85 +

0.50 +

0.50 +

1.50 +

0.54 +

1.10 +

FROM THE DEAN OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

Attached are copies of the banks phone bills with the billing of calls made by Peter Conlon and Patty Steele while they were on the 10th floor of the Marketing Department.

The Total of this bill is \$163.82.

*Due the bank
or Bill
Haskins*

10

83040384251

Continued
next
page

EXHIBIT B

Continued
From
previous page

(11)

1.42 +
0.50 +
0.50 +
17.41 +
1.52 +
0.50 +
2.20 +
2.18 +
0.24 +
1.01 +
0.64 +
0.52 +
0.50 +
0.50 +
0.88 +
0.50 +
0.50 +
2.24 +
0.52 +
0.52 +
7.30 +
1.52 +
0.50 +
0.50 +
0.84 +
0.54 +
2.31 +
1.52 +
0.50 +
0.50 +
4.24 +
18.18 +
0.54 +
14.44 +
0.82 +
163.82 * 1

8 3 0 4 0 3 8 4 2 5 2

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 5170							
1	10-20	2 35PM	WASHINGTON DC	202 709 7226	A	1	.50*
2	10-31	9 55AM	WASHINGTON DC	202 709 7226	A	4	1.52*
3	11-01	8 24AM	BALTIMORE MD	304 361 4004	A	2	.74*
4	11-01	5 10PM	WASHINGTON DC	202 709 7279	A	6	1.43*
5	11-01	5 25PM	WASHINGTON DC	202 709 7227	A	2	.54*
6	11-02	3 40PM	WASHINGTON DC	202 709 7226	A	1	.50*
7	11-03	1 25PM	COLUMBUS OH	614 409 1027	A	18	6.28*
8	11-03	2 40PM	WASHINGTON DC	202 709 7279	A	10	3.56*
9	11-03	5 44PM	WASHINGTON DC	202 450 1414	A	25	5.62*
10	11-03	7 00AM	WASHINGTON DC	202 709 4954	A	2	.84*
11	11-06	7 15AM	WASHINGTON DC	202 450 2145	A	20	6.96*
12	11-06	5 55PM	WASHINGTON DC	202 377 5152	A	25	6.51*
13	11-08	10 40AM	WASHINGTON DC	202 709 7279	A	2	.84*

12

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!



South Central Bell

NOV 25 1979

601 969 6100

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 5170							
1	11-08	11 32AM	WASHINGTON DC	202 450 1414	A	2	.84*
2						6	
3						1	
4	11-09	9 55AM	WASHINGTON DC	202 709 7279	A	1	.50*
5						25	
6	11-10	9 51AM	WASHINGTON DC	202 709 7226	A	6	.88*
7	11-10	9 40AM	WASHINGTON DC	202 709 7279	A	1	.20*
8						1	
9	11-13	3 51PM	WASHINGTON DC	202 223 3100	A	1	.50*
10	11-13	3 55PM	ST LOUIS MO	314 862 6200	A	1	.48*
11	11-13	3 57PM	NEW YORK NY	212 398 2273	A	1	.52*
12	11-13	4 10PM	BIRMINGHAM AL	313 643 9030	A	1	.50*
13	11-13	4 19PM	PITTSBURGH PA	412 433 1121	A	1	.50*
14	11-13	4 20PM	NEW YORK NY	212 863 4242	A	1	.52*
15	11-13	4 24PM	STAMFORD CT	203 350 2000	A	1	.52*

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!



South Central Bell

NOV 25 1979

601 969 6100

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 5170							
1	11-14	3 27PM	DETROIT MI	313 322 3000	A	3	1.18*
2	11-14	2 25PM	MINNEAPOLIS MN	612 540 2311	A	1	.50*
3	11-14	2 25PM	WASHINGTON DC	202 797 0430	A	1	.50*
4						1	
5	11-14	2 27PM	NEW YORK NY	212 586 5404	A	1	.52*
6	11-14	2 27PM	PHILA PA	215 503 8105	A	2	.88*
7	11-14	2 53PM	GREENWICH CT	203 622 6000	A	1	.52*
8	11-14	2 40PM	NEW YORK NY	212 697 0630	A	1	.52*
9	11-14	3 22PM	DETROIT MI	313 271 2750	A	3	1.18*
10	11-15	2 03PM	MOBILE MS	842 5275	A	6	3.38*

See Reverse

LUG TAX .00 SJA TAX .42 FED TAX 2.04
 TOTAL LONG DISTANCE EXCLUDING TAX 67.97

THANK YOU! IT'S A PLEASURE TO SERVE YOU!

8137 0 4 00 3ALBELA 2AREA NUM

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6173							
1	11-06	3 40PM	CANTON MS	859 4110	A	5	1.35*
2	11-06	4 00PM	WASHINGTON DC	202 450 1414	A	11	3.40*
3	11-06	4 44PM	GREENVILLE MS	555 3523	A	2	1.14*
4	11-06	4 39PM	WASHINGTON DC	202 450 7140	A	4	1.52*
5	11-13	3 22PM	MCCOMB MS	684 2231	A	4	1.56*
6	11-14	2 25PM	BRIDGEPORT CT	203 382 2000	A	1	.52*
7	11-14	3 50PM	NEWORLEANS LA	504 581 1314	A	4	1.34*
8	11-14	3 49PM	MCCOMB MS	604 2231	A	1	.64*
9	11-16	3 17PM	GREENWOOD MS	455 0121	A	15	4.42*
10	11-19	10 04AM	BILUAI MS	588 7000	A	5	2.85*

(13)

LUG TAX .00 STA TAX 1.71 FED TAX 1.61
 TOTAL LONG DISTANCE EXCLUDING TAX 54.17
 THANK YOU! IT'S A PLEASURE TO SERVE YOU!



South Central Bell

NOV 25 1979

601 969 6100

PAGE 70 DETAILS OF LONG DISTANCE CHARGES 902

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6173							
2	10-30	10 29AM	WASHINGTON DC	202 467 4100	A	1	.50*
4	11-05	4 30PM	WASHINGTON DC	202 450 1414	A	1	.50*
5	11-05	4 49PM	ATLANTA GA	404 659 0000	A	4	1.50*
6	11-06	2 57PM	VICKSBURG MS	636 1151	A	1	.54*
7	11-07	3 23PM	BIRMINGHAM AL	205 433 3200	A	3	1.10*
8	11-07	4 40PM	MUNTSVILLE AL	205 536 7441	A	4	1.42*
9	11-08	10 40AM	CHICAGO IL	312 340 5500	A	1	.50*
10	11-08	10 45AM	WASHINGTON DC	202 789 7280	A	1	.50*
11	11-08	3 00PM	KULLINGFRK MS	875 6439	A	42	17.41*
12	11-08	10 48AM	WASHINGTON DC	202 789 7226	A	4	1.52*
13	11-08	2 40PM	WASHINGTON DC	202 789 7279	A	1	.50*
14	11-08	1 52PM	WASHINGTON DC	202 789 7279	A	6	2.20*
15	11-08	7 12PM	CANTON MS	659 6367	A	13	2.18*

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!



South Central Bell

NOV 25 1979

601 969 6100

PAGE 74 DETAILS OF LONG DISTANCE CHARGES 902

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6171							
1	11-11	12 35PM	CANTON MS	859 4110	A	2	.24*
2	11-11	12 57PM	WASHINGTON DC	202 789 7279	A	7	1.01*
3	11-13	3 15PM	INDIANOLA MS	887 3412	A	1	.64*
4	11-13	4 04PM	RUCHESTER NY	716 262 3315	A	1	.52*
5	11-13	4 09PM	BATTLE CRR MI	616 905 1221	A	1	.50*
6	11-13	4 19PM	INDIANAPLS IN	317 924 5471	A	1	.50*
7	11-13	4 20PM	NEW YORK NY	212 571 2345	A	2	.88*
8	11-14	2 22PM	DETROIT MI	313 322 3000	A	1	.50*
9	11-14	2 29PM	DAYTON OH	513 434 7300	A	1	.50*
10	11-14	4 07PM	GULFPURT MS	804 3544	A	4	2.24*
11	11-14	2 24PM	STAMFORD CT	203 357 2000	A	1	.52*
12	11-14	2 20PM	NEW HAVEN CT	203 865 4121	A	1	.52*

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!

LUG TAX .00 STA TAX .16 FED TAX 1.68
 TOTAL LONG DISTANCE EXCLUDING TAX 62.82

NO	DATE	TIME	PLACE CALLED	AREA NO	EX	T	MIN	AMOUNT
				CHARGES FOR 969 0171				
1	11-02	3 00PM	WASHINGTON DC	202	789	7225	A	21 7.30*
2	11-05	12 00PM	WASHINGTON DC	202	789	7227	A	4 1.52*
3	11-05	1 00PM	WASHINGTON DC	202	456	6200	A	1 .50*
4	11-05	1 58PM	WASHINGTON DC	202	789	4754	A	1 .50*
5	11-05	9 09AM	WASHINGTON DC	202	789	7226	A	2 .84*
6	11-06	6 10PM	WASHINGTON DC	202	456	1414	A	2 .54*
7	11-06	5 20PM	WASHINGTON DC	202	456	7800	A	10 2.31*
8	11-06	9 11AM	WASHINGTON DC	202	456	7000	A	4 1.52*
9	11-06	9 52AM	CLEVELAND OH	216	690	1000	A	1 .50*
10	11-06	3 00PM	WASHINGTON DC	202	789	7279	A	1 .50*
11	11-06	4 10PM	WASHINGTON DC	202	789	7279	A	12 4.24*
12	11-06	4 50PM	WASHINGTON DC	202	377	5152	A	53 18.18*
13	11-06	5 25PM	WASHINGTON DC	202	789	7226	A	2 .54*
14	11-06	2 10PM	CLEVELAND OH	216	690	1000	A	42 14.44*
15	11-09	11 20AM	ATLANTA GA	404	500	8000	A	2 .82*

14

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!

3 0 4 0 3 8 4 2 6 5

FROM THE DEAR OF
W. P. McMULLAN, JR.
CHAIRMAN

15

January 15, 1980

attached are postage slips for mailing
out invitations for the dinner.

Total \$637.50

\$37.50



due ~~1980~~
Bill Perkins
has already paid his
getty cash advances
etc

\$450

83040384236

\$150.00



FROM THE DESK OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

Attached is a postage slip for
the purpose of mailing a box of
hand out literature that was left
back to Patty Steele.

Total is \$27.16

27.16



due wpm

"EXHIBIT D"

FROM THE DESK OF
W. P. McMULLAN, JR.
CHAIRMAN

17

January 15, 1980

Attached is a postage slip from
Express mail to send money
(Checks) raised for dinner.

Total is \$8.45

\$8.45



due WPM

EXPRESS MAIL POST OFFICE TO ADDRESSEE

13225519

FROM: W.P. McMullan, Jr.
P.O. Box 979
Jackson, MS 39205

ORIGIN:
Initials of Receiving Clerk: *W*
Post Office: 39205
Date: 11-29-79
Time: 4:35 P.M.
Weight: 2 lb 8.10

SERVICE GUARANTEE:
Domestic mailings under this service made at designated USPS locations on or before a specified drop-off time will be accepted for express shipment to a designated USPS delivery area having Express Mail service for next day delivery to an addressee or agent on or before the time specified by the USPS at mailing. USPS will refund upon application to mailing office the postage for any shipments mailed under this service and not meeting the service standard except for those delayed by strike or work stoppage. See USPS Notice 43 for details.

INSURANCE COVERAGE
1) The general liability for loss of domestic and international mail items under this department are insured against loss of value up to \$500 per piece of mail. See USPS Notice 7 for limitations of coverage.
2) Merchandise Insurance (Domestic Mail only). Parcels are insured against loss or damage up to \$500. The sender must declare the value of the article at the time of mailing. See USPS Notice 13 or Notice 63 for limitations of coverage.
Claims for loss, delay or damage must be made within 60 days. Claim forms may be obtained at the post office of mailing.

Value Declared, if any: Customer Number, if any:
TO: Tim Finchem
1413 K Street NW
11th Floor
Washington, DC 20005

EXPRESS MAIL SERVICE
Customer Receipt

"EXHIBIT E"

18

FROM THE DESK OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

Attached is a Federal Express
bill for \$17.00 to send checks
raised for Dinner.

lue WPM

"EXHIBIT F"

FEDERAL EXPRESS

DD FORM 95 NOV 64

Mail Payment to:
Federal Express Corporation
P.O. Box 727 Dept. A
Memphis, Tn. 38194

Bank No.

Freight Payment Plan

20

Bill to:

Shipper: 392-0000-7

THE MISSISSIPPI BANK
329 E CAPITAL ST
JACKSON MS 39201

THE MISSISSIPPI BANK
329 E CAPITAL ST
JACKSON MS

PAYMENT DUE IN 15 DAYS

The charge below includes a 5% Federal Excise Tax on the air transportation portion and related accessorial services.

Customer Account No. 392-0000-7		Invoice No. 9-330-12306		Invoice Date 11/26/79		Important		Date Shipped 11/15/79		Bill To: PRE-PAID		Consignment Scale
Federal Express - Control ID	Airbill Number	Svc	Rate Scale	No. Pkgs.	Weight	Net Weight Charge	Insurance	Other Charges			Shipping Cost	Shipper Reference
89040603	032642197	8	D	1	2	1700					1700	
1 Priority 1	6 SSS	Service Codes ▲		1 Address Corrections.	▲ Other Charge Code ▲	TOTAL CHARGE	Remit this Am					
2 Std. Air	8 Post Paid C/P			2 Returned Shipment.	3 Advance 4 Handling.	17.00	within 15					
4 Hazardous Mat	5 Shipment			5 Saturday Delivery.	6 International Service.							
5 PSS				7 International Expedited.	8. Out of Delivery Area							

*Ref 12/11/79
at 2284
Personal*

gone back for Carter file!

392-0000-7

9-330-12306

11/26/79

17.00

Check or
Perforate

Account Number

Invoice Number

Date

Amount Due

3920000793301230695000170045

Remittance
Stub

PAYMENT DUE IN 15 D

THE MISSISSIPPI BANK
329 E CAPITAL ST
JACKSON MS 39201

MAIL PAYMENT TO
FEDERAL EXPRESS CORP.
P.O. BOX 727 DEPT. A
MEMPHIS, TN 38194



To insure proper credit, please return
this portion with your remittance.

FEDERAL EXPRESS

830401-8426

DATE 01-16-80

(21)

COLISEUM RAMADA INN

155 & HIGH STREET JACKSON, MISSISSIPPI 39205 P. O. BOX 893

• CARTER MONDALE PRESIDENTIAL CAMP.
1413 K. St. N.W.
Washington, D.C. 20005
Attn: Donna Sagmiller

Detach and Return this Stub With Remittance.

Amt. Remitted \$ _____

DATE	INVOICE PERIOD	AMOUNT	PAYMENTS	BALANCE DUE
------	----------------	--------	----------	-------------

BALANCE BROUGHT FORWARD

12-6-79

\$8,561.72

Service Chg. - 57.86

1 month Delinquent 8,501.86 + 28.43

\$8,690.15

→ 129.53

48,629.39

7,426⁰⁰ paid
owe steel Restaurant
*\$ 175.78 room ~~etc~~ O P ******
368.78 Conlon

\$ 544.56 Restaurant
changes +
Peter
Conlon

OUR TERMS ARE NET 10 DAYS
FINANCE CHARGE OF 1 1/2%
PER MONTH CHARGED ON
FAST DUE ACCOUNTS

Your Check is Your Receipt COLISEUM RAMADA INN Pay Last Amount Shown in This Column
1-55 & HIGH STREET P. O. BOX 893 JACKSON, MISSISSIPPI 39205

"EXHIBIT G"

ROOM 428A 1006 NAME STEELE, PATY 1.20.50
 STREET ADDRESS DATE
 CITY STATE & ZIP

INITIALS: OUT IN
 FOLIO NUMBER 0296
 YES TRAVEL AGENT
 NO COMMISSION

22

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE
NOV 17	ROOM 100	C* 28.50			58
NOV 17	TAX 100	C* 1.43		615.30 *	61
NOV 18	LDIST 100	A* 2.35		617.65 *	61
NOV 18	PHONE 200	A* 11.42		629.07 *	62
NOV 18	ROOM 100	C* 28.50			
NOV 18	TAX 100	C* 1.43		659.00 *	65
NOV 19	ROOM 100	C* 28.50			
NOV 19	TAX 100	C* 1.43		688.93 *	68
NOV 20	LDIST 100	B* 2.31		691.24 *	69
NOV 20	LDIST 100	B* 3.04			
NOV 20	LDIST 100	B* 3.22		697.90 *	69
NOV 20	ROOM 100	C* 28.50			
NOV 20	TAX 100	C* 1.43		727.83 *	72
NOV 21	LDIST 100	C* 28.50			
NOV 21	TAX 100	C* 1.43		757.76 *	75
NOV 22	ROOM 100	C* 28.50			
NOV 22	TAX 100	C* 1.43		787.69 *	78
NOV 24	PHONE 200	C* .00		787.69 *	78
NOV 30	PHONE 200	C* .00		787.69 *	78
DEC - 1	PHONE 200	C* .00		787.69 *	78
DEC - 5	LDIST 200	A* 3.66			
DEC - 5	RESTR 200	A* 3.89		795.24 *	79
DEC - 5	RESTRM 200	B* 4.20		799.44 *	79
DEC - 5	RESTR 200	B* 15.59		815.03 *	
	Rest.	16.91			
	Copies	2.30			
				834.24	

8304038425

COLISEUM

RAMADA INN

Steele, Patti 2850 FOLIO NUMBER 02294

ADDRESS RATE

DATE

FROM FOLIO TO FOLIO

REPRESENTING CLERK

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE
ROOM 100	A* 28.50		28.50	28.50
TAX 100	C* 1.43		30.93 *	30.93
ROOM 180	C* 28.50		59.43 *	59.43
TAX 100	C* 1.43		60.86 *	60.86
ROOM 100	C* 28.50		89.36 *	89.36
TAX 100	C* 1.43		90.79 *	90.79
TAX 100	C* 1.43		92.22 *	92.22
ROOM 100	C* 28.50		120.72 *	120.72
TAX 100	C* 1.43		122.15 *	122.15
ROOM 100	C* 28.50		150.65 *	150.65
TAX 100	C* 1.43		152.08 *	152.08
ROOM 100	A* 28.50		180.58 *	180.58
TAX 100	C* 1.43		182.01 *	182.01
ROOM 100	A* 28.50		210.51 *	210.51
TAX 100	C* 1.43		211.94 *	211.94
ROOM 100	A* 28.50		240.44 *	240.44
TAX 100	C* 1.43		241.87 *	241.87
ROOM 100	A* 28.50		270.37 *	270.37
TAX 100	C* 1.43		271.80 *	271.80
ROOM 100	A* 28.50		300.30 *	300.30
TAX 100	C* 1.43		301.73 *	301.73
ROOM 100	A* 28.50		330.23 *	330.23
TAX 100	C* 1.43		331.66 *	331.66
ROOM 100	A* 28.50		360.16 *	360.16
TAX 100	C* 1.43		361.59 *	361.59
ROOM 100	A* 28.50		390.09 *	390.09
TAX 100	C* 1.43		391.52 *	391.52
ROOM 100	A* 28.50		419.02 *	419.02
TAX 100	C* 1.43		420.45 *	420.45
ROOM 100	A* 28.50		448.95 *	448.95
TAX 100	C* 1.43		450.38 *	450.38
ROOM 100	A* 28.50		478.88 *	478.88
TAX 100	C* 1.43		480.31 *	480.31
ROOM 100	A* 28.50		508.81 *	508.81
TAX 100	C* 1.43		510.24 *	510.24
ROOM 100	A* 28.50		538.74 *	538.74
TAX 100	C* 1.43		540.17 *	540.17
ROOM 100	A* 28.50		568.67 *	568.67
TAX 100	C* 1.43		570.10 *	570.10
ROOM 100	A* 28.50		598.60 *	598.60
TAX 100	C* 1.43		600.03 *	600.03
ROOM 100	A* 28.50		628.53 *	628.53
TAX 100	C* 1.43		630.00 *	630.00
ROOM 100	A* 28.50		658.50 *	658.50
TAX 100	C* 1.43		660.00 *	660.00
ROOM 100	A* 28.50		688.50 *	688.50
TAX 100	C* 1.43		690.00 *	690.00
ROOM 100	A* 28.50		718.50 *	718.50
TAX 100	C* 1.43		720.00 *	720.00
ROOM 100	A* 28.50		748.50 *	748.50
TAX 100	C* 1.43		750.00 *	750.00
ROOM 100	A* 28.50		778.50 *	778.50
TAX 100	C* 1.43		780.00 *	780.00
ROOM 100	A* 28.50		808.50 *	808.50
TAX 100	C* 1.43		810.00 *	810.00
ROOM 100	A* 28.50		838.50 *	838.50
TAX 100	C* 1.43		840.00 *	840.00
ROOM 100	A* 28.50		868.50 *	868.50
TAX 100	C* 1.43		870.00 *	870.00
ROOM 100	A* 28.50		898.50 *	898.50
TAX 100	C* 1.43		900.00 *	900.00
ROOM 100	A* 28.50		928.50 *	928.50
TAX 100	C* 1.43		930.00 *	930.00
ROOM 100	A* 28.50		958.50 *	958.50
TAX 100	C* 1.43		960.00 *	960.00
ROOM 100	A* 28.50		988.50 *	988.50
TAX 100	C* 1.43		990.00 *	990.00
ROOM 100	A* 28.50		1018.50 *	1018.50
TAX 100	C* 1.43		1020.00 *	1020.00
ROOM 100	A* 28.50		1048.50 *	1048.50
TAX 100	C* 1.43		1050.00 *	1050.00
ROOM 100	A* 28.50		1078.50 *	1078.50
TAX 100	C* 1.43		1080.00 *	1080.00
ROOM 100	A* 28.50		1108.50 *	1108.50
TAX 100	C* 1.43		1110.00 *	1110.00
ROOM 100	A* 28.50		1138.50 *	1138.50
TAX 100	C* 1.43		1140.00 *	1140.00
ROOM 100	A* 28.50		1168.50 *	1168.50
TAX 100	C* 1.43		1170.00 *	1170.00
ROOM 100	A* 28.50		1198.50 *	1198.50
TAX 100	C* 1.43		1200.00 *	1200.00
ROOM 100	A* 28.50		1228.50 *	1228.50
TAX 100	C* 1.43		1230.00 *	1230.00
ROOM 100	A* 28.50		1258.50 *	1258.50
TAX 100	C* 1.43		1260.00 *	1260.00
ROOM 100	A* 28.50		1288.50 *	1288.50
TAX 100	C* 1.43		1290.00 *	1290.00
ROOM 100	A* 28.50		1318.50 *	1318.50
TAX 100	C* 1.43		1320.00 *	1320.00
ROOM 100	A* 28.50		1348.50 *	1348.50
TAX 100	C* 1.43		1350.00 *	1350.00
ROOM 100	A* 28.50		1378.50 *	1378.50
TAX 100	C* 1.43		1380.00 *	1380.00
ROOM 100	A* 28.50		1408.50 *	1408.50
TAX 100	C* 1.43		1410.00 *	1410.00
ROOM 100	A* 28.50		1438.50 *	1438.50
TAX 100	C* 1.43		1440.00 *	1440.00
ROOM 100	A* 28.50		1468.50 *	1468.50
TAX 100	C* 1.43		1470.00 *	1470.00
ROOM 100	A* 28.50		1498.50 *	1498.50
TAX 100	C* 1.43		1500.00 *	1500.00
ROOM 100	A* 28.50		1528.50 *	1528.50
TAX 100	C* 1.43		1530.00 *	1530.00
ROOM 100	A* 28.50		1558.50 *	1558.50
TAX 100	C* 1.43		1560.00 *	1560.00
ROOM 100	A* 28.50		1588.50 *	1588.50
TAX 100	C* 1.43		1590.00 *	1590.00
ROOM 100	A* 28.50		1618.50 *	1618.50
TAX 100	C* 1.43		1620.00 *	1620.00
ROOM 100	A* 28.50		1648.50 *	1648.50
TAX 100	C* 1.43		1650.00 *	1650.00
ROOM 100	A* 28.50		1678.50 *	1678.50
TAX 100	C* 1.43		1680.00 *	1680.00
ROOM 100	A* 28.50		1708.50 *	1708.50
TAX 100	C* 1.43		1710.00 *	1710.00
ROOM 100	A* 28.50		1738.50 *	1738.50
TAX 100	C* 1.43		1740.00 *	1740.00
ROOM 100	A* 28.50		1768.50 *	1768.50
TAX 100	C* 1.43		1770.00 *	1770.00
ROOM 100	A* 28.50		1798.50 *	1798.50
TAX 100	C* 1.43		1800.00 *	1800.00
ROOM 100	A* 28.50		1828.50 *	1828.50
TAX 100	C* 1.43		1830.00 *	1830.00
ROOM 100	A* 28.50		1858.50 *	1858.50
TAX 100	C* 1.43		1860.00 *	1860.00
ROOM 100	A* 28.50		1888.50 *	1888.50
TAX 100	C* 1.43		1890.00 *	1890.00
ROOM 100	A* 28.50		1918.50 *	1918.50
TAX 100	C* 1.43		1920.00 *	1920.00
ROOM 100	A* 28.50		1948.50 *	1948.50
TAX 100	C* 1.43		1950.00 *	1950.00
ROOM 100	A* 28.50		1978.50 *	1978.50
TAX 100	C* 1.43		1980.00 *	1980.00
ROOM 100	A* 28.50		2008.50 *	2008.50
TAX 100	C* 1.43		2010.00 *	2010.00
ROOM 100	A* 28.50		2038.50 *	2038.50
TAX 100	C* 1.43		2040.00 *	2040.00
ROOM 100	A* 28.50		2068.50 *	2068.50
TAX 100	C* 1.43		2070.00 *	2070.00
ROOM 100	A* 28.50		2098.50 *	2098.50
TAX 100	C* 1.43		2100.00 *	2100.00
ROOM 100	A* 28.50		2128.50 *	2128.50
TAX 100	C* 1.43		2130.00 *	2130.00
ROOM 100	A* 28.50		2158.50 *	2158.50
TAX 100	C* 1.43		2160.00 *	2160.00
ROOM 100	A* 28.50		2188.50 *	2188.50
TAX 100	C* 1.43		2190.00 *	2190.00
ROOM 100	A* 28.50		2218.50 *	2218.50
TAX 100	C* 1.43		2220.00 *	2220.00
ROOM 100	A* 28.50		2248.50 *	2248.50
TAX 100	C* 1.43		2250.00 *	2250.00
ROOM 100	A* 28.50		2278.50 *	2278.50
TAX 100	C* 1.43		2280.00 *	2280.00
ROOM 100	A* 28.50		2308.50 *	2308.50
TAX 100	C* 1.43		2310.00 *	2310.00
ROOM 100	A* 28.50		2338.50 *	2338.50
TAX 100	C* 1.43		2340.00 *	2340.00
ROOM 100	A* 28.50		2368.50 *	2368.50
TAX 100	C* 1.43		2370.00 *	2370.00
ROOM 100	A* 28.50		2398.50 *	2398.50
TAX 100	C* 1.43		2400.00 *	2400.00
ROOM 100	A* 28.50		2428.50 *	2428.50
TAX 100	C* 1.43		2430.00 *	2430.00
ROOM 100	A* 28.50		2458.50 *	2458.50
TAX 100	C* 1.43		2460.00 *	2460.00
ROOM 100	A* 28.50		2488.50 *	2488.50
TAX 100	C* 1.43		2490.00 *	2490.00
ROOM 100	A* 28.50		2518.50 *	2518.50
TAX 100	C* 1.43		2520.00 *	2520.00
ROOM 100	A* 28.50		2548.50 *	2548.50
TAX 100	C* 1.43		2550.00 *	2550.00
ROOM 100	A* 28.50		2578.50 *	2578.50
TAX 100	C* 1.43		2580.00 *	2580.00
ROOM 100	A* 28.50		2608.50 *	2608.50
TAX 100	C* 1.43		2610.00 *	2610.00
ROOM 100	A* 28.50		2638.50 *	2638.50
TAX 100	C* 1.43		2640.00 *	2640.00
ROOM 100	A* 28.50		2668.50 *	2668.50
TAX 100	C* 1.43		2670.00 *	2670.00
ROOM 100	A* 28.50		2698.50 *	2698.50
TAX 100	C* 1.43		2700.00 *	2700.00
ROOM 100	A* 28.50		2728.50 *	2728.50
TAX 100	C* 1.43		2730.00 *	2730.00
ROOM 100	A* 28.50		2758.50 *	2758.50
TAX 100	C* 1.43		2760.00 *	2760.00
ROOM 100	A* 28.50		2788.50 *	2788.50
TAX 100	C* 1.43		2790.00 *	2790.00
ROOM 100	A* 28.50		2818.50 *	2818.50
TAX 100	C* 1.43		2820.00 *	2820.00
ROOM 100	A* 28.50		2848.50 *	2848.50
TAX 100	C* 1.43		2850.00 *	2850.00
ROOM 100	A* 28.50		2878.50 *	2878.50
TAX 100	C* 1.43		2880.00 *	2880.00
ROOM 100	A* 28.50		2908.50 *	2908.50
TAX 100	C* 1.43		2910.00 *	2910.00
ROOM 100	A* 28.50		2938.50 *	2938.50
TAX 100	C* 1.43		2940.00 *	2940.00
ROOM 100	A* 28.50		2968.50 *	2968.50
TAX 100	C* 1.43		2970.00 *	2970.00
ROOM 100	A* 28.50		2998.50 *	2998.50

NAME: **STEELE, PATTY** DATE: **1/28.50** FOLIO NUMBER: **02294**
 1413 K ST NW
 WASHINGTON DC
 EXPRESS: **CARTER MONDALE CAMPAIGN** YES TRAVEL AGENTS
 LC/MS NO COMMISSION

24

1066
83040384265

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
			9.82	
7	FLODIST 101	C* 9.82		C* 0.00
1-178	ROOM 101	C* 28.50	* 39.75	* 39.75
1-178	TAX 101	C* 1.43	* 41.96	* 41.96
2-278	RESTR 101	A* 2.21	* 47.68	* 47.68
1-278	LDIST 101	B* 5.72		
1-278	ROOM 101	C* 28.50	* 77.61	* 77.61
1-278	TAX 101	C* 1.43	* 84.44	* 84.44
1-378	RESTR 101	B* 6.83	* 86.75	* 86.75
1-478	LDIST 101	C* 2.31		
1-478	ROOM 101	C* 28.50	* 116.68	* 116.68
1-478	TAX 101	C* 1.43	* 122.49	* 122.49
1-578	LDIST 101	B* 5.81		
1-578	ROOM 100	C* 28.50	* 152.42	* 152.42
1-578	TAX 100	C* 1.43		
1-578	ROOM 100	C* 28.50	* 182.35	* 182.35
1-578	TAX 100	C* 1.43		
1-678	ROOM 100	C* 28.50	* 212.28	* 212.28
1-678	TAX 100	C* 1.43	* 215.80	* 215.80
1-778	RESTR 100	A* 3.52	* 219.74	* 219.74
1-778	RESTR 100	B* 3.94		
1-778	ROOM 100	C* 28.50	* 249.67	* 249.67
1-778	TAX 100	C* 1.43		
1-878	RESTR 100	C* 28.50		
1-878	TAX 100	C* 1.43	* 279.60	* 279.60

COLISEUM

RAMADA INN A

BETWEEN HIGH & PEARL STREET JACKSON, MISS. 39202

1.28.50

5 X ST NW

WASHINGTON, D.C.

25

YES

TRAVEL AGENTS

NO

COMMISSION

REVENUE

BALANCE

PREVIOUS BALANCE
PICKUP

REFERENCE

CHARGES

CREDITS

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
ROOM 7	C* 20.50		* 29.93	
TAX 7	C* 1.43		* 32.29	
LINEN	C* 2.30			
ROOM 7	C* 20.50		* 62.22	
TAX 7	C* 1.43			
ROOM 7	C* 20.50		* 92.15	
TAX 7	C* 1.43			
ROOM 7	C* 20.50		* 122.08	
TAX 7	C* 1.43			
ROOM 7	C* 20.50		* 152.01	
TAX 7	C* 1.43			
LINEN	C* 2.31		* 155.50	
ROOM 7	C* 20.50		* 185.83	
TAX 7	C* 1.43			
ROOM 7	C* 20.50		* 215.76	
TAX 7	C* 1.43			
ROOM 7	C* 20.50		* 245.69	
TAX 7	C* 1.43			
ROOM 7	C* 20.50		* 275.62	
TAX 7	C* 1.43			
ROOM 7	C* 20.50		* 305.55	
TAX 7	C* 1.43		XXXX	

COLISEUM

RAMADA INN A

100 BETWEEN HIGH & PEARL ST. JACKSON, MISS. 39202

4.07.24 2.16

0.00 T

(27)

0.00 T

181.89 +
36.96 +
29.93 +
59.86 +
59.86 +

P. J. 368.78 +

183.75 +
34.37 +
12.60 +
217.90 +
33.68 +
89.76 +
6116.26 +

P. J. 834.24 +
8259.84 S

0.00 T

8259.84 +
301.88 +
8561.72 T

8501.86 +
127.83 +
8629.69 +

2561.72 +
50.86 -
8501.86 ◊
127.53 +
8629.30 +

8
3
0
4
0
3
8
4
2
6
8

STREET ADDRESS		DATE	NUMBER	
STATE & ZIP				
REPRESENTING	CLERK	FROM FOLIO	TO FOLIO	

28

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE R * PICKUP 00
8-18-69	TELE 990-	\$ 301.88		* 301.88	

83040384269

COLISEUM

RAMADA INN A

HO1-969 2141 1-55 BETWEEN HIGH & PEARL STREET JACKSON, MISS. 39202

RESTAURANT

JACKSON, MISSISSIPPI

53109

DATE	SERVER	TABLE NO.	PERSONS
12.6.79			
2 Chivan REGAL @ 35.00			70.00
8 Jack DANIELS @ 22.50			180.00
Subtotal			250.00
Service Charge			37.50
			287.50
			14.38
TOTAL			301.88
Carter Mondale Re-Election Committee			

83040384270

HARTMAN, VICT

1.2550

FOLIO NUMBER

24377

30

ADDRESS
312 KITCHING DR

RATE

CLINTON, MS

YES

TRAVEL AGENTS

REPRESENTING

Clinton

IS

NO

COMMISSION

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	20.00		*	
	1.00		*	29.00
	2.31		*	32.28
	20.00			
	1.00		*	62.17
	20.00			
	1.00		*	92.10
	7.00			
	1.00		*	122.03
	20.00			
	1.00		*	151.06
	20.00			
	1.00		*	161.00
	2.00	<i>Bag tip</i>	*	163.00
	1.25		*	164.25

Check to frontman

COLISEUM

RAMADA INN A

83040384271

NAME: HOYT, MARY DATE: 1/28.50 FOLIO NUMBER: 25179
 CITY ADDRESS: _____ RATE: _____
 STATE & ZIP: _____
 REPRESENTING: PRESS SECRETARY CLERK: _____
 YES TRAVEL AGENTS
 NO COMMISSION

31

TE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	ROOM 1	C* 28.50			
	TAX 1	C* 1.43		* 29.93	
		C* 2.50	Bns + ip	* 32.43	
		C* 1.25		* 33.68	
		C* 3.20		* 36.88	

DEC 7 4 34 PM '79

83040384272

COLISEUM

**RAMADA
INN A**

HOSPITALITY ROOM FOR PRESS

02422

32

ST ADDRESS

RATE
28.50

ROOM
NUMBER

STATE & ZIP

YES TRAVEL AGENTS

REPRESENTING
VICKIE HARTMAN

CLERK

NO COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	ROOM	28.50			
	TAX	1.43		29.93	

83640384275

COLISEUM

RAMADA INN A

BETWEEN HIGH & PEARL STREET JACKSON, MISS 39202

24436

33

CRYSTAL, JACKIE

RATE

NUMBER

STATE & ZIP

YES

TRAVEL AGENTS

REPRESENTING

CLERK

NO

COMMISSION

CARTER-MONDALF CAMPAIGN

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	* 28.50			
	* 1.43		* 29.93	
	* 28.50			
	* 1.43		* 59.86	

51 PM '73

0304060427

COLISEUM

RAMADA
INN A

123 BROADWAY, ANCHORAGE, ALASKA 99501

34

LAST NAME: 1047
 FIRST NAME: CAROL-MONDALE
 HOSPITALITY
 RATE: 150.00
 FOLIO NUMBER: 0256
 YES TRAVEL AGENTS
 NO COMMISSION
 CLERK

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	ROOM 1	150.00		* 157.50	
	TAX 1	7.50			
	TAX 2	25.00		* 183.75	
	TAX 3	1.25			

COLISEUM

RAMADA INN A

7040

35

02559

ROOM 207
 LAST NAME MOOREAN, M.
 STREET ADDRESS
 FIRST INITIAL OUT RATE
 FOLIO NUMBER

CITY STATE & ZIP
 REPRESENTING
 CLERK
 YES TRAVEL AGENTS
 NO COMMISSION

REPRESENTING CARTER-MONDALE

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	POST 1	C* 29.50		+ 29.53	
	TAX 1	C* 1.03		* 30.56	
	7-RESTR	C* 1.18			

DEC 7 4 34 PM '79

COLISEUM

RAMADA INN

12-20

CYBLED-AL

36

9 MR. CARTER & MONDALE CAMPAIGN

FOLIO NUMBER

STREET ADDRESS

DATE

STATE & ZIP

FROM FOLIO TO FOLIO

REPRESENTING

CLERK

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
EC-4	MISC 999	B* 12.00			
EC-4	TAX 999	B* .60		* 12.60	

83040384277

COLISEUM

RAMADA INN

801-969-2141

155 BETWEEN HIGH & PEARL STREET

JACKSON, MISS. 39202

BOWIE & FERGUS, INC.
 459 HIGHWAY 51
 RIDGELAND, MS 39157

37

NAME <i>Ramada Inn. Col.</i>		No. 09643	
ADDRESS <i>P.O. Box 893</i>		DATE AND TIME OUT <i>12-11-79</i>	
<i>Jackson Ms 39205</i>		DATE AND TIME IN	
DRIVER'S LICENSE #	REGISTRATION #	PHONE	TOTAL TIME <i>1 Extra day</i>
ADDRESS WHERE ITEM IS TO BE USED <i>Same / Carter Campaign</i>		DUE BACK	

ITEM RENTED	PERIOD OF TIME	RATE	AMOUNT
<i>1 Extra day's rental for 1 #3670 Carter recorder</i>	<i>1 extra day</i>		<i>6.00</i>
<i>Extension of drv. #10346</i>			
MERCHANDISE SOLD	QTY. OUT	QTY. USED	AMOUNT
<p>BOWIE & FERGUS, INC. 459 HIGHWAY 51 RIDGELAND, MS 39157</p>			

This is a contract of renting only and not of sale, the undersigned renter agrees that he has rented the item(s) herein described upon the express condition that it will at all times remain the property of the rental agent named above; that he has examined said item, found it to be in good condition and will return it in as good condition as when he received it, ordinary wear and tear excepted; that he will return at once to the rental agent any item not functioning normally; that he will pay promptly when due all charges which accrue because of this rental, including damages to said item, in the event the renter fails to return said item at the agreed time, or fails to abide by any of the other terms of this contract, the rental agent may repossess it without notice to the renter, and the rental agent is hereby released from all claims arising therefrom. All charges are based on the time item is in renter's possession whether in use or not. The rental agent is not responsible for accidents or injuries caused directly or indirectly in the use of the rented item.

TOTAL RENT	<i>6.00</i>
TOTAL MERCHANDISE	
TAX	<i>30</i>
TOTAL CHARGES	
LESS DEPOSIT	
TOTAL DUE	<i>6.30</i>
REFUND	

CUSTOMER'S SIGNATURE

RENTAL AGREEMENT

8304938427

10/14/19 NAME
HATFIELD, ROBBY

(FIRST) 1.20.50 57.8

OUT IN
6 1

FOLIO NUMBER 25002

38

ST ADDRESS
THE WHITE HOUSE

RATE

CITY WASHINGTON, D.C.

REPRESENTING

PERN

YES TRAVEL AGENTS

NO COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
		20.50			
	TAX 700	C* 1.43		* 29.93	
	LDIST	C* 2.41		* 32.34	
	ROOM	C* 23.50			
	TAX 700	C* 1.43		* 62.27	
	ROOM	C* 23.50			
	TAX 700	C* 1.43		* 92.20	
	ROOM	C* 23.50			
	TAX 100	C* 1.43		* 122.13	
	RESTO	C* 2.55		* 124.68	
	ROOM	C* 28.50			
	TAX 100	C* 1.43		* 154.61	
	LDIST	C* 3.44	703-549-6080	* 158.05	
	ROOM	C* 57.00			
	TAX 100	C* 2.85		* 217.90	

4:038427

COLISEUM

RAMADA
INN A

39

25180

NAME COSTELLO, PAUL 1/28.50
INITIALS: C P
OUT: 7
IN: 6
RATE: 1/28.50

FOLIO NUMBER: 25180
TRAVEL AGENTS: YES
COMMISSION: NO
CLERK: NO

REPRESENTING: DEPUTY PRESS SECRETARY

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	23.50		★ 29.93	
TAX	★ 1.43		★ 32.43	
	★ 2.50	3M tip	★ 33.68	
	★ 1.25			

DEC 7 4 34 PM '79

4 0 3 8 4 2 8 10

COLISEUM

RAMADA INN A

8 31 61 4 0 3 3 4 2 9

DATE	REFERENCE	CHARGES	CREDITS	BA
12-07	TESTR 1	C* 3.13		*
12-07	ROOM 1	C* 02.50		*
12-07	TAX 1	C* 4.13		*

DEC 7 4 34 PM '79

COLISEUM

RAMADA INN

(LAST) 1905 (FIRST) MRS. CARTER (RATE) 1-82.50 (OUT) 7 (IN) 6 (FOLIO NUMBER) 02560
 (BY ADDRESS) (STATE & ZIP) (REPRESENTING) (CLERK) YES TRAVEL AGENTS NO COMMISSION

40

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE - PICKUP
	RESTR 1	C* 3.13		★ 3.13	
	REST 1	C* 82.50			
	TAX 1	C* 4.13		★ 89.76	

DEC 7 4 34 PM '79

COLISEUM

**RAMADA
INN A**

18 131 61 4 01 3 9 412 08 4

41

NAME (FIRST) **Carter Mondale Re-election Committee** INITIALS **OUT IN** FOLIO NUMBER
 RATE
 STREET ADDRESS
 STATE & ZIP
 REPRESENTING
 CLERK
 FROM FOLIO
 TO FOLIO

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	TELEPHONE	A* 84.00			
	TELEPHONE	A* 17.04			
	TELEPHONE	A* 103.00			
	TELEPHONE	A* 226.00			
	TELEPHONE	A* 363.00			
	TELEPHONE	A* 100.51			
	TELEPHONE	A* 222.00			
	TELEPHONE	A* 57.75			
	TELEPHONE	A* 103.36			
12-12-79	Trnf. to Ms. Bank		222.00	* 6,330.26	
				6,116.26	

COLISEUM

RAMADA
INN A

1000 N. GARDEN STREET JACKSON, MISS 39209

2 8
4 0 3 9 1

(42)

COLISEUM RAMADA INN
JACKSON, MISSISSIPPI

23953

DATE	SERVER	TABLE NO.	PERSONS
12/6/79		Room 1000	
Soft drinks (24 cans @ \$.60 each)			14.40
Iced Tea (1 gals. @ \$7/gal.)			7.00
Coffee (1 gals. @ \$9/gal.)			9.00
sub total			30.40 11.40
+15% service charge			4.56 16.76
+5% tax			1.52 5.57
TOTAL			36.48 133.68
			103.36
Carter Mondale Re-Election Committee			

4 1 3 8 4 2 3 3

COLISEUM RAMADA INN
JACKSON, MISSISSIPPI

23981

43

DATE	SERVER	TABLE NO.	PERSONS
12/7/79		Gallery AB	
PUBLIC SPACE RENTAL			\$55.00
+5% tax			2.75
TOTAL			57.75
Carter Mondale Re-election Committee.			

492728

COLISEUM RAMADA INN
JACKSON, MISSISSIPPI

23952

46

DATE	SERVER	TABLE NO.	PERSONS
12/6/79		Room 1070	
1 trays assorted meats, cheeses breads and condiments \$70 per tray			70.00
1 trays chip @ \$20 each			20.00
sub total			90.00
+15% service charge			13.50
+5% tax			4.50
TOTAL			108.00
Carter Mondale Re-Election Committee			
MP			

4 0 2 3 2 3

W. P. McMULLAN, JR.
CHAIRMAN OF THE BOARD
AND
CHIEF EXECUTIVE OFFICER

January 15, 1980

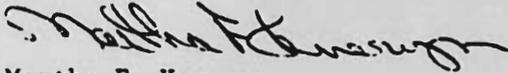
Ms. Tricia Segall
Carter/Mondale Presidential Committee
1413 K Street, N. W.
Washington, D.C. 20005

Dear Ms. Segall:

Enclosed you will find copies of phone bills, postage receipts, and a few miscellaneous billings with memos of explanation and totals for the period that Patty Steele and Peter Conlon were in Jackson for the fund raising dinner on December 6, 1979, honoring the First Lady. Total amount due and payable to W. P. McMullan, Jr., is \$2,008.93.

If you have any questions, please do not hesitate to call.

Sincerely,



Martha F. Keveryn
Secretary to Mr. W. P. McMullan, Jr.

/mfk

Enclosures

"EXHIBIT G-1"

83040384290

CARTER-MONDALE PRESIDENTIAL
COMMITTEE, INC.
OPERATING ACCOUNT

5579
15-720
848

February 20 19 80

PAY 9,435.60 CTS

\$ 9,435.60

PAY TO THE ORDER OF

W. P. Mullan Jr
Mississippi Bank
PO Box 979
Jackson, MS 39205

[Signature]
Anna F. [Signature]

⑆005579⑆ ⑆054000072⑆ ⑆0063⑆



DETACH AND RETAIN THIS STATEMENT THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT NEEDED

DATE	DESCRIPTION	AMOUNT
2-20-80	Meetings - Reimbursement (Fundraising) FILMS, 2-6, MS	\$7,426.67
	Printing & Reproduction - (Fundraising) Same Event	2,008.93 ✓OK
	Total	9,435.60

RECEIVED
FEB 29 1980

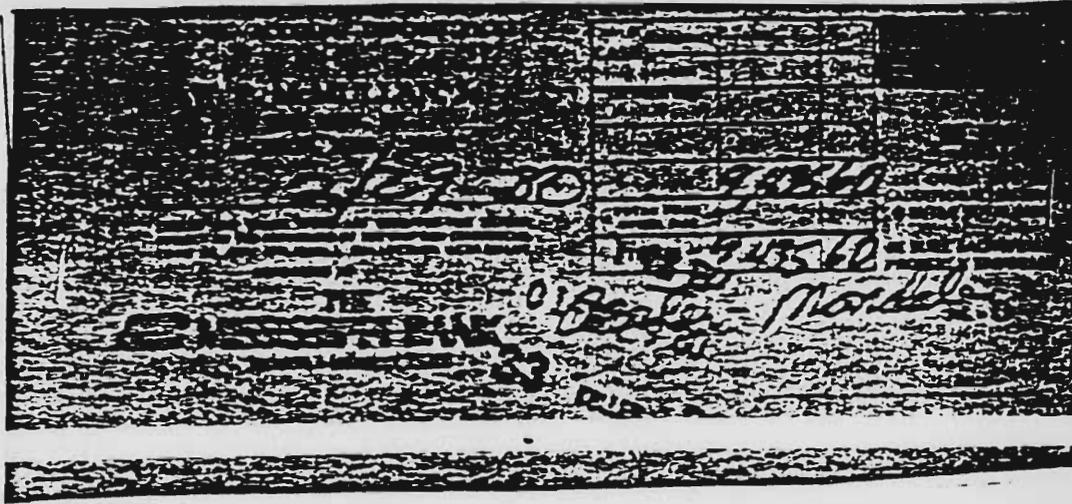
CARTER-MONDALE PRESIDENTIAL COMMITTEE, INC.
OPERATING ACCOUNT

back - Escrow agent

"EXHIBIT H"

1
2
3
4
5
6
7
8
9
0

040334272



"EXHIBIT I"

53

FRIDAY, FEBRUARY 29, 1980

Mr. McMullan, we are in receipt today of the monies due from December 6th Dinner from Carter/Mondale Presidential Committee, Inc. \$ 9,435.60

CHECKS TO BE DIVIDED AS FOLLOWS:

- \$1,155.00 ✓ Premier Printing invitations and numbered tickets
- 163.82 ✓ phone bills --payable to the bank
- 450.00 ✓ Bill Hankins-postage slips--clear petty cash
- 187.50 ✓ Bob Boteler -postage slips--clear petty cash
- 27.16 } WPM/Jr.-postage
- 8.45 } WPM/Jr.-postage
- 17.00 } WPM/Jr.-Federal Express

\$2,008.93

8,629.69

less 1,202.72

due Coliseum Ramada Inn-- check was in the amount of \$7,426.67 Rooms for Patty Steele and Peter Conlon were to be complimentary and they were charged this amount

7,426.67 ✓

I have deposited the check for \$9,435.60 in regular a/c and have the checks above mentioned attached; Do you want me to explain the difference to Robert Stockett or would you rather discuss this with him personally

OK

83040384293

"EXHIBIT K"

W. P. McMULLAN, JR.
THE MISS. BK.
JACKSON, MISS. 39205

6 1 1 0 5 2 0 4 2392
February 29, 19 80 ~~85-500~~
653

PAY TO THE
ORDER OF

Premier Printing

\$ 1,155.00

ONE THOUSAND ONE HUNDRED FIFTY-FIVE AND NO/100 DOLLARS

THE MISSISSIPPI BANK
Jackson, Mississippi 39205

[Handwritten Signature]
M. O.

invitations & tickets/Carter-Mondale Factor agent, Carter-Mondale
Presidential Committee Inc.

304038429

"EXHIBIT L"

W. P. McMULLAN, Jr. &
THE MISS. BK.
JACKSON, MISS. 39205

2393

February 29, 19 80 ~~SE-582~~
685

PAY TO THE ORDER OF The Mississippi Bank

163.82

ONE HUNDRED SIXTY THREE AND 82/100

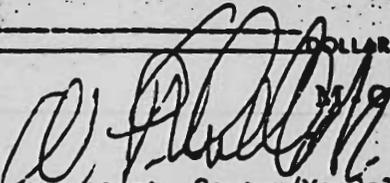
DOLLARS

 THE MISSISSIPPI BANK

Jackson, Mississippi 39205

reimbursement of Carter/Mondale people

Use of Marketing extensions-~~phone-~~


Escrow agent, Carter/Mondale
Presidential Committee, Inc.

3040384273

"EXHIBIT M "

W. P. McMULLAN, Jr.
THE MISS. BK.
JACKSON, MISS. 39205

2394

February 29, 19 80 ⁸⁵⁻⁵⁹⁰₆₈₃

PAY TO THE
ORDER OF

Bill Hankins

\$ 450.00

FOUR HUNDRED FIFTY AND NO/100

DOLLARS

THE MISSISSIPPI BANK

Jackson, Mississippi 39205

clear petty cash-Carter-Mondale

W.P. McMullan
Escrow agent, Carter/Mondale

postage paid

Presidential Campaign Fund

3040584276

"EXHIBIT N"

W. P. McMULLAN, Jr.
THE MISS. BK.
JACKSON, MISS. 39205

2395

T M B
February 29, 19 80 ⁸⁵⁻⁵⁸⁰₆₅₃

PAY TO THE ORDER OF Bob Boteler **01 MAR - 4:80 PM** \$ 187.50

ONE HUNDRED EIGHTY SEVEN AND 50/100 **32** **TELE** **32** DOLLARS

THE MISSISSIPPI BANK
Jackson, Mississippi 39205

postage paid-clear petty cash
MEMO 37.50/150.00/Carter-Mondale

W. P. McMullan, Jr.
Resident Agent, Carter/Mondale
Presidential Committee, Inc.

3040384297

"EXHIBIT 0"

3040384208

W. P. McMULLAN, Jr.		2396
THE MISS. BK.		
JACKSON, MISS. 39205	February 29, 1980	SS-800
PAY TO THE ORDER OF	Coliseum Ramada Inn	\$ 7,426.67
SEVEN THOUSAND FOUR HUNDRED TWENTY SIX AND 67/100		DOLLARS
 THE MISSISSIPPI BANK JACKSON, MISSISSIPPI 39205		MAC
<u>PARTIAL PAYMENT</u>		
Escrow agent		
Carter Mondale Presidential Comm. Inc		

"EXHIBIT P"

600-5303

59



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEP 1 10 55:14

GENERAL COUNSEL

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: SEPTEMBER 1, 1981
SUBJECT: RESPONSE RE. MUR 1361

This afternoon the Chairman's office received the enclosed letter from Stennett, Wilkinson & Ward, counsel to respondent Mississippi Bank of Jackson, Mississippi in MUR 1361.

We forward it for appropriate action.

Enclosure as noted.

83040384299

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW

RECEIVED
SECRETARY

60

81 SEP 3 P 1: 07

(202) 648-3000

100 CONGRESS STREET SOUTH
POST OFFICE BOX 29827
JACKSON, MISSISSIPPI 39205

GENE A. WILKINSON
ERWIN C. WARD
JAMES A. PEDEN, JR.
ANSON B. CHUNN
SHELBY R. ROGERS, JR.
DERRYL W. PEDEN
STANLEY Q. SMITH
CRAIG N. LANDRUM
CECILE C. EDWARDS

August 31, 1981

E. W. STENNETT (1899-1979)
HORACE STEELE (1907-1980)

CERTIFIED
RETURN RECEIPT REQUESTED

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D. C. 20463

ATTENTION: Kenneth A. Gross, Esq.
Associate General Counsel

Re: MUR 1361
P: sc

Dear Mr. McGarry:

As attorneys for The Mississippi Bank, Jackson, Mississippi, we wish to supplement our letter of August 28, 1981, by forwarding to you a copy of one additional document.

In the last sentence on page two of our letter of August 28, we stated that the Carter-Mondale Presidential Committee, Inc., had apparently been requested to pay the bill at the Coliseum-Ramada Inn, but that we had been unable to find any written record of such a request.

We today obtained a copy of a letter written to the Committee on January 16, 1980, by Martha F. Keveryn, secretary to W. P. McMullan, Jr. Enclosed is a copy of that letter, in which the Committee was requested to pay the bill at the Coliseum-Ramada Inn.

01 SEP 3 P 4: 22

GENERAL COUNSEL

83040384300

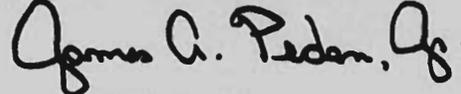
(61)

The \$8,629.39 amount mentioned in the letter of January 16, 1980, was subsequently adjusted downward to \$7,426.67 to reflect the fact that two rooms were complimentary. See pages two and four of our letter of August 28, 1981, and Exhibit K thereto.

Please let us know if we can provide additional information.

Sincerely yours,

STENNETT, WILKINSON & WARD



James A. Peden, Jr.

JAPjr:br
Enclosure

cc Mr. W. P. McMullan, Jr.
Douglas B. Huron, Esq.

83040384301

W. P. McMULLAN, JR.
CHAIRMAN OF THE BOARD
AND
CHIEF EXECUTIVE OFFICER

62

January 16, 1980

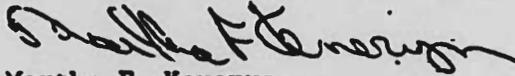
Ms. Tricia Segall
Carter/Mondale Presidential Committee
1413 K Street, N. W.
Washington, D. C. 20005

Dear Ms. Segall:

Enclosed you will find copies of the billings for the representatives of Carter/Mondale Presidential Committee from the Coliseum Ramada Inn for the fund raising dinner on December 6, 1979, honoring the First Lady. Total amount due and payable to W. P. McMullan, Jr., is \$8,629.39.

If you have any questions, please do not hesitate to call.

Sincerely,



Martha F. Keveryn
Secretary to Mr. W. P. McMullan, Jr.

/mfk

Enclosures

83040384302

STEIN & HURON
1818 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

3LL#5490
ATTACHMENT III

63

DOUGLAS B. HURON
EILEEN M. STEIN

(202) 797-3880

SEP 21 P 4: 29

MARYLAND OFFICE
7804 BYBROOK LANE
CHEVY CHASE, MD. 20018
(301) 657-9220

September 21, 1981

SEP 21 P 5: 07

CONFIDENTIAL

The Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

re: MUR 1361

Dear Mr. Chairman:

I am writing on behalf of the Carter/Mondale Presidential Committee, Inc. in response to your letter concerning MUR 1361, which the Committee did not receive until mid-August. We appreciate the Commission's permitting us to respond by September 21.

MUR 1361 addresses four separate, unrelated issues: (1) whether the Committee provided FEC auditors sufficient data concerning the allocation of the costs of media placement; (2) the Committee's efforts to correct problems created by its unintentional receipt of contributions in excess of \$1000 from certain individuals; (3) the Committee's alleged receipt of corporate contributions totaling about \$10,000, of which more than \$9400 was said to have come from a single source -- The Mississippi Bank; and (4) the sufficiency of the Committee's actions in disclosing its debts.

These four issues share only one common feature: all should have been, or were, raised and resolved during the course of the audit of our Committee. To raise these questions now in an enforcement action undermines the audit process and is contrary to the intent of Congress. To explain why, we will address each of the Commission's concerns.

Media Expense Allocations

The Commission says in MUR 1361 that, "[a]t the time of its Threshold Report, the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from Rafshoon so that the state allocations could be verified" (p.1). It is asserted that the Committee failed to comply with this recommendation, thereby implying that our media placement allocations could not be verified (p.2).

83040384303

The record belies these contentions. In the Threshold Report of April 22, 1980, the auditors expressed a concern about their ability to confirm certain allocations and recommended that "the Committee obtain more detailed invoices from their media consultant" (p.8). The auditors noted, however, that "the Committee was able to find collateral evidence to support allocations made in the audit period" (p.7).

Such "collateral evidence" has always been available to the audit staff, and the Committee has also obtained "more detailed invoices" from its media consultant. We do not believe that any serious questions can be raised about our media placement allocations, and the Commission has already acknowledged as much.

On November 7, 1980 the FEC sent us its interim audit report. In it, the principal issue concerning media allocation was the question whether the costs of media production should be allocated, although a question was also raised about the information needed to verify media placement allocations (p.3). For the next two months, we engaged in both formal and informal discussions with Commission officials concerning these and other matters raised in the November 7 report. Certain disputes remained as of January 19, 1981, the date of issuance of the final audit report, but questions of media allocations were not among them; these had been resolved to the satisfaction of all parties.

The January 19 report addresses "Media Expense Allocations" at Section A.1 on page 3. The comments are quite brief -- only three paragraphs long. There is no mention at all of the issue of allocation of production costs, and regarding placement the report says simply:

The review also determined that the Committee has recently received amended allocation statements from the advertising firm which had not been reflected in the Committee's state allocation totals.

* * *

In its December 11, 1980 response, the Committee adjusted the state expenditure totals for Iowa, Maine, and New Hampshire to include the media allocation adjustments noted above.

There is nothing in the January 19 report to indicate that our Committee had ultimately failed to provide adequate information concerning media allocation. On the contrary, the report later concluded that "[t]he Committee has complied with the audit staff's recommendations for A.1 [Media Expense Allocations]...; therefore, no further action is recommended" (p.6).

83040384304



To summarize, our Committee provided the information needed by the Commission to verify media allocations, and the Commission's final audit report concludes that we have met our obligations in this area. We have no objection in principle to providing further descriptive information on the methodology used in allocating media placement costs among states, but completely reopening this question at this time would cause the Committee to incur substantial additional costs. Particularly in light of the January 19 final audit report, resurrection of the issue of media expense allocations is both unfair and at odds with the intent of Congress in establishing the audit process.

Excessive Contributions

This aspect of MUR 1361 refers to 81 individuals who ostensibly contributed a total of some \$46,000 over the legally permissible limits. Like the issue of media allocation, this matter was adequately addressed during the audit process and should have been left there.

In the interim audit report of November 7, 1980, the Commission identified the problem of excessive contributions by 81 individuals and recommended that "the Committee present documentation that the contributions are not excessive, have been legally attributed or the excessive portions have been refunded to the original contributors" (p.7). We complied in full with this recommendation. Indeed, MUR 1361 itself concedes that, "of the original \$46,150.48 in excessive contributions noted by Audit, only \$1000 has not been refunded or otherwise disposed of by the Committee" (p.3). 1/ The Commission also admits that the matter of excessive contributions "was referred to the Committee in the Threshold Audit Report [i.e., on April 22, 1980] and the Committee subsequently instituted corrective procedures" (p.2). Some of these measures are set forth (see p.3).

No one has ever suggested that our Committee intentionally received excessive contributions. The most that can be said is that we failed to catch some in a timely fashion. But even on the Commission's view of the evidence, there is no basis for any enforcement action. In April 1980 the auditors notified us of a problem with identifying excessive contributions, and we immediately instituted procedures to address this concern. Our record improved

1/ In fact, even the last \$1000 has been corrected but was initially not reported properly.

83040384305

66

substantially but was not perfect, and on November 7 the Commission notified us of 81 contributions which we had missed. We then took immediate, successful action to deal with all 81.

The matter of excessive contributions illustrates precisely how the audit process should work, with the FEC and the Committee working together to identify a problem, develop procedures for minimizing its occurrence and finally to rectify the few errors that still managed to slip through. But now, instead of congratulatory handshakes all around, the Commission wants to penalize our Committee for its few unintentional mistakes. Why? Because "the amount of excessives identified by Audit was large -- \$38,689.43" (p.3).^{2/}

In fact, the amount of excessive contributions was exceedingly small, representing less than three-tenths of one percent of the more than \$13,250,000 in contributions received by the Committee. This failure of FEC staff to acquire even a nodding acquaintance with the concept of materiality is the bane of many committee's dealings with the Commission.^{3/} But even if the amount of excessive contributions were ten or twenty times as large, still no enforcement action would be warranted. For our receipt of excessive contributions was unintentional, and it is conceded that we took good faith steps to deal with the problem throughout the audit process. If audits are to have any meaning in future Presidential contests -- and if committees are to cooperate with the FEC's auditors -- then the Commission cannot take the type of action contemplated by MUR 1361 on excessive contributions.

Corporate Contributions

MUR 1361 states that the audit revealed evidence of five apparent corporate contributions. The Commission notes that "the Committee had reimbursed all five contributors and provided refund documentation to the Commission" (p.4).

^{2/} As noted at fn.3 on p.3, "[t]his figure reflects the [original] \$46,150.48...minus...\$7,461 documented as computer error."

^{3/} In this case, moreover, the auditors themselves had concluded in the interim report of November 7, 1980 that the "audit testing of contributions did not reveal a material problem" in the area of excessives (p.6).

83040384306

67

Of the five amounts in question, four are minuscule and total less than \$900. They represent situations in which companies paid small amounts for postage for Committee events and were later reimbursed. It cannot reasonably be argued that these four items -- alone or collectively -- represent a fit subject for an MUR. There is no evidence of intentional receipt of corporate contributions, and all four peccadilloes have been corrected.

This leaves only the \$9435.60 allegedly contributed by The Mississippi Bank. Here the Commission's facts are simply wrong: The Mississippi Bank made no contribution of any size to our Committee.

In December 1979 Mrs. Carter attended a fundraiser in Jackson. Certain expenses were incurred totaling \$9435.60, principally a bill from the Coliseum Ramada Inn for \$7426.67 and from the Premier Printing Company for \$1155, as well as a few smaller amounts. The event was chaired by W.P. McMullan, Jr., Chairman and Chief Executive Officer of the Mississippi Bank.^{4/}

On January 15 and 16, 1980, Mr. McMullan's secretary sent our Committee two letters and statements concerning these expenses, which had not yet been paid. Both letters incorrectly noted that the amounts in question were "due and payable to W.P. McMullan, Jr." For this reason, the Committee on February 20, 1980 sent a check to W.P. Mullan, Jr. [sic] for the total amount due -- \$9435.60 -- instead of directly to the vendors. The check was addressed to Mr. McMullan at The Mississippi Bank, but it was directed to him personally, not to the bank. Mr. McMullan then deposited the check in his personal account and immediately wrote checks to the vendors and to others, leaving \$52.61 in the account to reimburse himself for certain expenditures. On these checks Mr. McMullan described himself as "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

No doubt it would have been preferable for our Committee to have written checks directly to such vendors as the Ramada Inn, rather than to Mr. McMullan. But this mistake was innocent and has not in any way affected the Commission's ability to track our expenditures. More fundamentally -- in view of the charge set forth in MUR 1361 --

4/ The fuller account of this matter set forth in letters to the Commission from Gene A. Wilkinson and James A. Peden, Jr., dated August 28 and 31, 1981, is accurate in all material respects, and we incorporate it herein.

83040384307

68

the notion that The Mississippi Bank made a contribution of any kind to the Committee is flatly untrue. Nor did Mr. McMullan, the bank's chairman, make any contribution to us in connection with the matter in question.

To conclude, four small instances of arguable corporate contributions were discovered during the audit and have been rectified. A fifth, larger item was not a corporate contribution by any definition. Again, there is no basis here for any further action by the Commission.

Undisclosed Debts

Finally, MUR 1361 charges that the Committee's debts as of July 31, 1980 were either undisclosed or underreported by about \$155,000. The Commission further complains that we did not amend our August 1980 report to reflect these debts.

We have only recently received the auditors' figures purporting to document this charge, but even our preliminary review demonstrates that no enforcement action is warranted. First, the task of determining a committee's outstanding debts with precision at any point in the primary process is difficult, and this is particularly true immediately before and after the national party convention, when money is being spent copiously and quickly. Nevertheless, it is essential that Net Outstanding Campaign Obligations (NOCO) be fixed soon after the convention, for this figure governs the amount of matching funds to which a committee is finally entitled. For this reason our efforts in the area of debt disclosure during August and September 1980 were expended in the preparation of an accurate NOCO statement. With the assistance of the auditors, this goal was met, so our Committee "received no matching fund payments in excess of [its] entitlement." 5/

In terms simply of disclosure, about \$40,000 of the \$155,000 identified by MUR 1361 was owed to the Federal government and the balance to private vendors. By September 1980, all the previously undisclosed bills owed the government -- and most of those owed private parties -- had been paid and so were no longer candidates

5/ See interim audit report of November 7, 1980 at p.12 and final audit report of January 19, 1981 at pp. 10-11.

83040384308

for any debt schedule. Our Committee's subsequent reports have been refined, and we do not believe that there is any dispute today about the magnitude of our outstanding obligations.

There is no evidence of any intent by the Committee to evade its reporting requirements, and we cooperated with the auditors to prepare the one critical debt report of the autumn of 1980 -- the NOCO statement. If the Commission now wants us to amend our August 1980 report to reflect debts owed as of July 31, we have no objection to doing so, although we fail to see what public purpose will be served. But certainly no enforcement action should be taken on this aspect of MUR 1361.

CONCLUSION

MUR 1361 is a grab-bag of allegations which should have been disposed of during the course of the Committee's lengthy audit. To attempt to create an MUR out of them abuses the Commission's enforcement process.^{6/}

We would be pleased to provide additional information on any of the matters in this letter :

Thank you for considering this response.

Sincerely,


Douglas B. Huron

cc: Charles N. Steele, Esq.
Timothy G. Smith, Esq.

^{6/} See House Report No. 97-30, May 7, 1981, at 2.

83040384308

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW

70

ATTACHMENT

GENE A. WILKINSON
ERWIN C. WARD
JAMES A. PEDEN, JR.
ANSON B. CHUNN
SHELBY R. ROGERS, JR.
DERRYL W. PEDEN
JAMES R. MOZINGO
STANLEY Q. SMITH
CRAIG N. LANDRUM
CECILE C. EDWARDS

(800) 443-2888

100 CONGRESS STREET SOUTH
POST OFFICE BOX 28887
JACKSON, MISSISSIPPI 39205

January 8, 1982

JAN 11 11:20 AM '82
RECEIVED

E. W. STENNETT (1899-1976)
HORACE STEELE (1907-1980)

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
Washington, D. C. 20463

Re: MUR 1361

Dear Mr. Steele:

As attorneys for The Mississippi Bank, we wish to thank you for your letter of January 4, 1982, stating that the Office of General Counsel is recommending that the Federal Election Commission find no probable cause to believe that The Mississippi Bank has violated the Federal Election Campaign Act. We understand that the recommendation will be forwarded to the Commission for final disposition.

The Mississippi Bank's position in this matter was fully set forth in our letters dated August 28, 1981, and August 31, 1981. Other than to state that we certainly concur with the recommendation of the Office of General Counsel, we have nothing further to add to what was set forth in the said letters. The Mississippi Bank does not desire to file a Brief in this matter.

At such time as the Federal Election Commission may take final action on the recommendation of your office, please let us know. Thank you for your courtesy in this matter.

Sincerely yours,

STENNETT, WILKINSON & WARD

James A. Peden, Jr.

James A. Peden, Jr.

JAPjr:br
cc Mr. W. P. "Pat" McMullan

83040384310



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

(71)

Jona Goldrich
Goldrich & Rest
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

Dear Mr. Goldrich:

This is to advise you that after an investigation was conducted, the Commission concluded on February , 1982, that there is no probable cause to believe that you violated the Act. Accordingly, the file in this matter, numbered MUR 1361, has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days.

If you have any questions, contact Dolores Pesce at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

83040384311



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

ATTACHMENT V

72

James A. Peden, Jr.
Stennett, Wilkinson & Ward
P.O. Box 22627
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. Peden:

This is to advise you that after an investigation was conducted, the Commission concluded on February , 1982, that there is no probable cause to believe that your client, the Mississippi Bank, violated the Act. Accordingly, the file in this matter, numbered MUR 1361, has been closed. This matter will become part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within 10 days.

If you have any questions, contact Dolores Pesce at (202) 523-5071.

Sincerely,

Charles N. Steele
General Counsel

83040384319

73



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

W. P. McMullan, Jr.
The Mississippi Bank
P.O. Box 979
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. McMullan:

On February , 1982, the Commission found reason to believe that you had violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act, as amended ("the Act"), in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file as it pertains to you. The file will be made part of the public record within 30 days after this matter has been closed with respect to all other respondents involved. Should you wish to submit any materials to appear on the public record, please do so within 10 days.

The confidentiality provisions of 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(a) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed.

The Commission reminds you that commingling of political committee funds with personal funds nevertheless appears to be a violation of 2 U.S.C. § 432(b)(3), and you should take immediate steps to insure that this activity does not occur in the future.

The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

83040384313

W. P. McMullan, Jr.
Page 2
MUR 1361

74

If you have any questions, please direct them to Dolores
Pesce at (202)523-5071.

Sincerely,

Charles N. Steele
General Counsel

BY:
Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Factual and Legal Analysis

83040384314

FEDERAL ELECTION COMMISSION

75

General Counsel's Factual and Legal Analysis

Respondent: W.P. McMullan, Jr.

MUR No. 1361
Staff Member &
Tel. No.
Dolores Pesce
(202) 523-5071

SOURCE OF MUR: INTERNALLY
GENERATED

Summary of Allegations

Based on its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"), the Audit Division referred several matters to the Office of General Counsel. On July 21, 1981, the Commission found reason to believe that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making corporate contributions of \$9,435.60 to the Committee. By letters of counsel dated August 28 and August 31, 1981, the bank submitted a response to the Commission's finding, denying any violation of the Federal Election Campaign Act. Based on that response, there is reason to believe that W.P. McMullan, Chairman of the Board and Chief Executive Officer of the Mississippi Bank, violated 2 U.S.C. § 432(b)(3) by commingling Committee funds with his personal funds.

Factual Basis and Legal Analysis

As alleged in the Audit referral, the Mississippi Bank contributed \$9,435.60 to the Committee on February 20, 1980. The bank challenges this allegation with the following explanation. In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around

83040384315

76

December 6, 1981, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W.P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

On January 1980, Mr. McMullan's secretary made written requests to the Committee to pay for its incurred expenditures; specifically, on January 15 for \$2,008.93 in incidental expenses to be paid to Mr. McMullan, and on January 16 for \$7,426.67 in hotel expenses to be paid directly to the hotel. On January 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around January 28. On January 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

2 U.S.C. § 432(b)(3) states:

All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

In accordance with this provision, Mr. McMullan's deposit of \$9,435.60 in Committee funds into his personal account

83040384316

74

was a prohibited activity. However, the documents provided in the bank response allow a tracking of these monies which were disbursed from Mr. McMullan's account after only one day. Upon consideration of this mitigating factor, the Office of General Counsel recommends that the Commission find reason to believe that W.P. McMullan, Jr. violated 2 U.S.C. § 432(b)(3), but take no further action and close the file in regard to him.

Recommendation

Find reason to believe that W.P. McMullan, Jr. violated 2 U.S.C. § 432(b)(3), but take no further action and close the file in regard to him.

83040384317

78



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1361

Dear Mr. Huron:

This letter is to acknowledge receipt of your letter of September 21, 1981 on behalf of your client, the Carter/Mondale Presidential Committee, Inc. Based on that response and other information obtained during investigation of this matter, the Commission found reason to believe that the Committee had violated 2 U.S.C. § 432(b)(3) in connection with the above-captioned MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action on this particular violation.

The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

If you have any questions, please direct them to Dolores Pesce at 523-5071.

Sincerely,

Charles N. Steele
General Counsel

BY:

Kenneth A. Gross
Associate General Counsel

Enclosure
General Counsel's Factual and Legal Analysis

83040384318

79

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Carter/Mondale Presidential Committee, Inc.

MUR NO. 1361
STAFF MEMBER &
TEL. NO:
Dolores Pesce
(202) 523-5071

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

Based on its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"), the Audit Division referred several matters to the Office of General Counsel. On July 21, 1981, the Commission found reason to believe that the Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions of \$9,435.60 from the Mississippi Bank as well as contributions totaling \$883.56 from four other corporate entities. By letter dated September 21, the Committee submitted a response to the Commission's finding. In addition, the Mississippi Bank submitted a response dated August 28 with addendum of August 31, 1981. Based on these responses, there is reason to believe that the Committee violated 2 U.S.C. § 432(b)(3) by commingling its funds with the personal funds of W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank.

FACTUAL BASIS AND LEGAL ANALYSIS

As alleged in the Audit referral, the Mississippi Bank contributed \$9,435.60 to the Committee on February 20, 1980. The bank challenges this allegation with the following explanation.

83040384319

80

In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W. P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

83040384320

In January 1980, Mr. McMullan's secretary made written requests to the Committee to pay for its incurred expenditures; specifically, on January 15 for \$2,008.93 in incidental expenses to be paid to Mr. McMullan, and on January 16 for \$7,426.67 in hotel expenses to be paid directly to the hotel. On January 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around January 28. On January 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

This explanation raises the issue of a possible 2 U.S.C. § 432(b)(3) violation by the Committee. 2 U.S.C. § 432(b)(3) states:

All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

In accordance with this provision, Mr. McMullan's deposit of \$9,435.60 in Committee funds into his personal account was a prohibited activity. However, the documents provided in the bank response allow a tracking of these monies which were disbursed from Mr. McMullan's account after only one day. Upon consideration of this mitigating factor, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

Recommendation

Find reason to believe that the Committee violated 2 U.S.C. § 432(b)(3), but take no further action.

8
3
0
4
0
3
8
4
3
2
1

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW

GENE A. WILKINSON
ERWIN C. WARD
JAMES A. PEDEN, JR.
ANSON B. CHUNN
SHELBY R. ROGERS, JR.
DERRYL W. PEDEN
JAMES R. MOZINGO
STANLEY O. SMITH
CRAIG N. LANDRUM
CECILE C. EDWARDS

E. W. STENNETT (1899-1979)
HORACE STEELE (1907-1980)

800 948-3000

100 CONGRESS STREET SOUTH
POST OFFICE BOX 28827
JACKSON, MISSISSIPPI 39205

January 8, 1982

RECEIVED
GENERAL COUNSEL
JAN 11 1982
2:00

83040384322

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
Washington, D. C. 20463

Re: MUR 1361

Dear Mr. Steele:

As attorneys for The Mississippi Bank, we wish to thank you for your letter of January 4, 1982, stating that the Office of General Counsel is recommending that the Federal Election Commission find no probable cause to believe that The Mississippi Bank has violated the Federal Election Campaign Act. We understand that the recommendation will be forwarded to the Commission for final disposition.

The Mississippi Bank's position in this matter was fully set forth in our letters dated August 28, 1981, and August 31, 1981. Other than to state that we certainly concur with the recommendation of the Office of General Counsel, we have nothing further to add to what was set forth in the said letters. The Mississippi Bank does not desire to file a Brief in this matter.

At such time as the Federal Election Commission may take final action on the recommendation of your office, please let us know. Thank you for your courtesy in this matter.

Sincerely yours,

STENNETT, WILKINSON & WARD

James A. Peden, Jr.

James A. Peden, Jr.

JAPjr:br
cc Mr. W. P. "Pat" McMullan

6304038432

STENNETT, WILKINSON & WARD

ATTORNEYS AND COUNSELORS AT LAW

POST OFFICE BOX 22627

JACKSON, MISSISSIPPI 39205



**Charles N. Steele, Esq.
General Counsel
Federal Election Commission
Washington, D. C. 20463**

82 JAN 11 AM 16

RECEIVED

THIS IS THE END OF COPY #

1391



DEPARTMENT OF JUSTICE
FEDERAL ELECTION COMMISSION

January 4, 1982

MEMORANDUM TO: Marjorie W. Emmons
FROM: Phyllis A. Kayson
SUBJECT: MUR 1361

Please have the attached Memo and Briefs distributed
to the Commission on an informational basis. Thank you.

Attachments

cc: Pesce

83040584313

114



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1982

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1361

Dear Mr. Huron:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 21, 1981, found reason to believe that your client, the Carter/Mondale Presidential Committee, Inc., violated several provisions of the Federal Election Campaign Act, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred with regard to 2 U.S.C. § 441b(a) as it pertains to the Mississippi Bank. However, the General Counsel is prepared to recommend a probable cause finding on violations of 2 U.S.C. § 441b(a) as it pertains to four other corporate entities, § 441a(f), § 434(b)(8), 11 C.F.R. § 104.3(d), § 104.11 and § 9033.1(a)(1).

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

83040384326

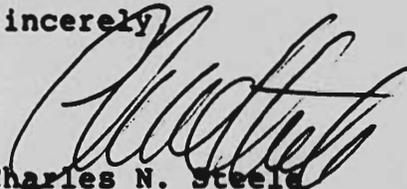
Douglas B. Huron, Esquire
Page Two

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Dolores Pesce at 523-5071.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

83040584327



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1982

Jona Goldrich
Goldrich, Kest and Associates
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

Dear Mr. Goldrich:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 21, 1981, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Act, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

Should you have any questions, please contact Dolores Pesce at (202)523-5071.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

83040384528



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 4, 1982

Gene A. Wilkinson, Esquire
Stennett, Wilkinson and Ward
P.O. Box 22627
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. Wilkinson:

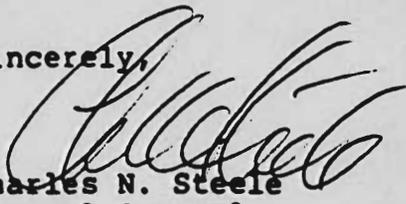
Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 21, 1981, found reason to believe that your client, the Mississippi Bank, had violated 2 U.S.C. § 441b(a), a provision of the Act, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

Should you have any questions, please contact Dolores Pesce at (202)523-5071.

Sincerely,


Charles N. Steele
General Counsel

Enclosure
Brief

83040484329



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

82 JAN 4 AM: 07

January 4, 1982

MEMORANDUM TO: The Commission
FROM: Charles N. Steele *CS*
General Counsel
SUBJECT: MUR 1361

Attached for the Commission's review are briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of the relevant brief and a letter notifying each respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause or no probable cause to believe was mailed on ~~January 4, 1982~~. Following receipt of the Respondents' replies to such notices, this Office will make a further report to the Commission.

Attachments

1. Briefs
2. Letters to Respondents

33040334310

BEFORE THE FEDERAL ELECTION COMMISSION

December 8, 1981

In the Matter of)
The Mississippi Bank) MUR 1361

GENERAL COUNSEL'S BRIEF

I. Statement of Case

The Audit Division referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter "the Committee"). Based on Audit review of Committee reports, it appeared that the Mississippi Bank had made prohibited corporate contributions to the Committee. Accordingly, on July 21, 1981, the Commission found reason to believe that the Mississippi Bank violated § 441b(a). By letter dated July 23, 1981, the Commission notified the Mississippi Bank of its finding. Counsel for the bank responded to reason to believe notification by letter dated August 28, 1981, with addendum dated August 31, 1981.

II. Legal Analysis

2 U.S.C. § 441b(a) states in part that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office.

As alleged in the Audit referral, the Mississippi Bank contributed \$9,435.60 to the Committee on February 20, 1980. The bank challenges this allegation with the following explanation.

83040384331

In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W.P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of the Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

In January 1980, Mr. McMullan's secretary made written requests to the Committee to pay for its incurred expenditures; specifically, on January 15 for \$2,008.93 in incidental expenses to be paid to Mr. McMullan, and on January 16 for \$7,426.67 in hotel expenses to be paid directly to the hotel. On January 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around January 28. On January 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

It is the bank's contention that this series of transactions in no way involved the bank in any prohibited activity. \$163.82 in long distance phone calls were made on the bank's telephone,

83040384339

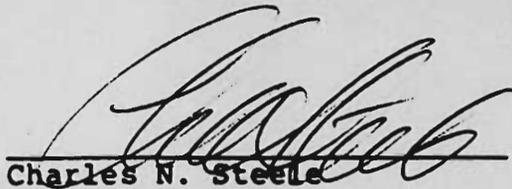
but this expense was reimbursed on January 29. Pursuant to 11 C.F.R. § 114.9(d), use of corporate facilities in connection with a Federal election is allowable provided the corporation is reimbursed within a commercially reasonable time in the amount of the normal and usual rental charge. The phone charges were reported on the bank's November 25, 1979 billing. Accordingly, reimbursement to the bank on January 29 would seem to be "within a commercially reasonable time."

Aside from the reimbursed phone calls, there is no evidence that the bank in anyway expended its funds in connection with the December 6 fundraising appearance. Accordingly, the allegation that the Mississippi Bank violated the Act by making corporate contributions to the Committee is unfounded. The Office of General Counsel recommends that the Commission find no probable cause to believe on a 2 U.S.C. § 441b(a) violation by the Mississippi Bank and close the file in regard to it.

III. General Counsel's Recommendation

Find no probable cause to believe on a 2 U.S.C. § 441b(a) violation by the Mississippi Bank and close the file in regard to it.

31 December 1981
Date


Charles N. Steele
General Counsel

83040384333



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1982

Gene A. Wilkinson, Esquire
Stennett, Wilkinson and Ward
P.O. Box 22627
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. Wilkinson:

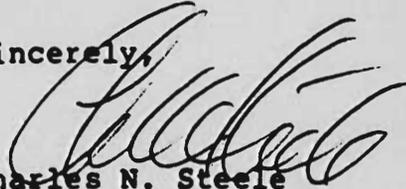
Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 21, 1981, found reason to believe that your client, the Mississippi Bank, had violated 2 U.S.C. § 441b(a), a provision of the Act, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

Should you have any questions, please contact Dolores Pesce at (202)523-5071.

Sincerely,


Charles N. Steele
General Counsel

Enclosure
Brief

83040384334

II. Legal Analysis

A. Receipt of Corporate Contributions

2 U.S.C. § 441b(a) states in part that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office. It further states that it is unlawful for any political committee, or other person to knowingly accept or receive any contribution prohibited by this section.

The Committee's audit of Committee records uncovered contributions from the following incorporated entities:

The Mississippi Bank	02/20/80	\$ 9,435.60
Pacific Mutual	03/17/80	366.06
Charles Z. Curry Real Estate Co.	01/21/80	67.50
Strauss Realty Co.	02/15/80	100.00
Russell Gower and Co.	03/28/80	<u>350.00</u>
	Total	\$10,319.16

With regard to the alleged contribution of \$9,435.60 by the Mississippi Bank, both the committee and the bank (the latter through letters of counsel dated August 28 and 31, 1981) deny that the bank made any contribution. They offer the following explanation of the circumstances under which the Committee made expenditures totaling \$9,435.60.

83040384336

In connection with a visit made by the former First Lady Rosalynn Carter to Jackson, Mississippi around December 6, 1979, the Committee incurred printing, telephone, postage, shipping and hotel expenses totaling \$9,435.60. W.P. McMullan, Jr., Chairman of the Board and Chief Executive Officer of The Mississippi Bank, served as finance chairman for the Committee in Mississippi. According to bank counsel, it was apparently in Mr. McMullan's bank office that the Committee expenses were collected and tallied.

In January 1980, Mr. McMullan's secretary made written requests to the Committee to pay for its incurred expenditures; specifically, on January 15 for \$2,008.93 in incidental expenses to be paid to Mr. McMullan, and on January 16 for \$7,426.67 in hotel expenses to be paid directly to the hotel. On January 20, the Committee sent a check for \$9,435.60 payable to Mr. McMullan at his Mississippi Bank address. He received the check around January 28. On January 29, his secretary deposited it into his personal account and then prepared disbursement checks for the various expenses. The checks were signed by Mr. McMullan with the designation "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

It is the bank's contention that this series of transactions in no way involved the bank in any prohibited activity. \$163.82 in long distance phone calls were made on the bank's telephone, but this

83040384337

expense was reimbursed on January 29. In conjunction with 11 C.F.R. § 114.9(d), use of corporate facilities in connection with a Federal election is allowable provided the corporation is reimbursed within a commercially reasonable time in the amount of the normal and usual rental charge. The phone charges were reported on the bank's November 25, 1979 billing. Accordingly, reimbursement to the bank on January 29 would seem to be "within a commercially reasonable time."

Based on this analysis, the Mississippi Bank would not have made corporate contributions to the Committee, and the Committee would not have received contributions from the Mississippi Bank.

Accordingly, the Office of General Counsel recommends that the Commission find no probable cause to believe on a 2 U.S.C. § 441b(a) violation by the Committee with regard to a corporate contribution from the Mississippi Bank.

The issue of the Committee's receipt of four other corporate contributions totaling \$883.56 remains. Prior to the Audit referral, the Committee provided documentation showing that all four contributions were reimbursed. The Committee's response to RTB notification characterizes these contributions as "situations in which companies paid small amounts for postage for Committee events and were later reimbursed," showing "no evidence of intentional receipt of corporate contributions." Regardless of intent, these would be corporate contributions under the Act.

83040384338

Accordingly, the Office of General Counsel recommends that the Commission find probable cause to believe on a 2 U.S.C. § 441b(a) violation by the Committee with regard to corporate contributions from Pacific Mutual, Charles Z. Curry Real Estate Co., Strauss Realty Co., and Russell Gower and Co.

B. Receipt of Excessive Contributions from Individuals

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. Further, § 441a(f) states in part that no candidate or political committee shall knowingly accept any contribution in violation of the provisions of section 441a.

11 C.F.R. § 103.3(b)(1) states that contributions which appear to be illegal shall be, within 10 days, either returned to the contributor or deposited into the campaign depository, and reported. § 103.3(b)(2) states that when a contribution cannot be determined to be legal, refunds shall be made within a reasonable time.

During its pre-audit review of Committee receipts, the Audit Division identified 348 contributors from whom the Committee had received excessive contributions. An analysis of the Committee's actions regarding these excessive contributions revealed that the Committee required from one to three months to take action on 29% of them, and from four to twelve months on 40% of them. The

B 3 0 4 0 3 8 4 3 3 9

remaining 31% consists of excessive contributions for which the Audit staff was unable to determine the dates of Committee action. In the Threshold Audit Report of April 22, 1980, the Audit Division made procedural recommendations that the Committee improve its methods for identifying and disposing of excessive contributions. The Committee subsequently instituted corrective procedures.

Through its Interim Audit Report of November 7, 1980, the Audit Division informed the Committee that it had not taken final action on a total of \$46,150.48 in excessive contributions from 81 individuals. 75% of these contributions were received between the months of February and June 1980. Audit recommended that the Committee show documentation on the disposal of these excessives.

Since the November 1980 report, the Committee has provided documentation to the Commission on its handling of these excessive contributions. In 69 instances, the Committee took one of the following actions: 1) refunded the excessive portion; 2) attributed the excessive portion to spouse; or 3) attributed the excessive portion to the compliance fund for the general election. The Committee showed that 11 instances were not excessive contributions, but the result of computer error. For the 69 instances totaling \$37,100.48, 1/ the Committee required

1/ The Office of General Counsel has adjusted the original figure of \$46,150.48 to \$37,100.48 to account for the computer errors, for one contribution duplicated in another matter under review involving the Committee, and for adjustments based on Committee amendments to its reports.

83040384340

the following time for action:

<u>Time for Action</u>	<u>Number of Contributions</u>
3 to 6 months	1
6 to 9 months	27
9 to 12 months	31
over 12 months	7
undetermined	3

Thus, 65 of 69 excessives required over 6 months before the Committee disposed of them. In accordance with 11 C.F.R. § 103.3(b)(2), this time framework for refund or reattribution would not appear to be reasonable.

Accordingly, the Office of General Counsel recommends that the Commission find probable cause to believe on a 2 U.S.C. § 441a(f) violation by the Committee.

C. Failure to Disclose Debts

2 U.S.C. § 434(b)(8) states in part that each report required to be filed shall disclose the amount and nature of outstanding debts and obligations owed. See also 11 C.F.R. § 104.3(d). 11 C.F.R. § 104.11 details the reporting requirements: a debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after the obligation is incurred, whichever comes first. Any loan, debt, or obligation, the amount of which is over \$500, shall be reported as of the time of the transaction.

In examining the Committee's reported outstanding debts and obligations as of July 31, 1980, Audit identified a total of

83040384341

\$98,017.60 in debts in excess of \$500 which were undisclosed. In addition, the Committee had understated their disclosed debts by \$57,648.43. There were thus approximately \$155,000 in undisclosed or understated debts.

Subsequent to its review of Committee documents, Audit recommended that the Committee amend its August monthly report to reflect these undisclosed or understated debts, and accordingly amend subsequent reports. No amendments to this effect were filed by the Committee.

Accordingly, the Office of General Counsel recommends that the Commission find probable cause to believe on a 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 violation by the Committee.

D. Failure to Provide Verification of the Media Placement Allocations

11 C.F.R. § 9033.1(a)(1) provides that, for the purpose of receiving Presidential primary matching fund payments, the candidate has the burden of providing that expenditures by the candidate, the principal campaign committee or any authorized committee are qualified campaign expenses. Further, the candidate is to obtain and furnish to the Commission at its request any evidence regarding qualified campaign expenses.

Pursuant to 11 C.F.R. § 101.1(a), the Carter/Mondale Presidential Committee, Inc. is the principal campaign committee for Jimmy Carter. As such, the Committee assumes the responsibility to file reports and provide information requested by the Commission.

83040384342

The Commission found reason to believe that the Committee violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify media placement allocations. In its response, the Committee contends that the Commission is reopening an issue on which the Final Audit Report concluded no further action was to be taken.

The Committee response distorts the history of Commission procedures in this matter by its omission of pertinent facts. Further, it attempts to confuse two issues that were distinguished in Commission communiques to the Committee, namely, allocation of media placement costs and allocation of other media expenses.

At the conclusion of its Threshold Audit, the Audit staff made a procedural recommendation to the Committee that it obtain detailed invoices from its media agent Rafshoon Communications, Inc. in order to verify media placement allocation to States. This recommendation arose because, during the Audit, the Committee had submitted two invoices whose detail was not sufficient to allow such verification. With regard to these two invoices, the Committee did find "collateral evidence" to support the allocations (Threshold Report of April 22, 1980, p. 7).

Counsel for the Committee confuses the Committee's compliance on this initial request for documentation with later instances. On page 2, he states:

Such 'collateral evidence' has always been available to the audit staff, and the Committee has always obtained 'more detailed invoices' from its media consultant. We do not believe that any serious questions can be raised about

8 3 0 4 0 3 8 4 3 4 3

our media placement allocations, and the Commission has already acknowledged as much. (emphasis added)

8 3 0 4 0 3 8 4 3 4 4 4

The Commission acknowledged just the opposite in its November 7, 1980 Interim Audit Report sent to the Committee. On page 3, in paragraph II.A.1 entitled "Media Expense Allocations," there were three recommendations to the Committee, one being a request for documentation on media placement allocations, specifically to Iowa, Maine and New Hampshire. On page 4, in paragraph II.A.2(c), there was another question of allocation, this for media expenses such as buttons, bumper stickers, and freight. As per normal procedure, the Committee was given a response period within which to provide the detailed invoices requested under paragraph II.A.1. In a meeting with Commission staff on November 21, 1980, Committee personnel stated that the cost of providing access to vendor records would create an unreasonable financial burden. However, in their written response of December 1, 1980, which deals in the main with media production costs, this statement is included in a footnote:

As for the auditors' additional request for data relating to allocation of certain media placement costs, we anticipate no difficulty in providing this information within the normal four-week response period.

In spite of its seeming acquiescent attitude on this issue, the Committee did not provide the detailed invoices. There is no statutory guideline that requires the Commission to repeatedly remind a respondent of possible enforcement action in the event it fails to follow recommendations. However, in the Final Audit

Report sent to the Committee in January 1981, there is a statement that certain matters noted during the audit were referred to the Office of General Counsel (page 10). Based on its non-compliance with regard to this issue, the Committee could reasonably assume that media placement allocation was one of the referred matters.

In the Committee response, however, counsel points to the other media allocation question which the Commission declared resolved in the January report (page 3, paragraph A.1.). Looking to this, he states "...the Commission's final audit report concludes that we have met our obligations in this area [media allocations]." Specifically, the Final Audit Report only absolves the Committee on media expense allocations for such items as buttons, bumper stickers and freight as discussed under paragraph II.A.2.(c) of the Interim Audit Report.

Counsel's contention, therefore, that the Commission is reopening the question of media placement allocation is premised on confusion of two issues, as well as on omission of facts. Counsel himself implicitly acknowledges that the Committee did not resolve the issue of media placement documentation when he states:

We have no objection in principle to providing further descriptive information on the methodology used in allocating media placement costs ...

Accordingly, the Office of General Counsel recommends that the Commission find probable cause to believe on an 11 C.F.R. § 9033.1(a)(1) violation by the Committee.

83040384345

III. General Counsel's Recommendations

1. Find no probable cause to believe on a 2 U.S.C. § 441b(a) violation by the Committee with regard to a corporate contribution from the Mississippi Bank.
2. Find probable cause to believe on a 2 U.S.C. § 441b(a) violation by the Committee with regard to corporate contributions from Pacific Mutual, Charles Z. Curry Real Estate Co., Strauss Realty Co., and Russell Gower and Co.
3. Find probable cause to believe on a 2 U.S.C. § 441a(f) violation by the Committee.
4. Find probable cause to believe on a 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 violation by the Committee.
5. Find probable cause to believe on an 11 C.F.R. § 9033.1(a)(1) violation by the Committee.

31 December 1981
Date



Charles N. Steele
General Counsel

83040584346



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1982

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1361

Dear Mr. Huron:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 21, 1981, found reason to believe that your client, the Carter/Mondale Presidential Committee, Inc., violated several provisions of the Federal Election Campaign Act, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred with regard to 2 U.S.C. § 441b(a) as it pertains to the Mississippi Bank. However, the General Counsel is prepared to recommend a probable cause finding on violations of 2 U.S.C. § 441b(a) as it pertains to four other corporate entities, § 441a(f), § 434(b)(8), 11 C.F.R. § 104.3(d), § 104.11 and § 9033.1(a)(1).

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

83040384347

Douglas B. Huron, Esquire
Page Two

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Dolores Pesce at 523-5071.

Sincerely,



Charles N. Steele
General Counsel

Enclosure
Brief

93040384348

\$1,000
500
1,000

February 23, 1980
April 1, 1980
July 3, 1980

In response to the General Counsel's Factual and Legal Analysis presenting these alleged facts, Mr. Goldrich states that three checks totaling \$2,500 were drawn on a partnership account under the name Goldrich, Kest, Hirsch, Stern. He includes a copy of the checks, each carrying the partnership heading, and each signed by a different hand. Mr. Goldrich states that at the time of the contribution, "... we inquired whether partnership checks were acceptable, and according to the campaign committee they were indeed." In his response, Mr. Goldrich lists the partners' percentage holding in the partnership and their concomitant share of the contributions:

Jona Goldrich	36%	\$900
Sol Kest	24%	600
Robert Stern	20%	500
Robert Hirsch	20%	500

11 C.F.R. § 110.1(e)(1) states that a partnership contribution shall be attributed to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the committee or candidate.

Based on Mr. Goldrich's response, it appears that instructions on the partners' share of contributions may not have been included with the checks, as required by § 110.1(e)(1). On the other hand, the evidence of the checks challenges the Committee's attributing the 3 contributions to Mr. Goldrich.

33040384350

Namely, the printed heading signifies a partnership and not an individual account, and only the check dated February 5, 1980 carries Mr. Goldrich's signature.

Thus, there appears to be no basis for a conclusion that Jona Goldrich contributed excessive amounts to the Committee. The Office of General Counsel does not recommend that the Commission pursue a possible violation by the partnership, since it appears that the allocable shares of the contributions do not exceed any of the partners' \$1,000 limitations.

Accordingly, the Office of General Counsel recommends that the Commission find no probable cause to believe on a 2 U.S.C. § 441a(a)(1)(A) violation by Jona Goldrich and close the file in regard to him.

III. General Counsel's Recommendation

Find no probable cause to believe on a 2 U.S.C. § 441a(a)(1)(A) violation by Jona Goldrich and close the file in regard to him.

31 Dec. 1981
Date



Charles W. Steele
General Counsel

8 3 0 4 0 3 8 4 3 5 1



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 4, 1982

Jona Goldrich
Goldrich, Kest and Associates
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

Dear Mr. Goldrich:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on July 21, 1981, found reason to believe that you had violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Act, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred. The Commission may or may not approve the General Counsel's Recommendation.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel, if possible. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

Should you have any questions, please contact Dolores Pesce at (202)523-5071.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles N. Steele".

Charles N. Steele
General Counsel

Enclosure
Brief

83040384352



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

21 SEP 21 4:44

MEMORANDUM TO: CHARLES STEELE *MWE*

FROM: MARJORIE W. EMMONS/JODY CUSTER *jc*

DATE: SEPTEMBER 21, 1981

SUBJECT: REFERRAL OF LETTER REGARDING MUR 1361

The attached letter regarding MUR 1361 was hand delivered to Chairman McGarry's office at 4:29 this date and then forwarded to the Secretary of the Commission. It is provided for your action.

Attachment:
Letter from Douglas B. Huron
Dated September 21, 1981

83040384353

GCC#5490

STEIN & HURON

1619 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20009

(202) 797-3680

RECEIVED
SECRETARY

SEP 21 P 4: 29

MARYLAND OFFICE
7504 BYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 657-9220

DOUGLAS B. HURON
EILEEN M. STEIN

September 21, 1981

The Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

re: MUR 1361

Dear Mr. Chairman:

I am writing on behalf of the Carter/Mondale Presidential Committee, Inc. in response to your letter concerning MUR 1361, which the Committee did not receive until mid-August. We appreciate the Commission's permitting us to respond by September 21.

MUR 1361 addresses four separate, unrelated issues: (1) whether the Committee provided FEC auditors sufficient data concerning the allocation of the costs of media placement; (2) the Committee's efforts to correct problems created by its unintentional receipt of contributions in excess of \$1000 from certain individuals; (3) the Committee's alleged receipt of corporate contributions totaling about \$10,000, of which more than \$9400 was said to have come from a single source -- The Mississippi Bank; and (4) the sufficiency of the Committee's actions in disclosing its debts.

These four issues share only one common feature: all should have been, or were, raised and resolved during the course of the audit of our Committee. To raise these questions now in an enforcement action undermines the audit process and is contrary to the intent of Congress. To explain why, we will address each of the Commission's concerns.

Media Expense Allocations

The Commission says in MUR 1361 that, "[a]t the time of its Threshold Report, the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from Rafshoon so that the state allocations could be verified" (p.1). It is asserted that the Committee failed to comply with this recommendation, thereby implying that our media placement allocations could not be verified (p.2).

33040384334

SEP 21 P 5: 07

RECEIVED
COMMUNICATIONS

The record belies these contentions. In the Threshold Report of April 22, 1980, the auditors expressed a concern about their ability to confirm certain allocations and recommended that "the Committee obtain more detailed invoices from their media consultant" (p.8). The auditors noted, however, that "the Committee was able to find collateral evidence to support allocations made in the audit period" (p.7).

Such "collateral evidence" has always been available to the audit staff, and the Committee has also obtained "more detailed invoices" from its media consultant. We do not believe that any serious questions can be raised about our media placement allocations, and the Commission has already acknowledged as much.

On November 7, 1980 the FEC sent us its interim audit report. In it, the principal issue concerning media allocation was the question whether the costs of media production should be allocated, although a question was also raised about the information needed to verify media placement allocations (p.3). For the next two months, we engaged in both formal and informal discussions with Commission officials concerning these and other matters raised in the November 7 report. Certain disputes remained as of January 19, 1981, the date of issuance of the final audit report, but questions of media allocations were not among them; these had been resolved to the satisfaction of all parties.

The January 19 report addresses "Media Expense Allocations" at Section A.1 on page 3. The comments are quite brief -- only three paragraphs long. There is no mention at all of the issue of allocation of production costs, and regarding placement the report says simply:

The review also determined that the Committee has recently received amended allocation statements from the advertising firm which had not been reflected in the Committee's state allocation totals.

* * *

In its December 11, 1980 response, the Committee adjusted the state expenditure totals for Iowa, Maine, and New Hampshire to include the media allocation adjustments noted above.

There is nothing in the January 19 report to indicate that our Committee had ultimately failed to provide adequate information concerning media allocation. On the contrary, the report later concluded that "[t]he Committee has complied with the audit staff's recommendations for A.1 [Media Expense Allocations]...; therefore, no further action is recommended" (p.6).

9304038433

To summarize, our Committee provided the information needed by the Commission to verify media allocations, and the Commission's final audit report concludes that we have met our obligations in this area. We have no objection in principle to providing further descriptive information on the methodology used in allocating media placement costs among states, but completely reopening this question at this time would cause the Committee to incur substantial additional costs. Particularly in light of the January 19 final audit report, resurrection of the issue of media expense allocations is both unfair and at odds with the intent of Congress in establishing the audit process.

Excessive Contributions

This aspect of MUR 1361 refers to 81 individuals who ostensibly contributed a total of some \$46,000 over the legally permissible limits. Like the issue of media allocation, this matter was adequately addressed during the audit process and should have been left there.

In the interim audit report of November 7, 1980, the Commission identified the problem of excessive contributions by 81 individuals and recommended that "the Committee present documentation that the contributions are not excessive, have been legally attributed or the excessive portions have been refunded to the original contributors" (p.7). We complied in full with this recommendation. Indeed, MUR 1361 itself concedes that, "of the original \$46,150.48 in excessive contributions noted by Audit, only \$1000 has not been refunded or otherwise disposed of by the Committee" (p.3). 1/ The Commission also admits that the matter of excessive contributions "was referred to the Committee in the Threshold Audit Report [i.e., on April 22, 1980] and the Committee subsequently instituted corrective procedures" (p.2). Some of these measures are set forth (see p.3).

No one has ever suggested that our Committee intentionally received excessive contributions. The most that can be said is that we failed to catch some in a timely fashion. But even on the Commission's view of the evidence, there is no basis for any enforcement action. In April 1980 the auditors notified us of a problem with identifying excessive contributions, and we immediately instituted procedures to address this concern. Our record improved

1/ In fact, even the last \$1000 has been corrected but was initially not reported properly.

substantially but was not perfect, and on November 7 the Commission notified us of 81 contributions which we had missed. We then took immediate, successful action to deal with all 81.

The matter of excessive contributions illustrates precisely how the audit process should work, with the FEC and the Committee working together to identify a problem, develop procedures for minimizing its occurrence and finally to rectify the few errors that still managed to slip through. But now, instead of congratulatory handshakes all around, the Commission wants to penalize our Committee for its few unintentional mistakes. Why? Because "the amount of excessives identified by Audit was large -- \$38,689.43" (p.3).^{2/}

In fact, the amount of excessive contributions was exceedingly small, representing less than three-tenths of one percent of the more than \$13,250,000 in contributions received by the Committee. This failure of FEC staff to acquire even a nodding acquaintance with the concept of materiality is the bane of many committee's dealings with the Commission.^{3/} But even if the amount of excessive contributions were ten or twenty times as large, still no enforcement action would be warranted. For our receipt of excessive contributions was unintentional, and it is conceded that we took good faith steps to deal with the problem throughout the audit process. If audits are to have any meaning in future Presidential contests -- and if committees are to cooperate with the FEC's auditors -- then the Commission cannot take the type of action contemplated by MUR 1361 on excessive contributions.

Corporate Contributions

MUR 1361 states that the audit revealed evidence of five apparent corporate contributions. The Commission notes that "the Committee had reimbursed all five contributors and provided refund documentation to the Commission" (p.4).

^{2/} As noted at fn.3 on p.3, "[t]his figure reflects the [original] \$46,150.48...minus...\$7,461 documented as computer error."

^{3/} In this case, moreover, the auditors themselves had concluded in the interim report of November 7, 1980 that the "audit testing of contributions did not reveal a material problem" in the area of excessives (p.6).

93040384017

Of the five amounts in question, four are minuscule and total less than \$900. They represent situations in which companies paid small amounts for postage for Committee events and were later reimbursed. It cannot reasonably be argued that these four items -- alone or collectively -- represent a fit subject for an MUR. There is no evidence of intentional receipt of corporate contributions, and all four peccadilloes have been corrected.

This leaves only the \$9435.60 allegedly contributed by The Mississippi Bank. Here the Commission's facts are simply wrong: The Mississippi Bank made no contribution of any size to our Committee.

In December 1979 Mrs. Carter attended a fundraiser in Jackson. Certain expenses were incurred totaling \$9435.60, principally a bill from the Coliseum Ramada Inn for \$7426.67 and from the Premier Printing Company for \$1155, as well as a few smaller amounts. The event was chaired by W.P. McMullan, Jr., Chairman and Chief Executive Officer of the Mississippi Bank.^{4/}

On January 15 and 16, 1980, Mr. McMullan's secretary sent our Committee two letters and statements concerning these expenses, which had not yet been paid. Both letters incorrectly noted that the amounts in question were "due and payable to W.P. McMullan, Jr." For this reason, the Committee on February 20, 1980 sent a check to W.P. Mullan, Jr. [sic] for the total amount due -- \$9435.60 -- instead of directly to the vendors. The check was addressed to Mr. McMullan at The Mississippi Bank, but it was directed to him personally, not to the bank. Mr. McMullan then deposited the check in his personal account and immediately wrote checks to the vendors and to others, leaving \$52.61 in the account to reimburse himself for certain expenditures. On these checks Mr. McMullan described himself as "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

No doubt it would have been preferable for our Committee to have written checks directly to such vendors as the Ramada Inn, rather than to Mr. McMullan. But this mistake was innocent and has not in any way affected the Commission's ability to track our expenditures. More fundamentally -- in view of the charge set forth in MUR 1361 --

^{4/} The fuller account of this matter set forth in letters to the Commission from Gene A. Wilkinson and James A. Peden, Jr., dated August 28 and 31, 1981, is accurate in all material respects, and we incorporate it herein.

the notion that The Mississippi Bank made a contribution of any kind to the Committee is flatly untrue. Nor did Mr. McMullan, the bank's chairman, make any contribution to us in connection with the matter in question.

To conclude, four small instances of arguable corporate contributions were discovered during the audit and have been rectified. A fifth, larger item was not a corporate contribution by any definition. Again, there is no basis here for any further action by the Commission.

Undisclosed Debts

Finally, MUR 1361 charges that the Committee's debts as of July 31, 1980 were either undisclosed or underreported by about \$155,000. The Commission further complains that we did not amend our August 1980 report to reflect these debts.

We have only recently received the auditors' figures purporting to document this charge, but even our preliminary review demonstrates that no enforcement action is warranted. First, the task of determining a committee's outstanding debts with precision at any point in the primary process is difficult, and this is particularly true immediately before and after the national party convention, when money is being spent copiously and quickly. Nevertheless, it is essential that Net Outstanding Campaign Obligations (NOCO) be fixed soon after the convention, for this figure governs the amount of matching funds to which a committee is finally entitled. For this reason our efforts in the area of debt disclosure during August and September 1980 were expended in the preparation of an accurate NOCO statement. With the assistance of the auditors, this goal was met, so our Committee "received no matching fund payments in excess of [its] entitlement." ^{5/}

In terms simply of disclosure, about \$40,000 of the \$155,000 identified by MUR 1361 was owed to the Federal government and the balance to private vendors. By September 1980, all the previously undisclosed bills owed the government -- and most of those owed private parties -- had been paid and so were no longer candidates

^{5/} See interim audit report of November 7, 1980 at p.12 and final audit report of January 19, 1981 at pp. 10-11.

93040384339

for any debt schedule. Our Committee's subsequent reports have been refined, and we do not believe that there is any dispute today about the magnitude of our outstanding obligations.

There is no evidence of any intent by the Committee to evade its reporting requirements, and we cooperated with the auditors to prepare the one critical debt report of the autumn of 1980 -- the NOCO statement. If the Commission now wants us to amend our August 1980 report to reflect debts owed as of July 31, we have no objection to doing so, although we fail to see what public purpose will be served. But certainly no enforcement action should be taken on this aspect of MUR 1361.

CONCLUSION

MUR 1361 is a grab-bag of allegations which should have been disposed of during the course of the Committee's lengthy audit. To attempt to create an MUR out of them abuses the Commission's enforcement process.^{6/}

We would be pleased to provide additional information on any of the matters in this letter :

Thank you for considering this response.

Sincerely,


Douglas B. Huron

cc: Charles N. Steele, Esq.
Timothy G. Smith, Esq.

^{6/} See House Report No. 97-30, May 7, 1981, at 2.

3040384360

STEIN & HURON

1619 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20009

The Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

Hand Delivered

63040384361

GCC#5490

STEIN & HURON
1619 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

DOUGLAS B. HURON
EILEEN M. STEIN

(202) 797-3660

MARYLAND OFFICE
7504 BYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 657-9220

September 21, 1981

The Honorable John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

re: MUR 1361 *Plsca*

Dear Mr. Chairman:

I am writing on behalf of the Carter/Mondale Presidential Committee, Inc. in response to your letter concerning MUR 1361, which the Committee did not receive until mid-August. We appreciate the Commission's permitting us to respond by September 21.

MUR 1361 addresses four separate, unrelated issues: (1) whether the Committee provided FEC auditors sufficient data concerning the allocation of the costs of media placement; (2) the Committee's efforts to correct problems created by its unintentional receipt of contributions in excess of \$1000 from certain individuals; (3) the Committee's alleged receipt of corporate contributions totaling about \$10,000, of which more than \$9400 was said to have come from a single source -- The Mississippi Bank; and (4) the sufficiency of the Committee's actions in disclosing its debts.

These four issues share only one common feature: all should have been, or were, raised and resolved during the course of the audit of our Committee. To raise these questions now in an enforcement action undermines the audit process and is contrary to the intent of Congress. To explain why, we will address each of the Commission's concerns.

Media Expense Allocations

The Commission says in MUR 1361 that, "[a]t the time of its Threshold Report, the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from Rafshoon so that the state allocations could be verified" (p.1). It is asserted that the Committee failed to comply with this recommendation, thereby implying that our media placement allocations could not be verified (p.2).

33040384362

RECEIVED
GENERAL COUNSEL
SEP 21 4:27

The record belies these contentions. In the Threshold Report of April 22, 1980, the auditors expressed a concern about their ability to confirm certain allocations and recommended that "the Committee obtain more detailed invoices from their media consultant" (p.8). The auditors noted, however, that "the Committee was able to find collateral evidence to support allocations made in the audit period" (p.7).

Such "collateral evidence" has always been available to the audit staff, and the Committee has also obtained "more detailed invoices" from its media consultant. We do not believe that any serious questions can be raised about our media placement allocations, and the Commission has already acknowledged as much.

On November 7, 1980 the FEC sent us its interim audit report. In it, the principal issue concerning media allocation was the question whether the costs of media production should be allocated, although a question was also raised about the information needed to verify media placement allocations (p.3). For the next two months, we engaged in both formal and informal discussions with Commission officials concerning these and other matters raised in the November 7 report. Certain disputes remained as of January 19, 1981, the date of issuance of the final audit report, but questions of media allocations were not among them; these had been resolved to the satisfaction of all parties.

The January 19 report addresses "Media Expense Allocations" at Section A.1 on page 3. The comments are quite brief -- only three paragraphs long. There is no mention at all of the issue of allocation of production costs, and regarding placement the report says simply:

The review also determined that the Committee has recently received amended allocation statements from the advertising firm which had not been reflected in the Committee's state allocation totals.

* * *

In its December 11, 1980 response, the Committee adjusted the state expenditure totals for Iowa, Maine, and New Hampshire to include the media allocation adjustments noted above.

There is nothing in the January 19 report to indicate that our Committee had ultimately failed to provide adequate information concerning media allocation. On the contrary, the report later concluded that "[t]he Committee has complied with the audit staff's recommendations for A.1 [Media Expense Allocations]...; therefore, no further action is recommended" (p.6).

3
3
0
4
0
3
8
4
3
3
6
6

To summarize, our Committee provided the information needed by the Commission to verify media allocations, and the Commission's final audit report concludes that we have met our obligations in this area. We have no objection in principle to providing further descriptive information on the methodology used in allocating media placement costs among states, but completely reopening this question at this time would cause the Committee to incur substantial additional costs. Particularly in light of the January 19 final audit report, resurrection of the issue of media expense allocations is both unfair and at odds with the intent of Congress in establishing the audit process.

Excessive Contributions

This aspect of MUR 1361 refers to 81 individuals who ostensibly contributed a total of some \$46,000 over the legally permissible limits. Like the issue of media allocation, this matter was adequately addressed during the audit process and should have been left there.

In the interim audit report of November 7, 1980, the Commission identified the problem of excessive contributions by 81 individuals and recommended that "the Committee present documentation that the contributions are not excessive, have been legally attributed or the excessive portions have been refunded to the original contributors" (p.7). We complied in full with this recommendation. Indeed, MUR 1361 itself concedes that, "of the original \$46,150.48 in excessive contributions noted by Audit, only \$1000 has not been refunded or otherwise disposed of by the Committee" (p.3). ^{1/} The Commission also admits that the matter of excessive contributions "was referred to the Committee in the Threshold Audit Report [i.e., on April 22, 1980] and the Committee subsequently instituted corrective procedures" (p.2). Some of these measures are set forth (see p.3).

No one has ever suggested that our Committee intentionally received excessive contributions. The most that can be said is that we failed to catch some in a timely fashion. But even on the Commission's view of the evidence, there is no basis for any enforcement action. In April 1980 the auditors notified us of a problem with identifying excessive contributions, and we immediately instituted procedures to address this concern. Our record improved

^{1/} In fact, even the last \$1000 has been corrected but was initially not reported properly.

33040384364

substantially but was not perfect, and on November 7 the Commission notified us of 81 contributions which we had missed. We then took immediate, successful action to deal with all 81.

The matter of excessive contributions illustrates precisely how the audit process should work, with the FEC and the Committee working together to identify a problem, develop procedures for minimizing its occurrence and finally to rectify the few errors that still managed to slip through. But now, instead of congratulatory handshakes all around, the Commission wants to penalize our Committee for its few unintentional mistakes. Why? Because "the amount of excessives identified by Audit was large -- \$38,689.43" (p.3).^{2/}

In fact, the amount of excessive contributions was exceedingly small, representing less than three-tenths of one percent of the more than \$13,250,000 in contributions received by the Committee. This failure of FEC staff to acquire even a nodding acquaintance with the concept of materiality is the bane of many committee's dealings with the Commission.^{3/} But even if the amount of excessive contributions were ten or twenty times as large, still no enforcement action would be warranted. For our receipt of excessive contributions was unintentional, and it is conceded that we took good faith steps to deal with the problem throughout the audit process. If audits are to have any meaning in future Presidential contests -- and if committees are to cooperate with the FEC's auditors -- then the Commission cannot take the type of action contemplated by MUR 1361 on excessive contributions.

Corporate Contributions

MUR 1361 states that the audit revealed evidence of five apparent corporate contributions. The Commission notes that "the Committee had reimbursed all five contributors and provided refund documentation to the Commission" (p.4).

2/ As noted at fn.3 on p.3, "[t]his figure reflects the [original] \$46,150.48...minus...\$7,461 documented as computer error."

3/ In this case, moreover, the auditors themselves had concluded in the interim report of November 7, 1980 that the "audit testing of contributions did not reveal a material problem" in the area of excessives (p.6).

33040384365

Of the five amounts in question, four are minuscule and total less than \$900. They represent situations in which companies paid small amounts for postage for Committee events and were later reimbursed. It cannot reasonably be argued that these four items -- alone or collectively -- represent a fit subject for an MUR. There is no evidence of intentional receipt of corporate contributions, and all four peccadilloes have been corrected.

This leaves only the \$9435.60 allegedly contributed by The Mississippi Bank. Here the Commission's facts are simply wrong: The Mississippi Bank made no contribution of any size to our Committee.

In December 1979 Mrs. Carter attended a fundraiser in Jackson. Certain expenses were incurred totaling \$9435.60, principally a bill from the Coliseum Ramada Inn for \$7426.67 and from the Premier Printing Company for \$1155, as well as a few smaller amounts. The event was chaired by W.P. McMullan, Jr., Chairman and Chief Executive Officer of the Mississippi Bank.^{4/}

On January 15 and 16, 1980, Mr. McMullan's secretary sent our Committee two letters and statements concerning these expenses, which had not yet been paid. Both letters incorrectly noted that the amounts in question were "due and payable to W.P. McMullan, Jr." For this reason, the Committee on February 20, 1980 sent a check to W.P. Mullan, Jr. [sic] for the total amount due -- \$9435.60 -- instead of directly to the vendors. The check was addressed to Mr. McMullan at The Mississippi Bank, but it was directed to him personally, not to the bank. Mr. McMullan then deposited the check in his personal account and immediately wrote checks to the vendors and to others, leaving \$52.61 in the account to reimburse himself for certain expenditures. On these checks Mr. McMullan described himself as "Escrow Agent, Carter-Mondale Presidential Committee, Inc."

No doubt it would have been preferable for our Committee to have written checks directly to such vendors as the Ramada Inn, rather than to Mr. McMullan. But this mistake was innocent and has not in any way affected the Commission's ability to track our expenditures. More fundamentally -- in view of the charge set forth in MUR 1361 --

^{4/} The fuller account of this matter set forth in letters to the Commission from Gene A. Wilkinson and James A. Peden, Jr., dated August 28 and 31, 1981, is accurate in all material respects, and we incorporate it herein.

33040534556

the notion that The Mississippi Bank made a contribution of any kind to the Committee is flatly untrue. Nor did Mr. McMullan, the bank's chairman, make any contribution to us in connection with the matter in question.

To conclude, four small instances of arguable corporate contributions were discovered during the audit and have been rectified. A fifth, larger item was not a corporate contribution by any definition. Again, there is no basis here for any further action by the Commission.

Undisclosed Debts

Finally, MUR 1361 charges that the Committee's debts as of July 31, 1980 were either undisclosed or underreported by about \$155,000. The Commission further complains that we did not amend our August 1980 report to reflect these debts.

We have only recently received the auditors' figures purporting to document this charge, but even our preliminary review demonstrates that no enforcement action is warranted. First, the task of determining a committee's outstanding debts with precision at any point in the primary process is difficult, and this is particularly true immediately before and after the national party convention, when money is being spent copiously and quickly. Nevertheless, it is essential that Net Outstanding Campaign Obligations (NOCO) be fixed soon after the convention, for this figure governs the amount of matching funds to which a committee is finally entitled. For this reason our efforts in the area of debt disclosure during August and September 1980 were expended in the preparation of an accurate NOCO statement. With the assistance of the auditors, this goal was met, so our Committee "received no matching fund payments in excess of [its] entitlement." 5/

In terms simply of disclosure, about \$40,000 of the \$155,000 identified by MUR 1361 was owed to the Federal government and the balance to private vendors. By September 1980, all the previously undisclosed bills owed the government -- and most of those owed private parties -- had been paid and so were no longer candidates

5/ See interim audit report of November 7, 1980 at p.12 and final audit report of January 19, 1981 at pp. 10-11.

33040384367

for any debt schedule. Our Committee's subsequent reports have been refined, and we do not believe that there is any dispute today about the magnitude of our outstanding obligations.

There is no evidence of any intent by the Committee to evade its reporting requirements, and we cooperated with the auditors to prepare the one critical debt report of the autumn of 1980 -- the NOCO statement. If the Commission now wants us to amend our August 1980 report to reflect debts owed as of July 31, we have no objection to doing so, although we fail to see what public purpose will be served. But certainly no enforcement action should be taken on this aspect of MUR 1361.

CONCLUSION

MUR 1361 is a grab-bag of allegations which should have been disposed of during the course of the Committee's lengthy audit. To attempt to create an MUR out of them abuses the Commission's enforcement process.^{6/}

We would be pleased to provide additional information on any of the matters in this letter :

Thank you for considering this response.

Sincerely,


Douglas B. Huron

cc: Charles N. Steele, Esq.
Timothy G. Smith, Esq.

^{6/} See House Report No. 97-30, May 7, 1981, at 2.

3040384368

STEIN & HURON

1619 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20009

Hand Delivered

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
Washington, D.C. 20463

83040384369



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 3, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Douglas B. Huron, Esquire
Stein and Huron
1619 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Re: MUR 1361

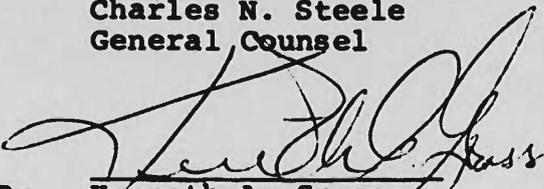
Dear Mr. Huron:

This letter is to confirm receipt of your letter of August 21, 1981. In response to your request for additional time in which to submit a response on behalf of the Carter/Mondale Presidential Committee, Inc., the Office of General Counsel is willing to extend your due date to September 21.

We look forward to the expeditious settlement of this matter.

Sincerely yours,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

83040384370

Geek 5395

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

81 SEP 3 P 1: 07

(804) 549-2000

100 CONGRESS STREET SOUTH
POST OFFICE BOX 22827
JACKSON, MISSISSIPPI 39205

GENE A. WILKINSON
ERWIN C. WARD
JAMES A. PEDEN, JR.
ANSON B. CHUNN
SHELBY R. ROGERS, JR.
DERRYL W. PEDEN
STANLEY O. SMITH
CRAIG N. LANDRUM
CECILE C. EDWARDS

August 31, 1981

E. W. STENNETT (1899-1979)
HORACE STEELE (1907-1980)

CERTIFIED
RETURN RECEIPT REQUESTED

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D. C. 20463

ATTENTION: Kenneth A. Gross, Esq.
Associate General Counsel

Re: MUR 1361
PESCE

Dear Mr. McGarry:

As attorneys for The Mississippi Bank, Jackson, Mississippi, we wish to supplement our letter of August 28, 1981, by forwarding to you a copy of one additional document.

In the last sentence on page two of our letter of August 28, we stated that the Carter-Mondale Presidential Committee, Inc., had apparently been requested to pay the bill at the Coliseum-Ramada Inn, but that we had been unable to find any written record of such a request.

We today obtained a copy of a letter written to the Committee on January 16, 1980, by Martha F. Keveryn, secretary to W. P. McMullan, Jr. Enclosed is a copy of that letter, in which the Committee was requested to pay the bill at the Coliseum-Ramada Inn.

01 SEP 3 P 4: 22
ASSOCIATE GENERAL COUNSEL

33040384371

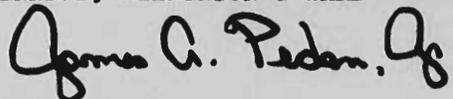
Mr. John Warren McGarry
August 31, 1981

The \$8,629.39 amount mentioned in the letter of January 16, 1980, was subsequently adjusted downward to \$7,426.67 to reflect the fact that two rooms were complimentary. See pages two and four of our letter of August 28, 1981, and Exhibit K thereto.

Please let us know if we can provide additional information.

Sincerely yours,

STENNETT, WILKINSON & WARD



James A. Peden, Jr.

JAPjr:br

Enclosure

cc Mr. W. P. McMullan, Jr.

Douglas B. Huron, Esq.

33040384372

W. P. McMULLAN, JR.
CHAIRMAN OF THE BOARD
AND
CHIEF EXECUTIVE OFFICER

January 16, 1980

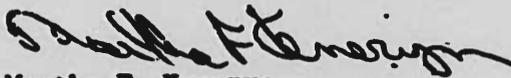
Ms. Tricia Segall
Carter/Mondale Presidential Committee
1413 K Street, N. W.
Washington, D. C. 20005

Dear Ms. Segall:

Enclosed you will find copies of the billings for the representatives of Carter/Mondale Presidential Committee from the Coliseum Ramada Inn for the fund raising dinner on December 6, 1979, honoring the First Lady. Total amount due and payable to W. P. McMullan, Jr., is \$8,629.39.

If you have any questions, please do not hesitate to call.

Sincerely,



Martha F. Keveryn
Secretary to Mr. W. P. McMullan, Jr.

/mfk

Enclosures

33040384372

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW

POST OFFICE BOX 22627
JACKSON, MISSISSIPPI 39205



8304038437



Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D. C. 20463

ATTENTION: Kenneth A. Gross, Esq.
Associate General Counsel

CERTIFIED
RETURN RECEIPT REQUESTED

81 SEP 3 P12: 28

RECEIVED

600-538

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

(202) 646-3000

81 SEP 1 P 3: 05

100 CONGRESS STREET SOUTH
POST OFFICE BOX 22627
JACKSON, MISSISSIPPI 39205

GENE A. WILKINSON
ERWIN C. WARD
JAMES A. PEDEN, JR.
ANSON B. CHUNN
SHELBY R. ROGERS, JR.
DERRYL W. PEDEN
STANLEY Q. SMITH
CRAIG N. LANDRUM
CECILE C. EDWARDS

August 28, 1981

CERTIFIED - RETURN RECEIPT REQUESTED

E. W. STENNETT (1899-1979)
HORACE STEELE (1907-1980)

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D. C. 20463

ATTENTION: Kenneth A. Gross, Esq.
Associate General Counsel

Re: MUR 1361

Pesca

Dear Mr. McGarry:

This law firm represents The Mississippi Bank, Jackson, Mississippi. On behalf of our client, we are hereby responding to your letter of July 23, 1981, and to the accompanying General Counsel's Factual and Legal Analysis, which document is also dated July 23, 1981.

By a letter dated August 24, 1981, Kenneth A. Gross, Esq., Associate General Counsel for the Federal Election Commission, extended to September 1, 1981, The Mississippi Bank's response time.

The Mississippi Bank is a banking corporation organized and chartered under the laws of the State of Mississippi. The bank has its main office and principal place of business in Jackson, Mississippi.

The Mississippi Bank denies that it made a contribution of \$9,435.60 or of any other amount to the Carter-Mondale Presidential Committee, Inc. ("Committee"). The Mississippi Bank denies that it violated the provisions of 2 U.S.C. §441b(a), of any other provision of the Federal Election Campaign Act, of any regulation promulgated thereunder, or of any other statute or regulation. If any report has been filed with the Federal Election Commission indicating a contribution by The Mississippi Bank, then that report is in error.

In investigating the events that may have given rise to such a report, we have determined that the following transpired in connection with a visit made by former First Lady Rosalynn Carter to Jackson, Mississippi, for the purpose of speaking at a dinner held on or about December 6, 1979. In connection with the trip, the Committee incurred certain printing,

33040384375

SEP 1 P 5: 12

RECEIVED
GENERAL COUNSEL

telephone, postage, shipping, and hotel expenses totaling \$9,435.60, which sum is the amount in question.

Those expenses, which are evidenced by attached invoices, are itemized as follows:

83040584376

\$1,155.00 -	Premier Printing Company, for printing expenses (Exhibit A)
163.82 -	The Mississippi Bank, for long distance telephone calls made on the bank's telephone (Exhibit B)
450.00 -	Bill Hankins, for postage in regard to invitations (Exhibit C)
187.50 -	Bob Boteler, for postage in regard to invitations (Exhibit C)
27.16 -	W. P. McMullan, Jr., for postage in regard to literature (Exhibit D)
8.45 -	W. P. McMullan, Jr., for postage in regard to ticket checks (Exhibit E)
17.00 -	W. P. McMullan, Jr., for Federal Express charges (Exhibit F)
<u>7,426.67</u> -	Coliseum Ramada Inn, for use of hotel facilities (Exhibit G)
\$9,435.60 -	TOTAL

In regard to the statement from the Coliseum Ramada Inn (Exhibit G), there was apparently some negotiation in regard to the original charge of \$8,561.72, which was adjusted upward to \$8,629.69 and finally downward to \$7,426.67, as will be shown in greater detail in a later exhibit.

W. P. McMullan, Jr., who made the expenditures indicated by Exhibits D, E, and F, served as finance chairman in Mississippi for the Carter-Mondale Presidential Committee, Inc. Mr. McMullan is Chairman of the Board and Chief Executive Officer of The Mississippi Bank. The aforementioned expenses evidenced by Exhibits A-G were apparently collected and tallied in Mr. McMullan's office.

The Committee was requested to pay \$2,008.93 of these expenses by a letter dated January 15, 1980 (Exhibit G-1). This \$2,008.93 sum represents all of the aforesaid total of \$9,935.60 except the \$7,426.67 bill from the Coliseum Ramada Inn. The Committee was apparently requested to pay that bill, although we are unable to find any written record of such a request.

On February 20, 1980, for the purpose of paying all the said expenses, the Committee issued its check No. 5579 drawn on its operating account at The National Bank of Washington in the amount of \$9,435.60 (Exhibit H). Notations on the check stub attached to the bottom of the check indicate the purpose of the payment. The abbreviation "FLMS" apparently refers to "First Lady - Mississippi".

The Committee made its check payable to W. P. McMullan, Jr. We would point out that, by a clerical error, the "Mc" in Mr. McMullan's name was omitted. Typed under Mr. McMullan's name was his office address, The Mississippi Bank, Post Office Box 979, Jackson, Mississippi 39205.

We suspect, although we do not know for certain, that some person processing the check for a subsequent report to the Federal Election Commission erroneously listed the payee of the check as The Mississippi Bank rather than W. P. McMullan, Jr.

The Committee mailed the check to Mr. McMullan's office, where it was received on or about February 28, 1980. Mr. McMullan's secretary, Martha F. Keveryn, had the check deposited into Mr. McMullan's personal account, No. 53-7000-2, at The Mississippi Bank on February 29, 1980, as is shown by a deposit slip bearing that date (Exhibit I) and by an account statement dated March 27, 1980 (Exhibit J).

On February 29, 1980, Ms. Keveryn prepared a memorandum to Mr. McMullan announcing receipt of the check from the Committee, explaining how the check was to be divided, and indicating that the check had been deposited into Mr. McMullan's account. The memorandum further indicated that she had prepared appropriate disbursement checks for Mr. McMullan's signature (Exhibit K).

Mr. McMullan signed the various checks, which are all dated February 29, 1980. The checks, copies of which are attached as exhibits, may be identified as follows:

<u>Check No.</u>	<u>Payee</u>	<u>Amount</u>	<u>Reference</u>
2392	Premier Printing	\$1,155.00	Exhibit L
2393	The Mississippi Bank	163.82	Exhibit M
2394	Bill Hankins	450.00	Exhibit N
2395	Bob Boteler	187.50	Exhibit O
2396	Coliseum Ramada Inn	7,426.67	Exhibit P

As you will note, the aforesaid checks correspond with the invoices identified as Exhibits A, B, C, and G. Rather than write a check or checks to himself for the sums indicated by Exhibits D, E, and F, Mr. McMullan simply left those sums in his personal account.

Appropriate notations were placed on the respective checks to indicate the purpose of the payment. Moreover - and we would invite your particular attention to this point - Mr. McMullan placed below his

93040384377

signature on each of the checks the words "Escrow Agent, Carter-Mondale Presidential Committee, Inc." Although we are unaware of any statute or regulation that required him to place these words on his checks, using these words explained to anyone who might be concerned the source of the funds and the fact that Mr. McMullan was simply making disbursement as an escrow agent. Using these words was certainly in keeping with the spirit of the Federal Election Campaign Act in regard to full disclosure of financial matters.

Before concluding this response, it would perhaps be appropriate to make reference to one other matter. The memorandum previously identified as Exhibit K makes reference to the fact that rooms at the Coliseum Ramada Inn for Patty Steele and Peter Conlon were to be complimentary. These two persons were both connected with the Carter-Mondale Presidential Committee, Inc. It is our understanding that it is customary in the hotel business to provide complimentary rooms for persons who bring conventions, large groups, or other activities involving large billings to a particular hotel. Providing complimentary rooms was thus apparently done in the ordinary course of business.

Based on the information outlined above and on the attached exhibits, The Mississippi Bank therefore respectfully submits the following conclusions:

- (1) The Mississippi Bank made no contribution to the Carter-Mondale Presidential Committee, Inc., and committed no violation of law.
- (2) No funds belonging to The Mississippi Bank were utilized in any of the subject transactions.
- (3) The sums comprising the figure of \$9,435.60 are all itemized and all represent legitimate expenses on behalf of the Committee.
- (4) The Committee paid all these expenses by Check No. 5579 in the amount of \$9,435.60.
- (5) This check was sent to W. P. McMullan, Jr., who deposited the check into his personal account and immediately wrote disbursement checks to the appropriate parties, indicating on those checks that he was acting as escrow agent for the Committee.

93040384378

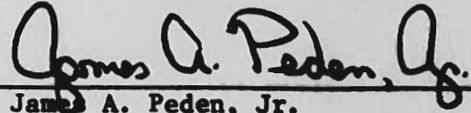
Mr. John Warren McGarry
August 28, 1981

The Mississippi Bank therefore respectfully requests that the allegations made against it by the Federal Election Commission be dismissed with prejudice. If we can provide further information concerning this matter, please do not hesitate to call on us.

Sincerely yours,

STENNETT, WILKINSON & WARD

BY: 
Gene A. Wilkinson

BY: 
James A. Peden, Jr.

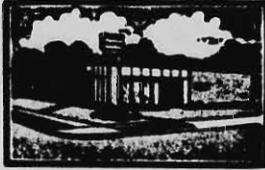
Enclosures

cc: Mr. W. P. McMullan, Jr.
Douglas B. Huron, Esq.

33040384379

*Put on
bill !!*

INVOICE



Premier Printing Company

2485 WEST CAPITOL STREET JACKSON, MISSISSIPPI 39209
TELEPHONE 352-4091 352-4092 352-4093

SOLD TO Carter-Mondale Presidential Committee DATE 12/6/79
P. O. Box 500 JOB NO. 1799

QUANTITY Washington, D.C. 20044 DESCRIPTION AMOUNT

3,000	Carter Mondale Invitations Printed Scored & Folded	\$285.00
3,000	"We Will Attend" Invitations	175.00
3,000	A-7 Invitation Envelopes (Carter-Mondale)	290.00
3,000	A-2 Invitation Envelopes (Eastland)	195.00
500	Special Invitations	95.00
1,000	Tickets, Printed & Numbered	60.00
		1100.00
	TAX	55.00
YOUR P.O. NO.	BY	\$1155.00

33040584330

"EXHIBIT A"

THE MISSISSIPPI BANK

FIRST NATIONAL BANK OF MISSISSIPPI

FROM THE DEBK OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

Attached are copies of the banks phone bills with the billing of calls made by Peter Conlon and Patty Steele while they were on the 10th floor of the Marketing Department.

The Total of this bill is \$163.82.

*Due the bank
or Bill
Hendins*

"EXHIBIT B"

33040384382

0.00 *1
0.00 *1
0.50 +
1.52 +
0.74 +
1.43 +
0.54 +
0.50 +
6.28 +
3.56 +
5.62 +
0.84 +
6.96 +
6.51 +
0.84 +
0.84 +
0.50 +
0.88 +
0.20 +
0.50 +
0.48 +
0.52 +
0.50 +
0.50 +
0.52 +
0.52 +
1.18 +
0.50 +
0.50 +
0.52 +
0.88 +
0.52 +
0.52 +
1.18 +
3.38 +
1.36 +
3.90 +
1.14 +
1.52 +
1.96 +
0.52 +

1.52 +
0.64 +
4.42 +
2.85 +
0.50 +
0.50 +
1.50 +
0.54 +
1.10 +
1.42 +
0.50 +
0.50 +
17.41 +
1.52 +
0.50 +
2.20 +
2.18 +
0.24 +
1.01 +
0.64 +
0.52 +
0.50 +
0.50 +
0.50 +
0.50 +
2.24 +
0.52 +
0.52 +
7.30 +
1.52 +
0.50 +
0.50 +
0.84 +
0.54 +
2.31 +
1.52 +
0.50 +
0.50 +
4.24 +
18.18 +
0.54 +
14.44 +
0.82 +
163.82 *1

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6170							
1	10-20	2 35PM	WASHINGTON DC	202 789 7226	A	1	.50*
2	10-31	9 55AM	WASHINGTON DC	202 789 7226	A	4	1.52*
3	11-01	8 24AM	BALTIMORE MD	304 561 4584	A	2	.74*
4	11-01	5 15PM	WASHINGTON DC	202 789 7279	A	6	1.43*
5	11-01	5 28PM	WASHINGTON DC	202 789 7227	A	2	.54*
6	11-02	3 40PM	WASHINGTON DC	202 789 7226	A	1	.50*
7	11-05	1 29PM	COLUMBUS OH	614 409 1027	A	18	6.28*
8	11-05	2 40PM	WASHINGTON DC	202 789 7279	A	10	3.56*
9	11-05	5 44PM	WASHINGTON DC	202 450 1414	A	25	5.62*
10	11-06	9 00AM	WASHINGTON DC	202 789 4954	A	2	.84*
11	11-06	9 15AM	WASHINGTON DC	202 450 2143	A	20	6.96*
12	11-06	10 40AM	WASHINGTON DC	202 789 7279	A	2	.84*
13	11-06	5 55PM	WASHINGTON DC	202 377 5152	A	29	6.51*
14	11-08	10 40AM	WASHINGTON DC	202 789 7279	A	2	.84*

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!



South Central Bell

NOV 25 1979

601 969 6100

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6170							
1	11-08	11 32AM	WASHINGTON DC	202 450 1414	A	2	.84*
2	11-08	11 32AM	WASHINGTON DC	202 450 1414	A	6	1.98*
3	11-08	11 32AM	WASHINGTON DC	202 450 1414	A	1	.50*
4	11-09	9 55AM	WASHINGTON DC	202 789 7279	A	1	.50*
5	11-09	9 55AM	WASHINGTON DC	202 789 7279	A	25	5.62*
6	11-10	9 51AM	WASHINGTON DC	202 789 7226	A	6	.88*
7	11-10	9 40AM	WASHINGTON DC	202 789 7279	A	1	.20*
8	11-10	9 40AM	WASHINGTON DC	202 789 7279	A	1	.50*
9	11-13	3 51PM	WASHINGTON DC	202 223 3100	A	1	.50*
10	11-13	3 55PM	ST LOUIS MO	314 862 6200	A	1	.48*
11	11-13	3 57PM	NEW YORK NY	212 398 2273	A	1	.52*
12	11-13	4 10PM	BIRMINGHAM AL	313 643 9650	A	1	.50*
13	11-13	4 19PM	PITTSBURGH PA	412 433 1121	A	1	.50*
14	11-13	4 20PM	NEW YORK NY	212 883 4242	A	1	.52*
15	11-13	4 24PM	STAMFORD CT	203 350 2000	A	1	.52*

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!



South Central Bell

NOV 25 1979

601 969 6100

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6170							
1	11-14	3 27PM	DETROIT MI	313 322 3000	A	3	1.18*
2	11-14	2 23PM	MINNEAPOLIS MN	612 540 2511	A	1	.50*
3	11-14	2 25PM	WASHINGTON DC	202 797 6430	A	1	.50*
4	11-14	2 25PM	WASHINGTON DC	202 797 6430	A	1	.50*
5	11-14	2 27PM	NEW YORK NY	212 586 5404	A	1	.52*
6	11-14	2 27PM	PHILA PA	215 565 6105	A	2	.88*
7	11-14	2 53PM	GREENWICH CT	203 622 6000	A	1	.52*
8	11-14	2 40PM	NEW YORK NY	212 697 0630	A	1	.52*
9	11-14	3 22PM	DETROIT MI	313 271 2750	A	3	1.18*
10	11-15	2 03PM	TOPELO MS	842 5275	A	6	3.38*

See Reverse

10.43

TOTAL LONG DISTANCE EXCLUDING TAX

67.97

THANK YOU! IT'S A PLEASURE TO SERVE YOU!

LUL TAX .00 SIA TAX .42 FED TAX 2.09

3 0 4 0 5 8 4 3 9

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6173							
1	11-08	3 46PM	CANTON MS	859 4110	A	5	1.35#
2	11-08	4 00PM	WASHINGTON DC	202 450 1414	A	11	3.90*
3	11-08	4 44PM	GREENVILLE MS	555 3523	A	2	1.14#
4	11-08	4 39PM	WASHINGTON DC	202 450 7140	A	4	1.52*
5	11-13	3 22PM	MCLUMB MS	604 2231	A	4	1.56#
6	11-14	2 23PM	BRIDGEPORT CT	203 382 2000	A	1	.52*
7	11-14	3 30PM	NEWORLEANS LA	504 581 1314	A	4	1.34*
8	11-14	3 49PM	MCLUMB MS	604 2231	A	1	.64#
9	11-16	3 17PM	GREENWOOD MS	453 0121	A	15	4.42#
10	11-19	10 04AM	BILUXI MS	388 7000	A	5	2.85#

LUC TAX .00 STA TAX 1.71 FED TAX 1.63
 See Reverse 57.51 TOTAL LONG DISTANCE EXCLUDING TAX 54.17
 # THANK YOU! IT'S A PLEASURE TO SERVE YOU!



NOV 25 1979

601 969 6100

PAGE 70 DETAILS OF LONG DISTANCE CHARGES

902

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6173							
2	10-30	10 29AM	WASHINGTON DC	202 467 4100	A	1	.50*
4	11-05	4 30PM	WASHINGTON DC	202 450 1414	A	1	.50*
5	11-05	4 49PM	ATLANTA GA	404 659 0000	A	4	1.50*
6	11-06	2 57PM	VICKSBURG MS	630 1151	A	1	.54#
7	11-07	3 23PM	BIRMINGHAM AL	205 933 3200	A	3	1.10*
8	11-07	4 40PM	MUNTSVILLE AL	205 536 7441	A	4	1.42*
9	11-08	10 40AM	CHICAGO IL	312 340 5500	A	1	.50*
10	11-08	10 45AM	WASHINGTON DC	202 769 7280	A	1	.50*
11	11-08	3 00PM	KULLINGFRK MS	873 6439	A	42	17.41#
12	11-08	10 46AM	WASHINGTON DC	202 789 7226	A	4	1.52*
13	11-08	2 40PM	WASHINGTON DC	202 789 7279	A	1	.50*
14	11-08	1 52PM	WASHINGTON DC	202 789 7279	A	6	2.20*
15	11-08	7 12PM	CANTON MS	859 6367	A	13	2.18#

See Reverse
 # THANK YOU! IT'S A PLEASURE TO SERVE YOU!



NOV 25 1979

601 969 6100

PAGE 74 DETAILS OF LONG DISTANCE CHARGES

902

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 6171							
1	11-11	12 35PM	CANTON MS	859 4110	A	2	.24#
2	11-11	12 57PM	WASHINGTON DC	202 789 7279	A	7	1.01*
3	11-13	3 15PM	INDIANOLA MS	887 3412	A	1	.64#
4	11-13	4 04PM	RULHESTER NY	716 262 3315	A	1	.52*
5	11-13	4 09PM	BATTLE CRK MI	616 905 1221	A	1	.50*
6	11-13	4 19PM	INDIANAPLS IN	317 924 5471	A	1	.50*
7	11-13	4 20PM	NEW YORK NY	212 571 2345	A	2	.88*
8	11-14	2 22PM	DETROIT MI	313 322 3000	A	1	.50*
9	11-14	2 29PM	DAYTON OH	513 434 7300	A	1	.50*
10	11-14	4 07PM	GULFPORT MS	864 3544	A	4	2.24#
11	11-14	2 24PM	STAMFORD CT	203 357 2000	A	1	.52*
12	11-14	2 26PM	NEW HAVEN CT	203 865 4121	A	1	.52*

LUC TAX .00 STA TAX .16 FED TAX 1.88
 See Reverse 04.86 TOTAL LONG DISTANCE EXCLUDING TAX 62.82
 # THANK YOU! IT'S A PLEASURE TO SERVE YOU!

NO	DATE	TIME	PLACE CALLED	AREA NUMBER	T	MIN	AMOUNT
CHARGES FOR 969 0171							
1	11-02	3 00PM	WASHINGTON DC	202 789 7225	A	21	7.30*
2	11-05	12 00PM	WASHINGTON DC	202 789 7227	A	4	1.52*
3	11-05	1 00PM	WASHINGTON DC	202 456 6200	A	1	.50*
4	11-05	1 58PM	WASHINGTON DC	202 785 4354	A	1	.50*
5	11-05	9 09AM	WASHINGTON DC	202 789 7226	A	2	.84*
6	11-06	6 15PM	WASHINGTON DC	202 456 1414	A	2	.54*
7	11-06	5 20PM	WASHINGTON DC	202 456 7800	A	10	2.31*
8	11-06	9 11AM	WASHINGTON DC	202 456 7000	A	4	1.52*
9	11-06	9 52AM	CLEVELAND OH	216 690 1000	A	1	.50*
10	11-06	3 00PM	WASHINGTON DC	202 789 7279	A	1	.50*
11	11-06	4 10PM	WASHINGTON DC	202 789 7279	A	12	4.24*
12	11-06	4 50PM	WASHINGTON DC	202 377 5152	A	53	18.18*
13	11-06	5 25PM	WASHINGTON DC	202 789 7226	A	2	.54*
14	11-06	2 10PM	CLEVELAND OH	216 690 1000	A	42	14.44*
15	11-09	11 20AM	ATLANTA GA	404 500 8000	A	2	.82*

See Reverse

THANK YOU! IT'S A PLEASURE TO SERVE YOU!

0.584385
403.014

FROM THE DEBK OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

attached are postage slips for mailing
out invitations for the dinner.

Total \$637.50

37.50



due ~~500000~~
Bill Perkins
has already paid his
party cash expenses
22

\$ 450

83040384336

\$ 150.00



THE MISSISSIPPI BANK

POST OFFICE BOX 579 JACKSON MISSISSIPPI 39202

FROM THE DESK OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

Attached is a postage slip for
the purpose of mailing a box of
hand out literature that was left
back to Patty Steele.

Total is \$27.16

27.16



due wpm

"EXHIBIT D"

FROM THE DESK OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

Attached is a postage slip from
Express mail to send money
(Checks) raised for dinner.

Total is \$8.45

\$8.45



due WPM

EXPRESS MAIL
NEXT DAY SERVICE

POST OFFICE TO ADDRESSEE



13225519

FROM:
W. P. McMullan, Jr.
P. O. Box 979
JACKSON, MS 39205

ORIGIN:
Initials of Receiver: *W*
Clk: *W*
Post Office: 39205
Date: 11-29-79
Time: 4:35 P.M.
Weight: 2 lb 8.10

SERVICE GUARANTEE:
Domestic mailpieces under this service made at designated USPS facilities on or before a specified day of time, will be accepted for express shipment to a designated USPS delivery area having Express Mail service for next day delivery to an addressee or agent on or before the time specified by the USPS at making USPS will refund upon application to originating office the postage for any shipments mailed under this service and not meeting the service standard except for those delayed by strike or work stoppage. See USA Notice 43 for details.

INSURANCE COVERAGE:
(1) Document Return Insurance (Domestic and International Mail) Non negotiable documents are insured against loss, damage or delay up to \$500 per piece subject to a limit of \$500 (RM) per occurrence. See USPS Notice 7 or Notice 63 for limitations of coverage.
(2) Merchandise Insurance (Domestic Mail only). Parcels are insured against loss or damage up to \$500. The mailer must declare the value of the article at the time of mailing. See USPS Notice 13 or Notice 63 for limitations of coverage.
Claims for loss, delay or damage must be made within 60 days. Claim forms may be obtained at the post office of mailing.

Value Declared, if any: Customer Number, if any:

TO:
Tim Finchem
1413 K Street NW
11th Floor
Washington, DC 20005

EXPRESS MAIL SERVICE
Customer Receipt

PRESS HARD FOR MAILING PROPERTIES

"EXHIBIT E"

LABEL 118 DEC/77

THE
MISSISSIPPI BANK
ONLY OPEN 1 DAY 9 TO 10:30 AM MISSISSIPPI 38714

FROM THE DESK OF
W. P. McMULLAN, JR.
CHAIRMAN

January 15, 1980

Attached is a Federal Express
bill for \$17.00 to send checks
raised for Dinner.

Love WPM

"EXHIBIT F"



11/16/79

DUNS
05 007 0450

Mail Payment to:
Federal Express Corporation
P.O. Box 727 Dept. A
Memphis, Tn. 38194

Bank No. _____
Freight Payment Plan _____

Bill to:

Shipper: 392-0000-7

THE MISSISSIPPI BANK
329 E CAPITAL ST
JACKSON MS 39201

THE MISSISSIPPI BANK
329 E CAPITAL ST
JACKSON MS 39201

PAYMENT DUE IN 15 DAYS

The charge below includes a 5% Federal Excise Tax on the air transportation portion and related accessorial services.

Customer Account No. 392-0000-7		Invoice No. 9-330-12306		Invoice Date 11/26/79		Important →		Date Shipped 11/15/79		Bill To: PRE-PAID		Consignment Scale			
Federal Express Control ID	Airbill Number	Svc	Rate Scale	No. Pkgs.	Weight	Net Weight Charge	Insurance	Other Charges			Shipping Cost	Shipper Reference			
89040603	032642197	8	D	1	2	1700					1700				
<p><i>Ref 12/11/79 Carter 2284 Personal</i></p>							<p><i>Pls</i></p>					<p><i>gone back for Carter file!</i></p>			
<p>1 Priority 1 6 SSS Service Codes ▲ 2 Std. Air 8 Post Paid CP 4 Hazardous Mat 5 Shipment 5 PSS</p>						<p>1 Address Corrections ▲ Other Charge Code ▲ 2 Returned Shipment 3 Advance 4 Handling 5 Saturday Delivery 6 International Service 7 International Expedited 8 Out of Delivery Area</p>						TOTAL CHARGE		Remit this Amc within 15 days	
												17.00 ←			

392-0000-7

9-330-12306

11/26/79

17.00

Detach at
Perforation

Account Number

Invoice Number

Date

Amount Due

3920000793301230695000170045

Remittance
Stub

PAYMENT DUE IN 15 DA.

THE MISSISSIPPI BANK
329 E CAPITAL ST
JACKSON MS 39201

MAIL PAYMENT TO
FEDERAL EXPRESS CORP.
P.O. BOX 727 DEPT. A
MEMPHIS, TN 38194



To insure proper credit, please return
this portion with your remittance.

11/16/79

DATE
01-16-80

COLISEUM RAMADA INN
155 & HIGH STREET JACKSON, MISSISSIPPI 39205
P. O. BOX 893

• CARTER MONDALE PRESIDENTIAL CAMP.
1413 K. St. N.W.
Washington, D.C. 20005
Attn: Donna Sagmiller

Detach and Return this Stub With Remittance.

Amt. Remitted \$ _____

DATE	INVOICE PERIOD	AMOUNT	PAYMENTS	BALANCE DUE
------	----------------	--------	----------	-------------

BALANCE BROUGHT FORWARD

12-6-79

				\$8,561.72
			Service Chg.	- 57.86
			1 month Delinquent	8,501.86 + 28.43
				<u>8,690.15</u>
				129.53
				<u>8,629.89</u>

7,426.02 paid
owe steel Restaurant
\$ 175.98 room ~~etc~~ O P *****
368.78 Conlon
544.56 Restaurant
Charges +
Peter
Conlon

OUR TERMS ARE NET 10 DAYS
FINANCE CHARGE OF 1 1/2%
PER MONTH CHARGED ON
PAST DUE ACCOUNTS

Your Check is Your Receipt **COLISEUM RAMADA INN** Pay Last Amount
1-55 & HIGH STREET P. O. BOX 893 JACKSON, MISSISSIPPI 39205 Shown in This Column

"EXHIBIT G"

ROOM 422A 1006 NAME STEELE, PATY (FIRST) (INITIAL) (LAST) 1.28.50

FOLIO NUMBER 0229

STREET ADDRESS RATE

CITY STATE & ZIP

REPRESENTING CLERK

YES TRAVEL AGENT
NO COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE
NOV 17	ROOM 100	C* 28.50			58
NOV 17	TAX 100	C* 1.83		615.30 *	
NOV 18	EDIST 100	A* 2.35		617.65 *	
NOV 18	EDIST 100	A* 11.42		629.07 *	
NOV 18	ROOM 100	C* 28.50			
NOV 18	TAX 100	C* 1.83		659.00 *	
NOV 19	ROOM 100	C* 28.50			
NOV 19	TAX 100	C* 1.83		688.93 *	
NOV 20	EDIST 100	B* 2.31		691.24 *	
NOV 20	EDIST 100	B* 3.04			
NOV 20	EDIST 100	B* 3.22		697.90 *	
NOV 20	ROOM 100	C* 28.50			
NOV 20	TAX 100	C* 1.83		727.83 *	
NOV 21	ROOM 100	C* 28.50			
NOV 21	TAX 100	C* 1.83		757.76 *	
NOV 22	ROOM 100	C* 28.50			
NOV 22	TAX 100	C* 1.83		787.69 *	
NOV 24	PHONE 200	C* .00		787.69 *	
NOV 30	PHONE 200	C* .00		787.69 *	
DEC - 1	PHONE 200	C* .00		787.69 *	
DEC - 5	LDIST 200	A* 3.66			
DEC - 5	RESTR 200	A* 3.89		795.24 *	
DEC - 5	RESTRM 200	B* 4.20		799.44 *	
DEC - 5	RESTR 200	B* 15.59		815.03 *	
	Rest.	16.91			
	Copies	2.30		834.24	

COLISEUM

RAMADA INN

NAME: **STILELE, PATTY** (FIRST) **1/28.50** (DATE)
 1413 K ST NW
 WASHINGTON DC
 FOLIO NUMBER: **02294**
 YES TRAVEL AGENTS
 NO COMMISSION
 CARTER MONDALE CAMPAIGN

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	C* 9.82		9.82	C* 9.82
-1-78	ROOM 101^ C* 28.50		★ 39.75 y	C* 39.75
-1-78	TAX 101^ C* 1.43		★ 41.96	C* 41.96
-2-78	RESTR 101^ A* 2.21		★ 47.68	C* 47.68
-2-78	LDIST 101^ B* 5.72			
-2-78	ROOM 101^ C* 28.50		★ 77.61 x	C* 77.61
-2-78	TAX 101^ C* 1.43		★ 84.44	C* 84.44
-3-78	RESTR 101^ B* 6.83		★ 86.75	C* 86.75
-3-78	LDIST 101^ C* 2.31			
-3-78	ROOM 101^ C* 28.50		★ 116.68 y	C* 116.68
-3-78	TAX 101^ C* 1.43		★ 122.49	C* 122.49
-3-78	LDIST 101^ B* 5.81			
-4-78	ROOM 100^ C* 28.50		★ 152.42 y	C* 152.42
-4-78	TAX 100^ C* 1.43			
-4-78	ROOM 100^ C* 28.50		★ 182.35 y	C* 182.35
-4-78	TAX 100^ C* 1.43			
-4-78	ROOM 100^ C* 28.50		★ 212.28 y	C* 212.28
-4-78	TAX 100^ C* 1.43		★ 215.80	C* 215.80
-4-78	RESTR 100^ A* 3.52		★ 219.74	C* 219.74
-4-78	RESTR 100^ B* 3.94			
-4-78	ROOM 100^ C* 28.50		★ 249.67 y	C* 249.67
-4-78	TAX 100^ C* 1.43			
-4-78	RESTR 100^ C* 28.50		★ 279.60 y	C* 279.60
-4-78	TAX 100^ C* 1.43			

COLISEUM

RAMADA INN A

JACKSON, MISS. 39202
 755 BETWEEN HIGH & PEARL STREET

1.28.50

PETER
5 K ST NW

WASHINGTON, D.C.

PRESENTING

TRIP NUMBER

YES

TRAVEL AGENTS

NO

COMMISSION

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	20.50		29.93	
	1.43		32.29	
	2.36			
	28.50		62.22	
	1.43			
	28.50		92.15	
	1.43			
	28.50		122.08	
	1.43			
	28.50		152.01	
	1.43			
	2.31		155.50	
	1.58			
	28.50		185.83	
	1.43			
	28.50		215.76	
	1.43			
	28.50		245.69	
	1.43			
	28.50		275.62	
	1.43			
	28.50		305.55	
	1.43		XXXX	

COLISEUM

RAMADA INN A

100 BETWEEN HIGH & PEARL AVENUE JACKSON, MISS. 39202

18-310 40/38 43

ROOM NO. 009
 LAST NAME: **CONLOR**
 NAME: **Peter**
 FOLIO NUMBER: **14259**
 STREET ADDRESS: _____
 CITY STATE & ZIP: _____

NO. _____ REPRESENTING _____ CLERK _____
 FROM FOLIO _____ TO FOLIO _____

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BAL. PICKUP
		* 1.79			
		* 1.58			
		* 22.50			
	TAX 2%	* 1.43			
		* 22.50			
	TAX 2%	* 1.43			
				368.78	

305.9

13304038439

COLISEUM

RAMADA INN A

PH. 601-969-2141 755 BETWEEN HIGH & PEARL STREET JACKSON, MISS. 392

0.00 T

0.00 T

181.89 +
36.96 +
29.93 +
59.86 +
59.86 +

Petty 368.78 +

183.75 +
34.37 +
12.60 +
217.90 +
33.68 +
89.76 +

6116.26 +
Petty 834.24 +
8259.84 S

0.00 T

8259.84 +
301.88 +
8561.72 T

8501.86 +
127.83 +
8629.69 +

8561.72 +
59.86 -
8501.86 0
127.53 +
8629.30 +

40384338

350

SET ADDRESS

DATE

STATE & ZIP

REPRESENTING

CLERK

FROM FOLIO TO FOLIO

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE R * PICKUP 00
12-18-68	TELE 99	B * 301.88		* 301.88	

33040384399

COLISEUM

RAMADA R INN A

601-969 2141

1-55 BETWEEN HIGH & PEARL STREET

JACKSON, MISS. 39202

LEADER

JACKSON, MISSISSIPPI

53109

DATE	SERVER	TABLE NO.	PERSONS
12.6.79			
2 Chivan REGAL @ 35 ⁰⁰			70.00
8 Jack DANIEL @ 22 ⁵⁰			180.00
SubTOTAL			250.00
Service Charge			37.50
			287.50
			14.38
TOTAL			301.88
Carter Houdale Re-Election Committee			

33040384400

HOYT, MARY 1/28.50

FOLIO NUMBER 25179

STREET ADDRESS

STATE & ZIP

REPRESENTING PRESS SECRETARY

RATE

CLERK

YES TRAVEL AGENTS

NO COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
1-28	ROOM 1	C* 28.50			
1-28	TAX 1	C* 1.43		* 29.93	
		C* 2.50	Bmg + ip	* 32.43	
		C* 1.25		* 33.68	
		C* 3.27		* 36.95	

DEC 7 4 34 PM '79

33040384402

COLISEUM

RAMADA INN

HOSPITALITY ROOM FOR PRESS

FOLK
NUMBER

02422

ST ADDRESS

RATE

28.50

STATE & ZIP

REPRESENTING

VICKIE HARTMAN

CLERK

YES

TRAVEL AGENTS

NO

COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	ROOM	28.50			
	TAX	1.43		29.93	

COLISEUM

RAMADA INN A

BETWEEN HOWLAND BEARD STREET JACKSON, MISS 39202

33040384403

24436

FOLIO NUMBER

CRYSTAL, JACKIE

RATE

STATE & ZIP

YES

TRAVEL AGENTS

REPRESENTING

CLERK

NO

COMMISSION

CARTER-MONDALF CAMPAIGN

FE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	ROOM	28.50			
	TAX	1.43		29.93	
	ROOM	28.50			
	TAX	1.43		59.86	

33040384404

51 PM '75

COLISEUM

RAMADA INN

100 SEVEN HILL & PEARL STREET JACKSON, MISS 39202

1047	CAROL-MONDALE HOSPITALITY	7	6	FOLIO NUMBER	02561
STREET ADDRESS		RATE			
		150.00			
STATE & ZIP				YES	TRAVEL AGENTS
REPRESENTING				NO	COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	ROOM 11	150.00			
	TAX 11	7.50		★ 157.50	
	TAX	25.00			
		1.25		★ 183.75	

COLISEUM

RAMADA INN A

3304038415

ROOM: 007
 LAST: MCREAN, M.
 NAME: MCREAN, M.
 FIRST: M.
 INITIAL: M.
 OUT: 7
 FOLIO NUMBER: 02559

STREET ADDRESS: _____
 CITY STATE & ZIP: _____
 REPRESENTING: CARTER-MONDALE
 CLERK: _____
 YES TRAVEL AGENTS
 NO COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
12-07	POST 1	0* 20.50			
12-08	TAX 1	0* 1.13		* 20.63	
12-07	RESTR	0* 4.14		* 30.77	

DEC 7 4 34 PM '79

COLISEUM

10-20 CABLED-AM...
RAMADA
INN

0038406
 330

MR. CARTER & MONDALE CAMPAIGN

FOLIO NUMBER

STREET ADDRESS

RATE

STATE & ZIP

FROM FOLIO

REPRESENTING

CLERK

TO FOLIO

DATE

REFERENCE

CHARGES

CREDITS

BALANCE

PREVIOUS BALANCE PICKUP

EC-MISC
EC-TAX

999~
999^

B* 12.00
B* .60

★ 12.60

COLISEUM

RAMADA INN A

801-369 2141

155 BETWEEN HIGH & PEARL STREET JACKSON, MISS. 39202

40384140
3310

BOWIE & FERGUS, INC.
459 HIGHWAY 51
RIDGELAND, MS 39157

NAME <i>Ramada Inn. Col.</i>			No. 09643		
ADDRESS <i>P.O. Box 893</i>			DATE AND TIME OUT <i>12-11-79</i>		
<i>Jackson Ms 39205</i>			DATE AND TIME IN		
DRIVER'S LICENSE #	REGISTRATION #	PHONE	TOTAL TIME <i>1 Extra day</i>		
ADDRESS WHERE ITEM IS TO BE USED <i>Same / Carter Campaign</i>			DUE BACK		

ITEM RENTED	PERIOD OF TIME	RATE	AMOUNT
<i>1 Extra day's rental for 1 - #3670 Carter recorder</i>	<i>1 extra day</i>		<i>6.00</i>
<i>(Extension of inv. #10346)</i>			
MERCHANDISE SOLD	QTY. OUT	QTY. USED	AMOUNT
BOWIE & FERGUS, INC. 459 HIGHWAY 51 RIDGELAND, MS 39157			

This is a contract of renting only and not of sale. The undersigned renter agrees that he has rented the item(s) herein described upon the express condition that it will at all times remain the property of the rental agent named above; that he has examined said item, found it to be in good condition and will return it in as good condition as when he received it, ordinary wear and tear excepted; that he will return at once to the rental agent any item not functioning normally; that he will pay promptly when due all charges which accrue because of this rental, including damages to said item. In the event the renter fails to return said item at the agreed time, or fails to abide by any of the other terms of this contract, the rental agent may repossess it without notice to the renter, and the rental agent is hereby released from all claims arising therefrom. All charges are based on the time item is in renter's possession whether in use or not. The rental agent is not responsible for accidents or injuries caused directly or indirectly in the use of the rented item.

CUSTOMER'S SIGNATURE

TOTAL RENT	<i>6.00</i>
TOTAL MERCHANDISE	
TAX	<i>30</i>
TOTAL CHARGES	
LESS DEPOSIT	
TOTAL DUE	<i>6.30</i>
REFUND	

RENTAL AGREEMENT

40384130

10/19/69 NAME
MATFIELD, ROBBY

1-20-50 57.00

6 1

FOLIO NUMBER

25002

THE WHITE HOUSE
WASHINGTON, D.C.

TRAVEL AGENTS
COMMISSION

REPRESENTING

REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	20.50		★ 29.93	
TAX 7	C* 1.43		★ 32.34	
LODGE	★ 2.01			
ROOM	C* 23.50		★ 62.27	
TAX 7	C* 1.43			
ROOM	C* 23.50		★ 92.20	
TAX 7	C* 1.43			
ROOM	C* 23.50		★ 122.13	
TAX 7	C* 1.43		★ 124.68	
ROOM	C* 2.55			
TAX 1	C* 28.50		★ 154.61	
ROOM	C* 1.43		★ 159.05	
TAX 1	C* 3.44			
LODGE	C* 57.00		★ 217.90	
ROOM	C* 2.85			
TAX 1				

COLISEUM

RAMADA INN A

40384109

703-549-6080

25180

COSTELLO, PAUL 1/28.50

FOLIO NUMBER

OUT IN
7 6

REPRESENTING
DEPUTY PRESS SECRETARY

TRAVEL AGENTS
COMMISSION

CLERK

PREVIOUS BALANCE
PICKUP

REFERENCE	CHARGES	CREDITS	BALANCE
	* 23.50		* 29.93
TAX	* 1.43		* 32.43
	* 2.50 <i>BM tip</i>		* 33.68
	* 1.25		

DEC 7 4 34 PM '79

COLISEUM

RAMADA
INN A

0
1
2
3
4
5
6
7
8
9

(LAST) **1005** (FIRST) **MRS. CARTER** (INITIAL) **1-A2.50** (OUT) **7** (IN) **6** FOLIO NUMBER **02560**
 ST ADDRESS _____ RATE _____
 STATE & ZIP _____
 REPRESENTING _____ CLERK _____
 YES TRAVEL AGENTS
 NO COMMISSION

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	RESTR 1	C* 3.13		★ 3.13	
	ROOM 1	C* 82.50			
	TAX 1	C* 4.13		★ 89.76	

DEC 7 4 34 PM '79

COLISEUM

RAMADA INN A

3 510 4 038449

LAST NAME FIRST MIDDLE INITIAL
Carter Mondale Re-election Committee

FOLIO NUMBER

STREET ADDRESS

RATE

STATE & ZIP

FROM FOLIO
 TO FOLIO

REPRESENTING

CLERK

DATE	REFERENCE	CHARGES	CREDITS	BALANCE	PREVIOUS BALANCE PICKUP
	TELEPHONE	A* 84.00			
	TELEPHONE	A* 17.04			
	TELEPHONE	A* 103.00			
	TELEPHONE	A* 286.00			
	TELEPHONE	A* 363.00			
	TELEPHONE	A* 205.51			
	TELEPHONE	A* 222.00			
	TELEPHONE	A* 57.75			
	TELEPHONE	A* 103.36		★ 6,370.26	
12-12-79	Tranf. to Ms. Bank		222.00	6,116.26	

COLISEUM

**RAMADA
R INN A**

THE BETHLEHEM HIGH & DEARB STREET JACKSON, MISSISSIPPI 39202

3 3 0 4 0 3 8 4 4 2

COLISEUM RAMADA INN
JACKSON, MISSISSIPPI

23953

DATE	SERVER	TABLE NO.	PERSONS
12/6/79		Room 1000	
Soft drinks	(24 cans @ \$.60 each)		14.40
Iced Tea	(1 gals. @ \$7/gal.)		7.00
Coffee	(1 gals. @ \$9/gal.)		9.00
sub total		30.40	11.40
+15% service charge		4.56	16.78
+5% tax		1.52	5.57
TOTAL		36.48	133.68
			103.36
Carter Mondale Re-Election Committee			

4:03 84

COLISEUM RAMADA INN
JACKSON, MISSISSIPPI

23981

DATE	SERVER	TABLE NO.	PERSONS
12/7/79		Gallery AB	
PUBLIC SPACE RENTAL			\$55.00
+5% tax			2.75
TOTAL			57.75
Carter Mondale Re-election Committee.			

LA

4303844

THE MISSISSIPPI BANK
POST OFFICE BOX 970, JACKSON, MISSISSIPPI 39202

W. P. McMULLAN, JR.
CHAIRMAN OF THE BOARD
AND
CHIEF EXECUTIVE OFFICER

January 15, 1980

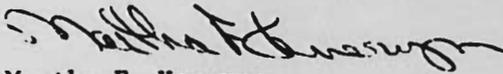
Ms. Tricia Segall
Carter/Mondale Presidential Committee
1413 K Street, N. W.
Washington, D.C. 20005

Dear Ms. Segall:

Enclosed you will find copies of phone bills, postage receipts, and a few miscellaneous billings with memos of explanation and totals for the period that Patty Steele and Peter Conlon were in Jackson for the fund raising dinner on December 6, 1979, honoring the First Lady. Total amount due and payable to W. P. McMullan, Jr., is \$2,008.93.

If you have any questions, please do not hesitate to call.

Sincerely,



Martha F. Keveryn
Secretary to Mr. W. P. McMullan, Jr.

/mfk

Enclosures

"EXHIBIT G-1"

"Everybody's Bank"

33040384420

CARTER-MONDALE PRESIDENTIAL
COMMITTEE, INC.
OPERATING ACCOUNT

5579

February 20 19 80

15-720
540

PAY 9,435.60 CTS

\$ 9,435.60

PAY TO THE ORDER OF

W. P. Millan Jr
Mississippi Bank
PO Box 979
Jackson, MS 39205

[Signature]

[Signature]

⑆005579⑆ ⑆054000072⑆ ⑆063

The National
BANK OF
WASHINGTON Washington, D.C.

DETACH AND RETAIN THIS STATEMENT THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW IF NOT CORRECT PLEASE NOTIFY US PROMPTLY, NO RECEIPT REQUIRED

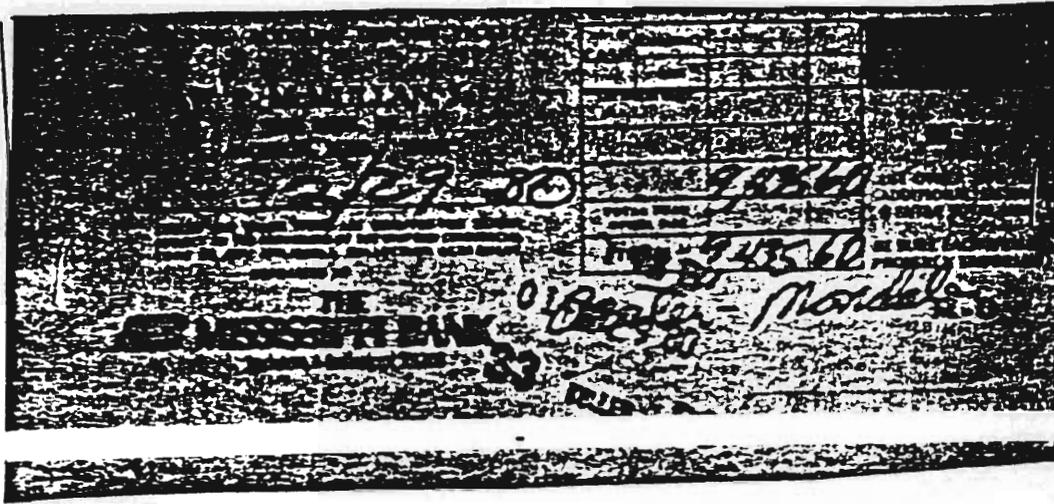
DATE	DESCRIPTION	AMOUNT
2-20-80	Meetings - Reimbursement (Fundraising) FIMS, 2-6, MS	\$7,426.67
	Printing & Reproduction - (Fundraising)	2,008.93 <i>ok</i>
	Same Event	
	Total	9,435.60

RECEIVED
FEB 29 1980

CARTER-MONDALE PRESIDENTIAL COMMITTEE, INC.
OPERATING ACCOUNT

add ck - Escrow agent

"EXHIBIT H"



"EXHIBIT I "

FRIDAY, FEBRUARY 29, 1980

Mr. McMullan, we are in receipt today of the monies due from December 6th Dinner from Carter/Mondale Presidential Committee, Inc. \$ 9,435.60

CHECKS TO BE DIVIDED AS FOLLOWS:

\$1,155.00 ✓	Premier Printing invitations and numbered tickets
163.82 ✓	phone bills --payable to the bank
450.00 ✓	Bill Hankins-postage slips--clear petty cash
187.50 ✓	Bob Boteler -postage slips--clear petty cash
27.16	WPM/Jr.-postage
8.45	WPM/Jr.-postage
17.00	WPM/Jr.-Federal Express
<hr/>	
\$2,008.93	
8,629.69	due Coliseum Ramada Inn-- check was in the amount of \$7,426.67
less 1,202.72	Rooms for Patty Steele and Peter Conlon were to be complimentary and they were charged this amount

7,426.67 ✓

I have deposited the check for \$9,435.60 in regular a/c and have the checks above mentioned attached; Do you want me to explain the difference to Robert Stockett or would you rather discuss this with him personally

OK

"EXHIBIT K"

3040384123

304058442

W. P. McMULLAN, JR.
THE MISS. BK.
JACKSON, MISS. 39201

105204

2392

February 29, 1980 ~~85-890~~
683

1,155.00

PAY TO THE ORDER OF Premier Printing

ONE THOUSAND ONE HUNDRED FIFTY-FIVE AND NO/100 DOLLARS

THE MISSISSIPPI BANK
Jackson, Mississippi 39203

[Handwritten Signature]
Factor Agent, Carter-Mondale
Presidential Committee - Inc.

Invitations & tickets/Carter-Mondale

"EXHIBIT L"

3040384425

ORDER OF PAY TO THE ORDER OF
 ONE THOUSAND ONE HUNDRED AND NO/100 DOLLARS
 THE MISSISSIPPI BANK OF COMMERCE
 JACKSON, MISSISSIPPI
 W. F. MONTGOMERY
 THE BANKER
 JACKSON, MISSISSIPPI

Deposit Quantity 11.00
 Deposit Amount \$11.00
 Deposit Date 11-1-7

FILM RECORDS AND SUPPLY CO.
 212 N. GAY ST.
 JACKSON, MISSISSIPPI 39201
 85-545 85-543

11-1-7
 11-1-7

3040384425

EXHIBIT

W. P. McMULLAN, JR. 2

2393

THE MISS. BK.

JACKSON, MISS. 39205

February 29, 19 80

85-820
883

PAY TO THE
ORDER OF

The Mississippi Bank

163.82

ONE HUNDRED SIXTY THREE AND 82/100

DOLLARS

 THE
MISSISSIPPI BANK

Jackson, Mississippi 39205

reimbursement of Carter/Mondale people

Use of Marketing extensions- phone

W. P. McMullan, Jr.
M/G
Secret Agent Carter/Mondale
Presidential Committee, Inc.

"EXHIBIT M"

040384416

3040384427

MAR 5 1969

85-590 85-590

JACKSON, MS

PAY ANY BANK P.E.G.
THE MISSISSIPPI
BANK

0005 48484

W. E. McJANNET, JR.
THE MISSISSIPPI BANK
JACKSON, MISSISSIPPI

PAY TO THE ORDER OF THE MISSISSIPPI BANK

ONE HUNDRED SIXTY THREE AND 00/100 DOLLARS

THE MISSISSIPPI BANK
MEMBER OF THE FEDERAL RESERVE SYSTEM

100-000000

100-000000

100-000000

"EXHIBIT M"

3 0 4 0 5 8 4 4 2 9

W. B. McMillan, Jr.
 THE MISS. BR.
 JACKSON, MISS. 39201

DATE OF DEPOSIT: 11/15/66
 PAY TO THE ORDER OF: THE MISSISSIPPI BANK

AMOUNT: \$ 450.00

FOR DEPOSIT ONLY

THE MISSISSIPPI BANK
 JACKSON, MISSISSIPPI

PAID BY: BANK OF AMERICA, N.A. & T.S. BANK, P.E.G.
 BANK: BANK OF AMERICA, N.A. & T.S. BANK, P.E.G.
 A/C: 05-590

MEMO: KAR-7 01

6666 23130

87-050-5

EXHIBIT 1

040384430

W. P. McMULLAN, Jr. 2395
 THE MISS. BK.
 JACKSON, MISS. 39205
 T M B
 February 29, 19 80 ~~85-500~~
 01 MAR - 4 '80 PM \$ 187.50
 PAY TO THE ORDER OF Bob Boreler
 ONE HUNDRED EIGHTY SEVEN AND 50/100 DOLLARS
 THE MISSISSIPPI BANK
 Jackson, Mississippi 39205
 postage paid-clear petty cash
 57.50/150.00/Carter-Mondale
 M-O
 101 P. Boreler
 101 P. Boreler
 Carter/Mondale
 Presidential Campaign, Inc.

"EXHIBIT 0"

3040384432

2396

W. P. McMULLAN, Jr.
 THE MISS. BK.
 JACKSON, MISS. 39205

February 29, 1980

PAY TO THE ORDER OF Coliseum Ramada Inn \$ 7,426.67

SEVEN THOUSAND FOUR HUNDRED TWENTY SIX AND 67/100 DOLLARS

THE MISSISSIPPI BANK
 JACKSON, MISSISSIPPI 39205

PARTIAL PAYMENT 6.8

W. P. McMullan, Jr.
 M.C.
 Escrow agent
 Carter-McDonald Presidential Comm. Inc.

"EXHIBIT P"

33040384433

W. F. MONTGOMERY
THE MISS. B. & N. CO.
JACKSON, MISS. 39201

DEBIT OF

0002

34793

THE MISSISSIPPI BANK

6. P.E.G.
MISSISSIPPI

JAN. 1, 1955
85-5900

JAN - 6 00

87-1493-3

THE MISSISSIPPI BANK

EXHIBIT 6

600-5383



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SEP 1 9 5: 14

PROCESSED
GENERAL COUNSEL

MEMORANDUM TO: CHARLES STEELE
FROM: MARJORIE W. EMMONS *MWE*
DATE: SEPTEMBER 1, 1981
SUBJECT: RESPONSE RE. MUR 1361

33040384434

This afternoon the Chairman's office received the enclosed letter from Stennett, Wilkinson & Ward, counsel to respondent Mississippi Bank of Jackson, Mississippi in MUR 1361.

We forward it for appropriate action.

Enclosure as noted.

84435



**STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW**

100 CONGRESS STREET SOUTH
POST OFFICE BOX 22027
JACKSON, MISSISSIPPI 39205

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D. C. 20463

ATTENTION: Kenneth A. Gross, Esq.
Associate General Counsel

CERTIFIED

P30 4753763

MAIL

CERTIFIED
RETURN

POST CLASS MAIL

81 AUG 1 1981



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 24, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James A. Peden, Jr., Esquire
Stennett, Wilkinson and Ward
100 Congress Street South
Post Office Box 22627
Jackson, Mississippi 39205

Re: MUR 1361

Dear Mr. Peden:

This letter is to confirm receipt of your letter of August 12, 1981, with its attached correspondence from The Mississippi Bank naming you and Mr. Wilkinson as counsel. In response to your request for an additional thirty days in which to submit a response, the Office of General Counsel is willing to extend the time period by fifteen days. Accordingly, the due date for response is changed from August 17 to September 1.

We look forward to the expeditious settlement of this matter.

Sincerely yours,

Charles N. Steele
General Counsel

[Signature]
Beth A. Gross
Associate General Counsel

3
0
1
3
4
4
3
6

1. The following information is required (check one): <input type="checkbox"/> Return to whom and date delivered. <input type="checkbox"/> Return to whom, date and address of delivery. <input type="checkbox"/> INSTRUCTIONS DELIVERY <input type="checkbox"/> Return to whom and date delivered. <input type="checkbox"/> INSTRUCTIONS DELIVERY. <input type="checkbox"/> Return to whom, date, and address of delivery.	2. ARTICLES ADDRESSED TO: <i>James A. Peden, Jr.</i>	3. ARTICLES REGISTERED TO: <i>060266</i>	4. I have received this mail: <i>08/26/81</i>	5. I have received this mail: <i>08/26/81</i>	6. I have received this mail: <i>08/26/81</i>
---	---	---	--	--	--

1361

101479 RECEIVED
Acc# 5351

81 AUG 26 P12:02

Peace

STEIN & HURON
1619 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

DOUGLAS B. HURON
EILEEN M. STEIN

(202) 787-3880

MARYLAND OFFICE
7504 BYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 657-9220

August 21, 1981

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20005

re: MUR 1361

Dear Mr. Steele:

The Carter-Mondale Presidential Committee, Inc. has recently asked me to represent it in this matter. Because of previous commitments, however -- including a two-day administrative hearing during the week of August 24, vacation the following week and a criminal trial on September 15 -- it will not be possible for me to respond within the normal 15-day time period. For that reason, I would request permission to file a response on behalf of the Committee by September 21, 1981.

Thank you for your consideration.

Sincerely,



Douglas B. Huron

cc: Timothy G. Smith, Esquire

83040384437

15:18 AUG 26

RECEIVED
FEDERAL ELECTION COMMISSION
AUG 26 1981

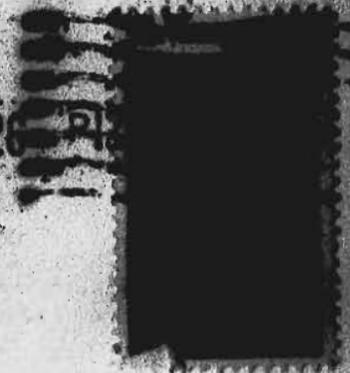
STEIN & HURON

1819 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20008



AUG 26



Charles N. Steele, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20005

03040304

Qcay 53021



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *MWE*
FROM: MARJORIE W. EMMONS/JODY CUSTER *Jc*
DATE: AUGUST 18, 1981
SUBJECT: REFERRAL OF LETTER REGARDING
MUR 1361

The attached letter regarding legal representation was received in Chairman McGarry's office and then forwarded to the Secretary of the Commission. It is provided for your action.

83040384439

11 AUG 18 P 5: 24

RECEIVED
OFFICE OF THE
SECRETARY

Attachment:

Letter dated August 12, 1981
from James A. Peden, Jr.

600 # 5304

STENNETT, WILKINSON & WARD COA
ATTORNEYS AND COUNSELORS AT LAW

RECEIVED
SECRETARY

81 AUG 18 P 2: 34

(80) 848-3000

GENE A. WILKINSON
ERWIN C. WARD
JAMES A. PEDEN, JR.
ANSON B. CHUNN
SHELBY R. ROGERS, JR.
DERRYL W. PEDEN
STANLEY Q. SMITH
CRAIG N. LANDRUM
CECILE C. EDWARDS

100 CONGRESS STREET SOUTH
POST OFFICE BOX 28827
JACKSON, MISSISSIPPI 39205

August 12, 1981

E. W. STENNETT (1899-1979)
HORACE STEELE (1907-1980)

CERTIFIED
RETURN RECEIPT REQUESTED

Mr. John Warren McGarry, Chairman
Federal Election Commission
Washington, D. C. 20463

Re: MUR 1361

01 AUG 18 P 5: 21

RECEIVED
GENERAL COUNSEL

33040384410

Dear Mr. McGarry:

This law firm represents The Mississippi Bank, Jackson, Mississippi. Our client recently received your letter dated July 23, 1981, concerning MUR 1361.

The Mississippi Bank has authorized this law firm to represent it in regard to this matter. Enclosed is a letter dated August 5, 1981, from Mr. W. P. McMullan, Jr., Chairman of the Board of The Mississippi Bank, so stating.

We are still in the process of investigating the situation so that we can make a detailed and complete response to the General Counsel's Factual and Legal Analysis attached to your letter dated July 23, 1981. Therefore, we respectfully request that we be granted thirty (30) additional days in which to make a formal response.

Please confirm in writing that The Mississippi Bank will be granted the requested 30 additional days in which formally to reply. Thank you for your courtesy and assistance in this matter.

Sincerely yours,

STENNETT, WILKINSON & WARD

James A. Peden, Jr.

James A. Peden, Jr.

JAPjr:br
Enclosure

cc Mr. W. P. McMullan, Jr.
Douglas B. Huron, Esq.

GCC#5305

THE MISSISSIPPI BANK
POST OFFICE BOX 970 JACKSON, MISSISSIPPI 39205

W. P. McMULLAN, JR.
CHAIRMAN OF THE BOARD
AND
CHIEF EXECUTIVE OFFICER

August 5, 1981

51 AUG 18 P 5: 21

MISSISSIPPI BANK

Mr. John Warren McGarry
Chairman
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1361

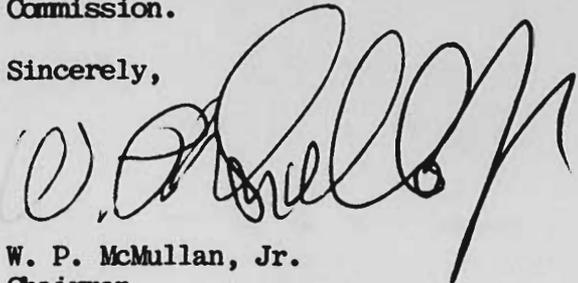
Dear Mr. McGarry:

The Mississippi Bank, Jackson, Mississippi, has received your letter of July 23, 1981, concerning a possibly problem under the Federal Election Campaign Act.

Please be advised that Mr. Gene A. Wilkinson and Mr. James A. Peden, Jr., of the local law firm of Stennett, Wilkinson, and Ward are representing The Mississippi Bank in this matter. They will be contacting you in the immediate future.

Please consider this letter as The Mississippi Bank's official authorization for Mr. Wilkinson and Mr. Peden to communicate with the Federal Election Commission.

Sincerely,



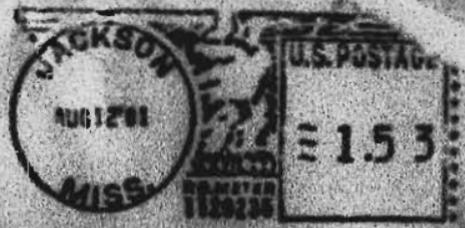
W. P. McMullan, Jr.
Chairman

WPMjr/jg

33040334411

B 3 0 4 0 3 8 4 4 4 2

STENNETT, WILKINSON & WARD
ATTORNEYS AND COUNSELORS AT LAW
POST OFFICE BOX 22827
JACKSON, MISSISSIPPI 39205



CERTIFIED
MAIL
FD0 4753808

CERTIFIED
RETURN RECEIPT REQUESTED

Mr. John Warren McGerry, Chairman
Federal Election Commission
Washington, D. C. 20463

81 AUG 18 AM 1:49

10-54

RECEIVED
GCC# 5250
81 AUG 7 All: 50



Goldrich & Kest

5150 Overland Avenue • Culver City, California 90230 • (213) 204-2050

21 AUG 10 All: 24
GENERAL MAIL

August 3, 1981

Federal Election Commission
Washington D.C. 20463

Re: MUR 1361

Gentlemen:

I received your letter dated July 23, 1981 stating that I might be in violation of section 441a(a) (1) (A) of the Federal Election Campaign Act of 1971.

When we contributed to the Carter/Mondale campaign, we inquired whether partnership checks were acceptable, and according to the campaign committee they were indeed. Enclosed I am sending you copies of our checks, indicating there were drawn on a partnership account.

The names of the partners and the percentages which they hold in the partnership are as follows:

Jona Goldrich	36%	share of subject contributions	\$ 900.00
Sol Kest	24%	" " "	\$ 600.00
Robert Stern	20%	" " "	\$ 500.00
Robert Hirsch	20%	" " "	\$ 500.00

We therefore are under the impression that we stayed within the limits as specified by the Federal Election Commission and did not exceed the individual \$ 1,000.00 limit contribution.

I trust this is a sufficient explanation and that no action should be taken against me or my partners. If you need any further explanation or documentation, please let me know and we will gladly oblige.

Very truly yours,
GOLDRICH, KEST & ASSOCIATES

Jona Goldrich
Partner

JG/jf
Encl.

83040584443



Goldrich, Kest, Hirsch, Stern

625 SO. AIRFAX AVE. 917-2000
LOS ANGELES, CALIFORNIA 90015

332

PAY

~~ENCLOSURE~~ 000 AND 00 CTS

TO THE ORDER OF *Wesleyville, Inc. (Trust)*

0228 200
UNION BANK
SEVERLY HILLS, CA
92-1876 92-1876

DATE	CHECK NO.	AMOUNT
2-5-80	3924	1000

GOLDRICH, KEST, HIRSCH, STERN

[Signature]
#0000100000

SEVERLY HILLS FEDERAL
HEAD OFFICE
Union Bank
WALNUT BLVD. AT SEVERLY DRIVE
SEVERLY HILLS, CALIFORNIA 91789

Goldrich, Kest, Hirsch, Stern

5150 OVERLAND AVENUE
CULVER CITY, CALIFORNIA 90230

31

PAY

~~ENCLOSURE~~ 000 AND 00 CTS

TO THE ORDER OF *Carter Mandell Committee*

APR 77 00200
UNION BANK
SEVERLY HILLS, CA
92-1876 92-1876

DATE	CHECK NO.	AMOUNT
3/28/80	3154	50

GOLDRICH, KEST, HIRSCH, STERN

[Signature]
#0000050000

SEVERLY HILLS FEDERAL
HEAD OFFICE
Union Bank
WALNUT BLVD. AT SEVERLY DRIVE
SEVERLY HILLS, CALIFORNIA 91789

Goldrich, Kest, Hirsch, Stern

5150 OVERLAND AVENUE
CULVER CITY, CALIFORNIA 90230

NOT

PAY

~~ENCLOSURE~~ 000 AND 00 CTS

TO THE ORDER OF *Carter Mandell Committee*

0203 800
UNION BANK
SEVERLY HILLS, CA
92-1876 92-1876

DATE	CHECK NO.	AMOUNT
2/6/80	4746	10

GOLDRICH, KEST, HIRSCH, STERN

[Signature]
#0000100000

3040384414

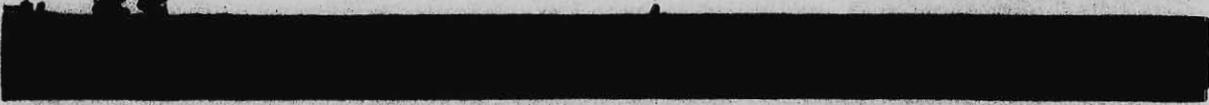
FOR DEPOSIT ONLY
ACCT. # 1-063-29-4

PAT. BANK P&G
F.I.E.
0510-0003-5

FB '80' 28

REG.
F.B.I. LOS ANGELES

PAT. BANK P&G
F.I.E.
0510-0003-5



#2 FB '80' 25

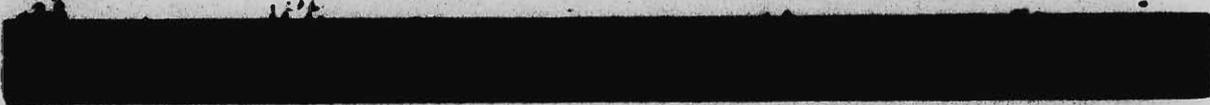
FOR ANY BANK
THE NATL. BANK OF WASHINGTON
WASHINGTON, D.C.

APR 17 1980
FBI LOS ANGELES

83040384445

FOR DEPOSIT ONLY
ACCT. # 1-063-29-4

AP '80' 17
REG.
F.B.I. LOS ANGELES
FBI-1220-0010-0



AP '80' 11
FOR ANY BANK
THE NATL. BANK OF WASHINGTON
WASHINGTON, D.C.

APR 17 1980
FBI LOS ANGELES

Credited to The Account of
The Within Named Payee
The National Bank of Washington
Washington, D. C.

FOR DEPOSIT ONLY
ACCT. # 1-063-29-4

THE BANK, P&G
RICHMOND
0510-0003-5

JUL 25 1980



JUL 25 1980
THE NATL. BANK OF WASHINGTON
WASHINGTON, D.C.

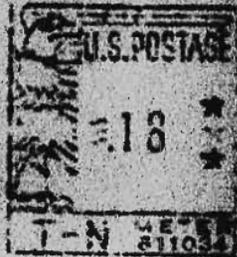
APR 17 1980
FBI LOS ANGELES

03040304116



Goldrich & Kest

5150 Overland Avenue
Culver City, California 90230



Federal Selection Commission
Washington, C.D. 20463

81 AUG 7 11:50

RECEIVED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 23, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Carter/Mondale Presidential
Committee, Inc.
2000 L Street, N.W.
Washington, D.C. 20036

Re: MUR 1361

Dear Mr. Kling:

On July 21, 1981, the Federal Election Commission determined that there is reason to believe that your committee violated the Federal Election Campaign Act of 1971, as amended (the "Act") and Chapters 95 and 96 of Title 26, U.S.C. Code. Specifically, the Committee violated: 1) 11 C.F.R. § 9033.1(a) (1) by failing to furnish the Commission with requested documentation; 2) 2 U.S.C. § 441a(f) by receiving excess contributions from individuals; 3) 2 U.S.C. § 441b(a) by receiving corporate contributions; and 4) 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose debts. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A),

83040384417

S. Lee Kling
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

John Warren McGarry
JOHN WARREN MCGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

83040384448

ARTICLE TO THE <i>S. Lee Kling</i>		REGISTERED NO. <i>943018</i>	DATE OF DELIVERY <i>1/13/81</i>	ADDRESS (Business only) <i>BETHESDA, MD</i>
ARTICLE DESCRIPTION		CUSTOMER NO.	DATE OF DELIVERY	ADDRESS (Business only)
I have received the article described above				
NAME OF PURCHASER <i>Wood</i>				
SIGNATURE OF PURCHASER <i>Wood</i>				
DATE OF DELIVERY <i>1/13/81</i>				
ADDRESS (Business only)				
TIME <i>11:32</i>				

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: The File
FROM: Dolores Pesce
RE: RTB Notification Letter to Carter Committee
DATE: August 4, 1981

I learned through Lucy Safran of the Carter Committee that the Committee did not receive our July 23 RTB Notification Letter. Counsel for the Committee, David Ifshin, has requested that the letter be sent to him since the Committee is in the process of changing address.

83040584443

8 0 4 0 5 8 4 4 3 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

POSTAGE AND FEES PAID



8-4-81

Official Business
Penalty for Private Use \$300

mail ed
per sce

David M. Ifshin, Esquire
Steptoe and Johnson
1250 Connecticut Avenue
Washington, D.C. 20036

87

S. Lee Kling
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures

83040384452

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE: July 23, 1981

MUR 1361
STAFF MEMBER & TEL. NO.
Dolores Pesce
(202) 523-5071

RESPONDENT: Carter/Mondale Presidential Committee, Inc.

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The Audit Division has referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter the "Committee"). The audit covered the period from October 1, 1979 through August 31, 1980.

As outlined in the Audit Report, the alleged violations by the Committee are as follows: 1) the Committee violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses; 2) the Committee violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals; 3) the Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions; and 4) the Committee violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) and § 104.11 by failing to properly disclose approximately \$155,000 in debts.

FACTUAL AND LEGAL ANALYSIS

A. Verification of the Vendor's Media Allocation

With regard to the Committee's media costs,^{1/} state allocations were made directly by the media vendor, Rafshoon Communications, Inc. At the time of its Threshold Report, the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from Rafshoon so that the state allocations could be verified. The Committee neither obtained such documentation nor provided access to the invoices at Rafshoon's office. The Committee's contract with Rafshoon indicates that such additional detailed records would be available to the Committee 60 days after the date of nomination. Accordingly, the Committee should have had access to the documents requested by the Commission.

^{1/} These costs do not include media production expenses.

83040384453

11 C.F.R. § 9033.1(a)(1) provides that, for the purpose of receiving Presidential primary matching fund payments, the candidate has the burden of proving that expenditures by the candidate, the principal campaign committee or any authorized committee are qualified campaign expenses. Further, the candidate is to obtain and furnish to the Commission at its request any evidence regarding qualified campaign expenses.

Pursuant to 11 C.F.R. § 101.1(a), the Carter/Mondale Presidential Committee, Inc. is the principal campaign committee for Jimmy Carter. As such, the Committee assumes the responsibility to file reports and provide information requested by the Commission.

As of December 16, 1980, the Committee had not submitted or provided access to the Rafshoon records requested by the Commission. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses.

b. Receipt of Excess Contributions

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election to Federal office which, in the aggregate, exceed \$1,000.

In its pre-audit review of Committee receipts, the Audit Division identified 348 contributors from whom the Committee had received excess contributions. An analysis of the Committee's actions regarding these excessive contributions revealed that the Committee required from one to three months to take action on 29% of them, and from four to twelve months for 40%. The remaining 31% consist of excessive contributions for which the Audit staff was unable to determine the dates of Committee action. This matter was referred to the Committee in the Threshold Audit Report and the Committee subsequently instituted corrective procedures.

At the time of the Interim Audit Report, Audit staff found that the Committee had not taken final action on a total of \$46,150.48 in excessive contributions from 81 individuals. However, in its December 10, 1980 response to Audit recommendation, the Committee provided documentation showing its handling of the excessive contributions: \$7,461 was shown to be not excessive, but the result of computer error; \$15,752.48 was attributed to

83040384454

the General Election Legal and Accounting Compliance Fund or the spouse, and \$22,937 was listed in amendments as debts owed in refunds to the contributors.

On February 20, 1981, the Committee submitted an amendment to its reports which in part deals with the excessives mentioned above. The amendment includes documentation that the Committee has reduced debts owed from \$22,937 to \$1,000, having either refunded the excessive portion of the contribution or attributed it to spouse.^{2/} Thus, of the original \$46,150.48 in excessive contributions noted by Audit, only \$1,000 has not been refunded or otherwise disposed of by the Committee.

The Committee notes, in its December 10 response, that it allocated the entirety of its most recent payment of matching funds towards compliance regarding these excessives. Also, in a "best efforts" attempt to improve its system for identification and disposal of excessive contributions, the Committee initiated these actions:

- 1) The Contributor Aggregation Program was modified.
- 2) An additional staff member was hired in January.
- 3) An Excessive Contribution Report was programmed to aid in identification.

While action has been taken on almost all of the 81 individual contributors and while it appears that the Committee sought to reduce the number of excessives subsequent to Audit notification, we note that the amount of excessives identified by Audit was large - \$38,689.48.^{3/} Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals.

C. Receipt of Corporate Contributions

2 U.S.C. § 441b(a) states in part that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office. It further states that it is unlawful for any political committee, or other person to knowingly accept or receive any contribution prohibited by this section.

^{2/} Outstanding debts are as follows: Perry O. Barber, Jr. \$500; Herman M. Smith \$500. Documentation provided consists of copies of refund checks and copies of attribution sheets signed by husband and wife.

^{3/} This figure reflects the \$46,150.48 noted minus the \$7,461 documented as computer error.

33040384455

The Commission audit of Committee files uncovered contributions from the following incorporated entities:

The Mississippi Bank	02/20/80	\$9,435.60
Pacific Mutual	03/17/80	366.06
Charles F. Curry Real Estate Co.	01/21/80	67.50
Strauss Realty Co.	02/15/80	100.00
Russel Gower and Co.	03/28/80	350.00
	TOTAL:	\$10,319.16

As of the date of the Committee's response to the Final Audit Report, December 10, 1980, the Committee had reimbursed all five contributors and provided refund documentation to the Commission. While all the corporate contributions have been refunded, it is to be noted that they totaled over \$10,000.

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions.

D. Undisclosed Debts

2 U.S.C. § 434(b)(8) states in part that each report required to be filed shall disclose the amount and nature of outstanding debts and obligations owed. See also 11 C.F.R. § 104.3(d). 11 C.F.R. § 104.11 details the reporting requirements: a debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after the obligation is incurred, whichever comes first. Any loan, debt, or obligation, the amount of which is over \$500, shall be reported as of the time of the transaction.

In examining the Committee's reported outstanding debts and obligations as of July 31, 1980, Audit identified a total of \$98,017.60 in debts in excess of \$500 which were undisclosed. In addition, the Committee had understated their disclosed debts by

83040384456

\$57,648.43. There were thus approximately \$155,000 in undisclosed or understated debts.

Audit recommended that the Committee amend its August monthly report to reflect these undisclosed or understated debts, and accordingly amend subsequent reports. No amendments to this effect were filed by the Committee.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose approximately \$155,000 in debts.

RECOMMENDATIONS

1. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses.

2. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals.

3. Find reason to believe that the Cartr/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b(a) by receiving corporate contributions.

4. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose approximately \$155,000 in debts.

8 3 0 4 0 3 8 4 4 5 7



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 23, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Mississippi Bank
329 E. Capitol St.
P.O. Box 979
Jackson, Mississippi 39205

Re: MUR 1361

Dear Sir or Madam:

On July 21, 1981, the Federal Election Commission determined that there is reason to believe that the Mississippi Bank violated section 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act") by making contributions to the Carter/Mondale Presidential Committee, Inc. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against the Mississippi Bank, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be 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.

83040384458

The Mississippi Bank
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

John Warren McGarry
JOHN WARREN MCGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

83040384439

MISSISSIPPI BANK

POSTMASTER FOR FEES

MISSISSIPPI BANK

DESCRIPTION

NO.	CERTIFIED NO.	ISSUED NO.
	943019	

Signature: *Dolores Pesce*

1369-10-11

Stamp: JUL 30 1988

DP
2/21/81

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Mississippi Bank
329 E. Capitol St.
P.O. Box 979
Jackson, Mississippi 39205

Re: MUR 1361

Dear Sir or Madam:

On _____, 1981, the Federal Election Commission determined that there is reason to believe that the Mississippi Bank violated section 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act") by making contributions to the Carter/Mondale Presidential Committee, Inc. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against the Mississippi Bank, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be 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.

85040384460

The Mississippi Bank
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

83040384461

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE: July 23, 1981

MUR NO. 1361
STAFF MEMBER & TEL. NO.
Dolores Pesce
(202)523-5071

RESPONDENT: The Mississippi Bank

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The Audit Division has referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter the "Committee").

The referral alleges that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Committee.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441b(a) states in part that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office.

The Commission Audit of Committee files revealed that the Mississippi Bank made \$9,435.60 in contributions to the Committee on February 20, 1980. As of the date of the Committee's response to the Final Audit Report, December 10, 1980, the Committee had reimbursed the Mississippi Bank and provided refund documentation to the Commission. While the prohibited contributions have been refunded, it is to be noted that they were in an amount close to \$10,000.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Carter/Mondale Presidential Committee, Inc.

RECOMMENDATION

Find reason to believe that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Carter/Mondale Presidential Committee, Inc.

83040384462



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 23, 1981

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jona Goldrich
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

Dear Mr. Goldrich:

On July 21, 1981, the Federal Election Commission determined that there is reason to believe that you violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended (the "Act") by making excess contributions to the Carter/Mondale Presidential Committee, Inc. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be 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.

8304038446

Jona Goldrich
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

John Warren McGarry
JOHN WARREN MCGARRY
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

8 3 0 4 0 3 8 4 4 6 4

Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on front.

Shipping service is requested (check one)
Priority to whom and date delivered.....
Registered Delivery to whom, date and address of delivery.....
REGISTERED DELIVERY
Registered Delivery to whom and date delivered.....
REGISTERED DELIVERY
Registered Delivery to whom, date, and address of delivery.....

POSTMASTER (FOR FEES)
ADDRESSES TO:
Jona Goldrich

DESCRIPTION:
CLASS NO. CERTIFIED NO. REGISTERED NO.
000300

Signature of addressee or agent
Name of the article described above.
Quantity - Address - Classified spot

DATE OF DELIVERY
RECEIVED
1981 JUL 30
CLERK'S INITIALS

150P *Johanna*



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DP 7/21/81

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jona Goldrich
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

Dear Mr. Goldrich:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended (the "Act") by making excess contributions to the Carter/Mondale Presidential Committee, Inc. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be 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.

83040584455

Jona Goldrich
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

83040384456

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE: July 23, 1981

MUR NO. 1361
STAFF MEMBER & TEL. NO.
Dolores Pesce
(202)523-5071

RESPONDENT: Jona Goldrich

SOURCE OF MUR: INTERNALLY GENERATED

SUMMARY OF ALLEGATIONS

The Audit Division has referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter the "Committee").

The referral alleges that the Committee received excess contributions from individuals during the period October 1, 1979 through August 31, 1980, thereby placing the individuals in apparent violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election to Federal office which, in the aggregate, exceed \$1,000.

Based on Audit review of the Committee's files, it appears that Jona Goldrich exceeded the contribution limit of 2 U.S.C. § 441a(a)(1)(A) by over \$1,000. Mr. Goldrich's contributions to the Committee were as follows:

\$1,000	February 23, 1980
500	April 1, 1980
1,000	July 3, 1980

Of the \$1,500 in excess contributions, the Committee has taken action on the total amount. \$1,000 was reattributed to spouse in response to a form letter dated November 25, 1980 sent to Mr. Goldrich, and \$500 was reattributed to the Legal and Compliance General Election Fund, again in response to a form letter (undated) sent to Mr. Goldrich.

83040384457

The Office of General Counsel recommends that the Commission find reason to believe that Jona Goldrich violated 2 U.S.C. § 441a(a)(1)(A) by making excess contributions to the Carter/Mondale Presidential Committee, Inc.

RECOMMENDATION

Find reason to believe that Jona Goldrich violated 2 U.S.C. § 441a(a)(1)(A) by making excess contributions to the Carter/Mondale Presidential Committee, Inc.

83040384468

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Carter/Mondale Presidential) MUR 1361
Committee, Inc.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 21, 1981, the Commission decided by a vote of 4-1 to take the following actions regarding MUR 1361:

1. Find REASON TO BELIEVE that the Carter/Mondale Presidential Committee, Inc. violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses.
2. Find REASON TO BELIEVE that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals.
3. Find REASON TO BELIEVE that Jona Goldrich violated 2 U.S.C. § 441a(a)(1)(A) by making excess contributions to the Carter/Mondale Presidential Committee, Inc.
4. Find REASON TO BELIEVE that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(a) by receiving corporate contributions.

(continued)

83040384469

CERTIFICATION

Page 2

MUR 1361

First General Counsel's Report

Dated July 13, 1981

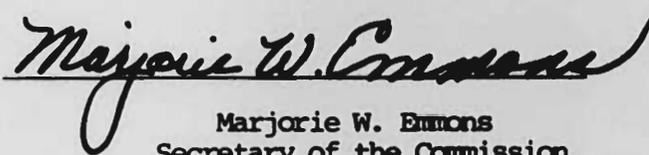
5. Find REASON TO BELIEVE that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Carter/Mondale Presidential Committee, Inc.
6. Find REASON TO BELIEVE that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose approximately \$155,000 in debts.
7. Approve and send the letters and notifications of reason to believe findings, as submitted with the First General Counsel's July 13, 1981 memorandum, to the respondents.

Commissioners Aikens, McGarry, Reiche, and Thomson voted affirmatively for the decision; Commissioner Harris dissented; Commissioner Tiernan was not present at the time of the vote.

Attest:

7-21-81

Date


Marjorie W. Emmons
Secretary of the Commission

Received in Office of the Commission Secretary: 7-13-81, 10:03
Circulated on 48 hour vote basis: 7-13-81, 4:00
Objection filed. Placed on July 21, 1981 agenda.

83040384470



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *MWE*
FROM: MARJORIE W. EMMONS /JODY CUSTER *ja*
OFFICE OF THE SECRETARY TO THE COMMISSION
DATE: JULY 15, 1981
SUBJECT: ADDITIONAL OBJECTION - MUR 1361 First General
Counsel's Report dated July 13, 1981

You were notified previously of an objection by
Commissioner Harris.

Commissioner Aikens submitted an additional objection
at 4:23, July 15, 1981.

This matter will be discussed in executive session
on Tuesday, July 21, 1981.

83040384471



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *MWE*
FROM: MARJORIE W. EMMONS/JODY CUSTER *jc*
DATE: JULY 15, 1981
SUBJECT: MUR 1361 First General Counsel's Report
dated July 13, 1981

The above-named document was circulated on a 48
hour vote basis at 4:00, July 13, 1981.

Commissioner Harris submitted an objection at 10:00,
July 15, 1981.

This matter will be placed on the Executive Session
Agenda for Tuesday, July 21, 1981.

83040384472

July 13, 1981

MEMORANDUM TO: Marjorie W. Emmons
FROM: Elissa T. Garr
SUBJECT: MUR 1361

Please have the attached First GC Report distributed
to the Commission on a 48 hour tally basis. Thankyou.

83040384475

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL MUR 1361
BY OGC TO THE COMMISSION: 7-13-81 STAFF MEMBER:
Dolores Pesce

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENT'S NMAE: Carter/Mondale Presidential Committee, Inc.,
et al.

RELEVANT STATUTE: 2 U.S.C. § 441a(f), § 441a(a)(1)(A), § 441b(a),
§ 434(b)(8), 11 C.F.R. § 104.11, § 104.3(d),
and § 9033.1(a)(1)

INTERNAL REPORTS CHECKED: Audit Files

FEDERAL AGENCIES CHECKED: None

SUMMARY OF ALLEGATIONS

The Audit Division has referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter the "Committee"). The audit covered the period from October 1, 1979 through August 31, 1980 (See Attachment 1 for portions of Audit Report referring matters to OGC).

As outlined in the Audit Report, the alleged violations by the Committee are as follows: 1) the Committee violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses; 2) the Committee violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals; 3) the Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions; and 4) the Committee violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) and § 104.11 by failing to properly disclose approximately \$155,000 in debts.

In addition, certain individual contributors have made contributions in excess of 2 U.S.C. § 441a limits and certain corporate entities have made prohibited contributions under 2 U.S.C. § 441b.

83040384474

81 JUL 13 A10: 03

COMMUNICATIONS SECTION

FACTUAL AND LEGAL ANALYSIS

A. Verification of the Vendor's Media Allocation

With regard to the Committee's media costs,^{1/} state allocations were made directly by the media vendor, Rafshoon Communications, Inc. At the time of its Threshold Report, the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from Rafshoon so that the state allocations could be verified. The Committee neither obtained such documentation nor provided access to the invoices at Rafshoon's office. The Committee's contract with Rafshoon indicates that such additional detailed records would be available to the Committee 60 days after the date of nomination. Accordingly, the Committee should have had access to the documents requested by the Commission.

11 C.F.R. § 9033.1(a)(1) provides that, for the purpose of receiving Presidential primary matching fund payments, the candidate has the burden of providing that expenditures by the candidate, the principal campaign committee or any authorized committee are qualified campaign expenses. Further, the candidate is to obtain and furnish to the Commission at its request any evidence regarding qualified campaign expenses.

Pursuant to 11 C.F.R. § 101.1(a), the Carter/Mondale Presidential Committee, Inc. is the principal campaign committee for Jimmy Carter. As such, the Committee assumes the responsibility to file reports and provide information requested by the Commission.

As of December 16, 1980, the Committee had not submitted or provided access to the Rafshoon records requested by the Commission. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses.

B. Receipt of Excess Contributions

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election to Federal office which, in the aggregate, exceed \$1,000.

^{1/} These costs do not include media production expenses.

83040384475

In its pre-audit review of Committee receipts, the Audit Division identified 348 contributors from whom the Committee had received excess contributions. An analysis of the Committee's actions regarding these excessive contributions revealed that the Committee required from one to three months to take action on 29% of them, and from four to twelve months for 40%. The remaining 31% consist of excessive contributions for which the Audit staff was unable to determine the dates of Committee action. This matter was referred to the Committee in the Threshold Audit Report and the Committee subsequently instituted corrective procedures.

At the time of the Interim Audit Report, Audit staff found that the Committee had not taken final action on a total of \$46,150.48 in excessive contributions from 81 individuals. However, in its December 10, 1980 response to Audit recommendation, the Committee provided documentation showing its handling of the excessive contributions: \$7,461 was shown to be not excessive, but the result of computer error; \$15,752.48 was attributed to the General Election Legal and Accounting Compliance Fund or the spouse, and \$22,937 was listed in amendments as debts owed in refunds to the contributors.

On February 20, 1981, the Committee submitted an amendment to its reports which in part deals with the excessives mentioned above. From this amendment it appears that the Committee has reduced debts owed from \$22,937 to \$1,000, having either refunded the excessive portion of the contribution or attributed it to spouse.^{2/} Thus, of the original \$46,150.48 in excessive contributions noted by Audit, only \$1,000 has not been refunded or otherwise disposed of by the Committee.

The Committee notes, in its December 10 response, that it allocated the entirety of its most recent payment of matching funds towards compliance regarding these excessives. Also, in a "best efforts" attempt to improve its system for identification and disposal of excessive contributions, the Committee initiated these actions:

- 1) The Contributor Aggregation Program was modified.
- 2) An additional staff member was hired in January.
- 3) An Excessive Contribution Report was programmed to aid in identification.

^{2/} Outstanding debts are as follows: Perry O. Barber, Jr. \$500; Herman M. Smith \$500.

83040384476

While action has been taken on almost all of the 81 individual contributors and while it appears that the Committee sought to reduce the number of excessives subsequent to Audit notification, we note that the amount of excessives identified by Audit was large - \$38,689.48.^{3/} Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals.

Of the 81 individuals who made excess contributions to the Committee, only 1, Mr. Jona Goldrich, exceeded the contribution limit of 2 U.S.C. § 441a(a)(1)(A) by over \$1,000. The data on Mr. Golarich's contributions is as follows:

<u>Amounts & Dates of Contributions</u>	<u>Amount of Excess</u>	<u>Amounts & Dates of Action Taken</u>	
\$1,000 02/23/80	\$1,500	\$1,000 11/25/80	Attributed to Spouse
500 04/01/80		500 undated	Attributed to General Election Fund
1,000 07/03/80			

Although the Committee has taken action on the excessive contributions by Mr. Goldrich, the Office of General Counsel recommends that the Commission find reason to believe that Jona Goldrich violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions to the Carter/Mondale Presidential Committee, Inc.

C. Receipt of Corporate Contributions

2 U.S.C. § 441b(a) states in part that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office. It further states that it is unlawful for any political committee, or other person to knowingly accept or receive any contribution prohibited by this section.

The Commission audit of Committee files uncovered contributions from the following incorporated entities:

^{3/} This figure reflects the \$46,150.48 noted minus the \$7,461 documented as computer error.

83040384477

The Mississippi Bank	02/20/80	\$9,435.60
Pacific Mutual	03/17/80	366.06
Charles F. Curry Real Estate Co.	01/21/80	67.50
Strauss Realty Co.	02/15/80	100.00
Russel Gower and Co.	03/28/80	350.00
	TOTAL:	\$10,319.16

As of the date of the Committee's response to the Final Audit Report, December 10, 1980, the Committee had reimbursed all five contributors and provided refund documentation to the Commission. While all the corporate contributions have been refunded, it is to be noted that they totaled over \$10,000.

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions. Further, it recommends that the Commission find reason to believe that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making political contributions to the Committee. Since the other four corporate entities contributed minimal amounts, we do not recommend taking action on them.

D. Undisclosed Debts

2 U.S.C. § 434(b)(8) states in part that each report required to be filed shall disclose the amount and nature of outstanding debts and obligations owed. See also 11 C.F.R. § 104.3(d). 11 C.F.R. § 104.11 details the reporting requirements: a debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after the obligation is incurred, whichever comes first. Any loan, debt, or obligation, the amount of which is over \$500, shall be reported as of the time of the transaction.

In examining the Committee's reported outstanding debts and obligations as of July 31, 1980, Audit identified a total of \$98,017.60 in debts in excess of \$500 which were undisclosed. In addition, the Committee had understated their disclosed debts by \$57,648.43. There were thus approximately \$155,000 in undisclosed or understated debts.

Audit recommended that the Committee amend its August monthly report to reflect these undisclosed or understated debts, and accordingly amend subsequent reports. No amendments to this effect were filed by the Committee.

83040384478

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose approximately \$155,000 in debts.

RECOMMENDATIONS

1. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses.

2. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals.

3. Find reason to believe that Jona Goldrich violated 2 U.S.C. § 441a(a)(1)(A) by making excess contributions to the Carter/Mondale Presidential Committee, Inc.

4. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(a) by receiving corporate contributions.

5. Find reason to believe that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Carter/Mondale Presidential Committee, Inc.

6. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose approximately \$155,000 in debts.

7. Approve and send the attached letters and notifications of reason to believe findings to the respondents.

Attachments

1. Portions of Audit Report Referring Matters to OGC
2. Letter and notification to Carter/Mondale Presidential Committee, Inc.
3. Letter and notification to Jona Goldrich
4. Letter and notification to the Mississippi Bank

83040384479

In addition, Section 106.2(b) and (c) of Title 11 of the Code of Federal Regulations states, in part, that expenditures for staff, media, printing and other services used in a campaign in a specific state shall be attributed to that State, and that expenditures by a Presidential Candidate for use in two (2) or more States, shall be attributed to each State based on the voting age population in each state which can reasonably be expected to be influenced by such expenditures.

During the threshold audit, the Committee was made aware of several areas (media documentation and allocation, White House travel allocation, and national staff payroll allocation) which appeared to pose future allocation problems. Through statistical sampling and other review procedures during the post primary audit, these and additional areas were identified as containing State expenditure allocation errors. Since only the limitations relating to the States of Iowa, Maine, and New Hampshire were approached by the Committee, an extensive review was made of allocations to these States.

1. Verification of the Vendor's Media Allocation

The Threshold Report of the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from its media agent in order to properly allocate media costs to the affected States. During the Post Primary Audit, there appeared to be no change in the informational content of the media invoices as a result of the Threshold finding. Therefore, the allocations made by the media agent could not be verified from available records, and the agents contract states that additional records shall be made available 60 days after the date of nomination.

The Audit staff recommended that the Committee obtain or provide at the vendors offices documentation sufficiently detailed to allow for the verification of vendor allocations to Iowa, Maine and New Hampshire. As of December 16, 1980, the Committee has not submitted or provided access to these records.

Recommendation

The Audit staff recommends that the matter be referred to the Office of General Counsel.

ATTACHMENT 1

83040384480

In its December 11, 1980 response the committee stated that travel by national headquarters staff to a particular state is not justification for allocating a portion of their salaries to that state. According to the committee, national officers who travel are involved with national campaign activity even when traveling from state to state. However, the Audit staff allocated a portion of these salaries since it is reasonable to assume that travel of headquarters staff to a particular state would involve work related to that state.

In addition to the objection noted above, the Committee reiterated their position that in order to effectively campaign in the early primaries, actual campaigning was necessary several months prior to the publication of the state expenditure limitations. Therefore, in order to comply with the spirit of the law, a Committee consultant from Peat, Marwick and Mitchell on February 1, 1980, estimated the state limitations by using the 1978 voting age population figures, and the 1979 inflation factor of 13.3%. The Committee's estimates were higher than the actual limitations, and if considered, would reduce the excessive total of expenditures by \$13,759.72. 3/

In amendments filed with its December 11, 1980 response, the Committee used these estimated state expenditure limitations to calculate the value of excessive expenditures in Iowa, Maine, and New Hampshire.

Recommendation

The Committee has complied with the Audit staff's recommendations for item c, d, e, and f; therefore no further action is recommended. The Audit staff recommends that items a, b, and g be referred to the Office of General Counsel for consideration. For the repayment calculation relating to all amounts in excess of the state limitations see Finding III.B.3. For a comparison of Audit staff recommended allocation adjustments vs. those actually made by the Committee, see Attachment 1.

B. Receipt of Contributions Exceeding \$1,000 per Person

Section 441a(a)(1)(A) of Title 2 of the United States Code states, in part, that no person shall make contributions to any candidate and his authorized political committees with respect to any election to Federal office which, in aggregate, exceed \$1,000.

3/ The expenditure limitations for Maine and New Hampshire are not affected by the Voting Age Population, and the cost of living factor was available shortly after the Committee made their calculation.

EXHIBIT

1
83040384431

EXHIBIT
2

Section 103.3(b) of Title 11 of the Code of Federal Regulations states, in part, that contributions which appear to be illegal shall be, within 10 days, either returned to the contributor or deposited into the campaign depository and reported. A statement noting that the legality of the contribution is in question shall be included in the report, and best efforts made to determine legality. When the legality of a contribution cannot be determined, refunds shall be made within a reasonable time and the current report shall be amended to reflect the committee's response.

1. Although our audit testing of contributions did not reveal a material problem, our pre-audit review of receipts identified 348 contributors from whom the Committee had received contributions aggregating in excess of \$1,000. An analysis of the committee's actions regarding these excessive contributors revealed that the committee required from one to three months to take action on 29% of them, and from four to twelve months for 40%. The remaining 31% consist of excessive contributions for which the Committee took no action or for which the Audit staff was unable to determine the dates of committee action.

This matter was referred to the Committee in the Threshold audit report and the committee subsequently instituted corrective procedures. The identification and disposal of excessive contributions continued, however, to be a problem as noted above.

On December 11, 1980, the Committee delivered a written response to finding II.B.1. in which they claimed mitigating circumstances, summarized as follows:

- The 348 excessive contributions represent only 1/2 of one percent of the total number of contributions received by the Committee;
- The Committee received these contributions at peak collection periods and because of staff shortages could not take corrective action until activity declined; and
- The practice of assigning the excessive portion to a spouse or the General Election Compliance Fund involves a lengthy correspondence with the contributor.

8 3 0 4 0 3 8 4 4 3 2

L

2. As a result of the pre-audit review of excessive contributions, and in performing other selective audit procedures in the course of fieldwork, the Audit staff found that the Committee had not taken final action on \$46,150.48 (excessive portion) in excessive contributions from 81 individuals. 4/ The Committee had attempted to clear \$4,459.50 of these contributions by contacting 8 contributors and requesting permission to attribute the excess portions to either the contributor's spouse, or to the General Election Legal and Accounting Compliance Fund, but as of the final date of fieldwork the contributors had not replied. The remaining \$41,690.98 represents excessive contributions from 73 contributors on which the committee had taken no action as of the end of audit fieldwork. The Audit staff found no evidence of attempts to either refund the excessive portion or attribute it to the spouse or General Election Compliance Fund.

The Audit staff recommended that the Committee present documentation that the contributions are not excessive, have been legally attributed or the excessive portions have been refunded to the original contributors.

In compliance with the Audit staff recommendation, on December 11, 1980, the committee submitted documentation showing the proper disposal of the excessive contributions cited in Finding II.B.2. Of the \$46,150.48 (excessive portion) \$7,461.00 was shown to be not excessive, \$15,752.48 was attributed to the General Election Legal and Accounting Compliance Fund or the spouse, and \$22,937.00 was listed in amendments as debts owed in refunds to the contributors.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

C. Apparent Corporate Contributions

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office. It further states that it is unlawful for any political committee, or other person to knowingly accept or receive any contribution prohibited by this section, or any officer of any corporation or national bank to consent to any contribution or expenditure by the corporation or national bank.

4/ Additional excessive contributions were previously referred by the Reports Analysis Division to the Office of General Counsel.

3IT

8304038443

EXHIBIT 3

During the review of Committee expenditure files, documentation was noted which indicated possible corporate contributions from a bank, an insurance company, and 2 real estate companies. In all instances, it appears that corporate money totaling \$9,969.16 was used to pay for fundraising expenses, and later reimbursed by the Committee. Reimbursement was made to the bank and insurance company; however, no payments had been made to either real estate company.

EXHIBIT 3

In addition, during the review of Committee matching fund submissions, one (1) corporate contribution was noted totaling \$350.00.

The Audit staff recommended that the Committee submit to the Audit staff additional documentation indicating that these contributions were not funded from corporate sources, or refund the remaining three (3) amounts (providing copies of the cancelled refund checks).

On December 11, 1980, the committee submitted copies of cancelled checks refunding two (2) of the amounts, and a copy of one (1) check, which had not yet cleared the bank, refunding the remaining amount:

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

D. Excessive Contributions From Registered Committees

Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. Section 431(11) in part, defines the term person to include a partnership, committee, association, corporation, or any other organization or group of persons.

In reviewing contributions received by the committee from other committees, the Audit staff identified three (3) contributions in excess of \$1,000 which according to the Commission's Reports Analysis Division, were from committees that were not qualified as multi-candidate committees under Section 441a(a)(4). The Committee was notified, and refunded the excessive

EXHIBIT 4

8304038448

EXHIBIT
4

On December 11, 1980, the Committee filed an amendment itemizing the noted expenditures. The Committee did not file an amended 1979 year-end Schedule B-P in its entirety as requested, due to the computer costs involved with producing the expenditure schedules.

Recommendation

It is the opinion of the Audit staff that the Committee has materially complied with the Audit staff's recommendation, therefore, the Audit staff recommends no further action.

H. Undisclosed Debt

Section 434(b)(8) of Title 2 of the United States Code states, in part, that each report required to be filed shall disclose the amount and nature of outstanding debts and obligations owed, and where such debts are settled for less than their reported value, a statement as to the circumstances and conditions under which they were extinguished.

Section 104.11 of Title 11 of the Code of Federal Regulations details the reporting requirements for debts and obligations. Those which remain outstanding shall be continuously reported until extinguished. A debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after the obligation is incurred whichever comes first. Any loan, debt, or obligation, the amount of which is over \$500 shall be reported as of the time of the transaction.

In examining the Committee's reported outstanding debts and obligations at July 31, 1980, the Audit staff identified a total of \$98,017.60 in committee debts in excess of \$500 which were undisclosed. In addition, the committee was found to have understated their disclosed debts by \$57,648.43.

The Audit staff recommended that the Committee amend their August Monthly report to accurately reflect outstanding debt as of July 31, 1980, and amend subsequent reports to the extent that they are affected by those changes.

No amendments were filed by the Committee.

Recommendation

The Audit staff recommends that the matter be referred to the Office of General Counsel.

3
4
4
8
3
EXHIBIT
5
4
3
0
4
8





FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Carter/Mondale Presidential
Committee, Inc.
2000 L Street, N.W.
Washington, D.C. 20036

Re: MUR 1361

Dear Mr. Kling:

On _____, 1981, the Federal Election Commission determined that there is reason to believe that your committee violated the Federal Election Campaign Act of 1971, as amended (the "Act") and Chapters 95 and 96 of Title 26, U.S.C. Code. Specifically, the Committee violated: 1) 11 C.F.R. § 9033.1(a) (1) by failing to furnish the Commission with requested documentation; 2) 2 U.S.C. § 441a(f) by receiving excess contributions from individuals; 3) 2 U.S.C. § 441b(a) by receiving corporate contributions; and 4) 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose debts. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A),

8 3 0 4 0 3 8 4 4 3 6

S. Lee Kling
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures

83040384487

FEDERAL ELECTION COMMISSION

9

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE: MUR 1361
STAFF MEMBER & TEL. NO.
Dolores Pesce
(202) 523-5071

RESPONDENT: Carter/Mondale Presidential Committee, Inc.

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The Audit Division has referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter the "Committee"). The audit covered the period from October 1, 1979 through August 31, 1980.

As outlined in the Audit Report, the alleged violations by the Committee are as follows: 1) the Committee violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses; 2) the Committee violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals; 3) the Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions; and 4) the Committee violated 2 U.S.C. § 434(b)(8) and 11 C.F.R. § 104.3(d) and § 104.11 by failing to properly disclose approximately \$155,000 in debts.

FACTUAL AND LEGAL ANALYSIS

A. Verification of the Vendor's Media Allocation

With regard to the Committee's media costs, ^{1/} state allocations were made directly by the media vendor, Rafshoon Communications, Inc. At the time of its Threshold Report, the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from Rafshoon so that the state allocations could be verified. The Committee neither obtained such documentation nor provided access to the invoices at Rafshoon's office. The Committee's contract with Rafshoon indicates that such additional detailed records would be available to the Committee 60 days after the date of nomination. Accordingly, the Committee should have had access to the documents requested by the Commission.

^{1/} These costs do not include media production expenses.

83040384188



11 C.F.R. § 9033.1(a)(1) provides that, for the purpose of receiving Presidential primary matching fund payments, the candidate has the burden of providing that expenditures by the candidate, the principal campaign committee or any authorized committee are qualified campaign expenses. Further, the candidate is to obtain and furnish to the Commission at its request any evidence regarding qualified campaign expenses.

Pursuant to 11 C.F.R. § 101.1(a), the Carter/Mondale Presidential Committee, Inc. is the principal campaign committee for Jimmy Carter. As such, the Committee assumes the responsibility to file reports and provide information requested by the Commission.

As of December 16, 1980, the Committee had not submitted or provided access to the Rafshoon records requested by the Commission. Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Committee violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses.

B. Receipt of Excess Contributions

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committee with respect to any election to Federal office which, in the aggregate, exceed \$1,000.

In its pre-audit review of Committee receipts, the Audit Division identified 348 contributors from whom the Committee had received excess contributions. An analysis of the Committee's actions regarding these excessive contributions revealed that the Committee required from one to three months to take action on 29% of them, and from four to twelve months for 40%. The remaining 31% consist of excessive contributions for which the Audit staff was unable to determine the dates of Committee action. This matter was referred to the Committee in the Threshold Audit Report and the Committee subsequently instituted corrective procedures.

At the time of the Interim Audit Report, Audit staff found that the Committee had not taken final action on a total of \$46,150.48 in excessive contributions from 81 individuals. However, in its December 10, 1980 response to Audit recommendation, the Committee provided documentation showing its handling of the excessive contributions: \$7,461 was shown to be not excessive, but the result of computer error; \$15,752.48 was attributed to

83040584439

the General Election Legal and Accounting Compliance Fund or the spouse, and \$22,937 was listed in amendments as debts owed in refunds to the contributors.

On February 20, 1981, the Committee submitted an amendment to its reports which in part deals with the excessives mentioned above. From this amendment it appears that the Committee has reduced debts owed from \$22,937 to \$1,000, having either refunded the excessive portion of the contribution or attributed it to spouse.^{2/} Thus, of the original \$46,150.48 in excessive contributions noted by Audit, only \$1,000 has not been refunded or otherwise disposed of by the Committee.

The Committee notes, in its December 10 response, that it allocated the entirety of its most recent payment of matching funds towards compliance regarding these excessives. Also, in a "best efforts" attempt to improve its system for identification and disposal of excessive contributions, the Committee initiated these actions:

- 1) The Contributor Aggregation Program was modified.
- 2) An additional staff member was hired in January.
- 3) An Excessive Contribution Report was programmed to aid in identification.

While action has been taken on almost all of the 81 individual contributors and while it appears that the Committee sought to reduce the number of excessives subsequent to Audit notification, we note that the amount of excessives identified by Audit was large - \$38,689.48.^{3/} Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals.

C. Receipt of Corporate Contributions

2 U.S.C. § 441b(a) states in part that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office. It further states that it is unlawful for any political committee, or other person to knowingly accept or receive any contribution prohibited by this section.

^{2/} Outstanding debts are as follows: Perry O. Barber, Jr. \$500; Herman M. Smith \$500.

^{3/} This figure reflects the \$46,150.48 noted minus the \$7,461 documented as computer error.

83040384490



The Commission audit of Committee files uncovered contributions from the following incorporated entities:

The Mississippi Bank	02/20/80	\$9,435.60
Pacific Mutual	03/17/80	366.06
Charles F. Curry Real Estate Co.	01/21/80	67.50
Strauss Realty Co.	02/15/80	100.00
Russel Gower and Co.	03/28/80	350.00
	TOTAL:	\$10,319.16

83040384491

As of the date of the Committee's response to the Final Audit Report, December 10, 1980, the Committee had reimbursed all five contributors and provided refund documentation to the Commission. While all the corporate contributions have been refunded, it is to be noted that they totaled over \$10,000.

Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee violated 2 U.S.C. § 441b(a) by receiving corporate contributions.

D. Undisclosed Debts

2 U.S.C. § 434(b)(8) states in part that each report required to be filed shall disclose the amount and nature of outstanding debts and obligations owed. See also 11 C.F.R. § 104.3(d). 11 C.F.R. § 104.11 details the reporting requirements: a debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after the obligation is incurred, whichever comes first. Any loan, debt, or obligation, the amount of which is over \$500, shall be reported as of the time of the transaction.

In examining the Committee's reported outstanding debts and obligations as of July 31, 1980, Audit identified a total of \$98,017.60 in debts in excess of \$500 which were undisclosed. In addition, the Committee had understated their disclosed debts by

\$57,648.43. There were thus approximately \$155,000 in undisclosed or understated debts.

Audit recommended that the Committee amend its August monthly report to reflect these undisclosed or understated debts, and accordingly amend subsequent reports. No amendments to this effect were filed by the Committee.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose approximately \$155,000 in debts.

RECOMMENDATIONS

1. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 11 C.F.R. § 9033.1(a)(1) by failing to furnish the Commission with requested documentation to verify vendor allocations for media expenses.

2. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441a(f) by receiving excess contributions from individuals.

3. Find reason to believe that the Cartr/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 441b(a) by receiving corporate contributions.

4. Find reason to believe that the Carter/Mondale Presidential Committee, Inc. violated 2 U.S.C. § 434(b)(8), 11 C.F.R. § 104.3(d) and § 104.11 by understating or failing to disclose approximately \$155,000 in debts.

83040384492



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Jona Goldrich
5150 Overland Avenue
Culver City, California 90230

Re: MUR 1361

Dear Mr. Goldrich:

On , 1981, the Federal Election Commission determined that there is reason to believe that you violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended (the "Act") by making excess contributions to the Carter/Mondale Presidential Committee, Inc. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be 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.

ATTACHMENT 3

83040384493

Jona Goldrich
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

83040384494

FEDERAL ELECTION COMMISSION

16

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE:

MUR NO. 1361
STAFF MEMBER & TEL. NO.
Dolores Pesce
(202)523-5071

RESPONDENT: Jona Goldrich

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The Audit Division has referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter the "Committee").

The referral alleges that the Committee received excess contributions from individuals during the period October 1, 1979 through August 31, 1980, thereby placing the individuals in apparent violation of 2 U.S.C. § 441a(a)(1)(A).

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(1)(A) states that no person shall make contributions to any candidate and his authorized political committees with respect to any election to Federal office which, in the aggregate, exceed \$1,000.

Based on Audit review of the Committee's files, it appears that Jona Goldrich exceeded the contribution limit of 2 U.S.C. § 441a(a)(1)(A) by over \$1,000. Mr. Goldrich's contributions to the Committee were as follows:

\$1,000	February 23, 1980
500	April 1, 1980
1,000	July 3, 1980

Of the \$1,500 in excess contributions, the Committee has taken action on the total amount. \$1,000 was reattributed to spouse in response to a form letter dated November 25, 1980 sent to Mr. Goldrich, and \$500 was reattributed to the Legal and Compliance General Election Fund, again in response to a form letter (undated) sent to Mr. Goldrich.

83040384495

(17)

The Office of General Counsel recommends that the Commission find reason to believe that Jona Goldrich violated 2 U.S.C. § 441a(a)(1)(A) by making excess contributions to the Carter/Mondale Presidential Committee, Inc.

RECOMMENDATION

Find reason to believe that Jona Goldrich violated 2 U.S.C. § 441a(a)(1)(A) by making excess contributions to the Carter/Mondale Presidential Committee, Inc.

83040384495



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

18

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Mississippi Bank
329 E. Capitol St.
P.O. Box 979
Jackson, Mississippi 39205

Re: MUR 1361

Dear Sir or Madam:

On , 1981, the Federal Election Commission determined that there is reason to believe that the Mississippi Bank violated section 441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act") by making contributions to the Carter/Mondale Presidential Committee, Inc. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against the Mississippi Bank, the Commission may find probable cause to believe that a violation has occurred and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

The investigation now being conducted will be 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.

ATTACHMENT 4

83040384477

The Mississippi Bank
Page Two

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 Dolores Pesce, the staff member assigned to this matter, at (202) 523-5071.

Sincerely,

Enclosures
General Counsel's Factual and Legal Analysis
Procedures

8 3 0 4 0 3 8 4 4 9 8

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE: MUR NO. 1361
STAFF MEMBER & TEL. NO.
Dolores Pesce
(202)523-5071

RESPONDENT: The Mississippi Bank

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The Audit Division has referred several matters to the Office of General Counsel upon completion of its audit of the Carter/Mondale Presidential Committee, Inc. (hereinafter the "Committee").

The referral alleges that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Committee.

FACTUAL BASIS AND LEGAL ANALYSIS

2 U.S.C. § 441b(a) states in part that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office.

The Commission Audit of Committee files revealed that the Mississippi Bank made \$9,435.60 in contributions to the Committee on February 20, 1980. As of the date of the Committee's response to the Final Audit Report, December 10, 1980, the Committee had reimbursed the Mississippi Bank and provided refund documentation to the Commission. While the prohibited contributions have been refunded, it is to be noted that they were in an amount close to \$10,000.

Therefore, the Office of General Counsel recommends that the Commission find reason to believe that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Carter/Mondale Presidential Committee, Inc.

RECOMMENDATION

Find reason to believe that the Mississippi Bank violated 2 U.S.C. § 441b(a) by making prohibited contributions to the Carter/Mondale Presidential Committee, Inc.

83040384499

MUR 1361

RECEIVED
OFFICE OF THE
COMPTROLLER



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMPTROLLER
JAN 7 1981

January 6, 1981

MEMORANDUM

EXECUTIVE SESSION

TO: THE COMMISSIONERS

THROUGH: B. ALLEN CLUTTER, III *BAC*
STAFF DIRECTOR

JAN 13

FROM: BOB COSTA *BAC*

SUBJECT: AUDIT REPORT ON THE CARTER/MONDALE
PRESIDENTIAL COMMITTEE, INC.

Attached please find the final audit report on the Carter/Mondale Presidential Committee, Inc. ("the Committee"), and the legal analysis prepared by the Office of General Counsel. The Counsel and Audit staff are in agreement with all findings except for Finding II.A.2(b), II.A.2(g), (see Exhibit 1 attached) and Finding III.B.1. All other changes noted in the analysis have been made.

For the three (3) findings in which a disagreement exists, in order to facilitate the discussion, we have also attached the narrative portion of the Committee's response. 1/

Exhibit 1 - Long Distance Telephone Calls
(page 2, para. 3)

The Office of General Counsel has agreed with the Committee's contention that a similarity exists between interstate phone calls and interstate travel, and that requiring the allocation of interstate phone calls originating from a state, while not allocating long distance calls from headquarters to that state, would be unfair treatment.

The Audit staff disagrees with these arguments for the following reasons:

- 1) Only two (2) sections of the Regulations clearly exempt any expenditures from the general rule of state allocations. 11 C.F.R. 106.2(c)(2) specifically exempts interstate travel from allocation to the states. 11 C.F.R. 106.2(b) which is referred

1/ The page numbers and paragraphs in parenthesis refer to the relevant sections of the Committee response.

03040304500

to by the Committee, applies exclusively to expenditures for administrative staff and overhead costs which directly relate to the national campaign headquarters.

2) The Committee has based its argument on telephone calls between Committee headquarters and a specific state, when in fact, the Committee has deleted all long distance telephone calls whether between Committee headquarters and a specific state, or between two (2) states;

3) State offices exist primarily to conduct the day to day activities of a state campaign; therefore, calls originating from a specific state are more likely to relate to events being conducted within that state. No phone logs were maintained to verify the subject of these phone calls;

4) A decision to exempt from state allocation all long distance phone calls originating in a state will conflict with the phone call allocations made in audits being conducted currently and may open to question other allocation areas which the Committee contends are "necessary ingredients" of a national campaign, such as postage expenditures; and,

5) Finally, 11 C.F.R. 106.2(b) states, in part, that expenditures for staff, media, printing, and other goods and services used in a campaign in a specific state shall be attributed to that state. Telephone services for a state campaign office would seem to be covered by this section.

Exhibit 1 - Miscellaneous Salary
of National Headquarters' Staff
(page 6, para. 3)

The Office of the General Counsel has cited AO 1979-73, which provides guidance for the allocation of "advance staff" salaries to the states in which they travel. In reference to AO 1979-73, Counsel draws a distinction between "advance personnel" whose salaries are required to be allocated, and "national officers", recommending that the Committee not be required to allocate portions of the salaries of "national officers" to states which they visited.

83040384501



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

REPORT OF THE AUDIT DIVISION

ON THE CARTER/MONDALE PRESIDENTIAL COMMITTEE, INC.

I. Background

A. Overview

This report is based on an audit of the Carter/Mondale Presidential Committee, Inc. ("the Committee"), to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 9038 (a) of Title 26 of the United States Code which states that "after each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under Section 9037."

In addition, Section 9039(b) of Title 26 of the United States Code, and Section 9038.1(b) of Title 11 of the Code of Federal Regulations state that the Commission may conduct other examinations and audits from time to time as it deems necessary to carry out the provisions of this subchapter.

The Committee registered with the Federal Election Commission as the principal campaign committee for President James E. Carter on March 16, 1979. The Committee maintains its headquarters in Washington, D.C.

The audit covered the period from October 1, 1979 through August 31, 1980, the final coverage date of the last report filed at the time of the audit. 1/ The Committee reported a beginning cash balance of \$867,934.82, total receipts for the period of \$16,524,673.86, total expenditures for the period of \$17,336,473.23 and a closing cash balance on August 31, 1980 of \$56,135.45. As of September 30, 1980 the Committee reported expenditures of \$13,749,225.45 subject to the overall limitation.

1/ A review was made to determine the accuracy of the Committee's reported net outstanding campaign obligations and qualified campaign expenditures as of September 28, 1980.

03040384502



The Audit staff disagrees with this analysis for the following reasons:

1) The Audit staff is of the opinion that the distinction Counsel has drawn between "advance staff" and "national staff" is, in reference to this committee, semantical and not based on evidence of the actual purpose of the trips in question or the function of the travelers involved. The allocations recommended in the report finding were for salaries of Committee personnel who travelled within particular states. 11 C.F.R. 106.2(b) states, in part, that expenditures for staff, media, printing and other goods and services used in a campaign in a specific State shall be attributed to that State. The Committee did not provide any specific information in its response to show that the trips in question were not state related.

Finding III(b)(1) - Payment of General Election Campaign Expenses (page 10, para. 5)

In its analysis, the Office of General Counsel concurs with the Audit staff's position that the noted general election expenditures should be deemed non-qualified campaign expenses which are repayable to the U.S. Treasury. The Office of General Counsel then recommends that both groups of expenditures, whether paid prior to, or after, the date of nomination should be deducted from the candidate's remaining entitlement.

The Audit staff disagrees with the Counsel's recommendation to deduct both pre and post-nomination general election expenditures from entitlement for the following reasons:

1) 26 U.S.C. 9038(b)(2) provides for the repayment to the Secretary of an amount equal to such amount which was used to defray other than qualified campaign expenses;

2) In the Brown, Dole, Anderson and Reagan audit reports, non-qualified campaign expenditures were required to be repaid if paid prior to, the candidate's date of ineligibility, and applied to the candidates remaining entitlement if paid after the date of ineligibility. This practice is consistent with the handling of such matters in the 1976 audits.

83040384501

B. Key Personnel

The principal officers of the Committee during the period audited were: Mr. Evan S. Dobelle, Chairman, from October 1, 1979 to December 1, 1979; and Mr. Robert E. Strauss from December 1, 1979 to the present; and Mr. John H. Dalton, Treasurer from October 1, 1979 to November 15, 1979; and Mr. S. Lee Kling from November 15, 1979 to the present.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; review of contribution and expenditure limitations; and such other audit procedures as deemed necessary under the circumstances.

**II. Audit Findings and Recommendations
Relating to Title 2 of the United States Code**

On November 7, 1980, the Committee received the interim post-primary audit report requiring either a 15 or 30 day response as specified in the recommendation section for each finding. Committee personnel met with Commission staff within the 15 day period as required. The response to the remaining findings was due on December 8, but the Committee responded on December 11.

A. Allocation of Expenditures to States

Sections 441a(b)(1)(A) and 441a(c) of Title 2 of the United States Code provides, in part, that no candidate for the office of President of the United States who is eligible to receive and has received matching funds may make expenditures in any one state aggregating in excess of the greater of 16 cents multiplied by the state voting age population or \$200,000.00, adjusted by the Consumer Price Index.

Section 106.2(a) of Title 11 of the Code of Federal Regulations states, in part, that expenditures made by a candidate's authorized committee(s) which seek to influence the nomination of that candidate for the Office of President of the United States with respect to a particular State shall be allocated to that State.

83040384504

In addition, Section 106.2(b) and (c) of Title 11 of the Code of Federal Regulations states, in part, that expenditures for staff, media, printing and other services used in a campaign in a specific state shall be attributed to that State, and that expenditures by a Presidential Candidate for use in two (2) or more States, shall be attributed to each State based on the voting age population in each state which can reasonably be expected to be influenced by such expenditures.

During the threshold audit, the Committee was made aware of several areas (media allocation, and national staff payroll allocation) which appeared to pose future allocation problems. Through statistical sampling and other review procedures during the post primary audit, these and additional areas were identified as containing State expenditure allocation errors. Since only the limitations relating to the States of Iowa, Maine, and New Hampshire were approached by the Committee, an extensive review was made of allocations to these States.

1. Media Expense Allocations

The Committee did not allocate by voting age population various media charges such as freight, buttons and bumper stickers. The review also determined that the Committee had recently received amended allocation statements from the advertising firm which had not been reflected in the Committee's state allocation totals.

These media allocation adjustments require that an additional \$783.09 be allocated to Iowa, \$15,717.08 be allocated to Maine, and \$157.15 be allocated to New Hampshire.

In its December 11, 1980 response, the Committee adjusted the state expenditure totals for Iowa, Maine, and New Hampshire to include the media allocation adjustments noted above.

2. Travel Expense Reimbursements

A review of the Committee's payments to individuals for travel expenses identified \$10,214.82 in payments relating to Iowa, \$7,453.70 relating to Maine, and \$5,505.03 relating to New Hampshire which had not been allocated as required. Generally, the payments consisted of reimbursements for lodging, car rental, and per diem for individuals doing advance and scheduling work in those states.

In its December 11, 1980 response, the Committee did not contest the Audit staff's allocations relating to travel expense reimbursements, and adjusted the state totals accordingly.

93040304505

3. Outstanding Debt

A review of the Committee's Statement of Net Outstanding Campaign Obligations filed as of September 28, 1980 identified outstanding debts totaling \$3,068.25 which were related to the Committee's campaign in Iowa, \$1,869.98 which related to Maine, and \$1,188.56 which related to New Hampshire. As payments are made on these debts, the expenditures will be required to be allocated.

In its December 11, 1980 response, the Committee did not contest the outstanding debt allocations noted above, and adjusted the state totals accordingly.

4. Other Vendor Payments

Analysis of payments from the headquarter's operating accounts to vendors for telephone, car rental, postage, etc., revealed that additional payments totaling \$8,145.27 should be allocated to Iowa, \$29,902.65 to Maine, and \$7,909.08 to New Hampshire.

In its December 11, 1980 response, the Committee did not contest these allocations, and adjusted the state totals accordingly.

In addition, in its response, the Committee reiterated their position that in order to effectively campaign in the early primaries, actual campaigning was necessary several months prior to the publication of the state expenditure limitations. Therefore, in order to comply with the spirit of the law, a Committee consultant from Peat, Marwick and Mitchell on February 1, 1980, estimated the state limitations by using the 1978 voting act population figures, and the 1979 inflation factor of 13.38. The Committee's estimates were higher than the actual limitations, and if considered, would reduce the excessive total of expenditures by \$13,759.72.

In amendments filed with its December 11, 1980 response, the Committee used these estimated state expenditure limitations to calculate the value of excessive expenditures in Iowa, Maine, and New Hampshire. However, the Audit staff continued to use the published figures for the calculation of excessive state expenditures.

Recommendation

The Committee has complied with the Audit staff's recommendation therefore no further action is recommended.

83040301506

B. Excessive Contributions From Registered Committees

Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. Section 431(11) in part, defines the term person to include a partnership, committee, association, corporation, or any other organization or group of persons.

In reviewing contributions received by the committee from other committees, the Audit staff identified three (3) contributions in excess of \$1,000 which according to the Commission's Reports Analysis Division, were from committees that were not qualified as multi-candidate committees under Section 441a(a)(4). The Committee was notified, and refunded the excessive portion of 2 contributions totaling \$4,000. At the final date of fieldwork, the excessive portion (\$1,000) of the remaining contribution had not been refunded.

The Committee has stated that upon receipt of these transfers, inquiry was made to the Commission's Office of Public Records as to the status of the transferring committees, and were informed that they were qualified as multi-candidate committees, which would allow the receipt of contributions up to \$5,000 from these Committees.

The Audit staff recommended that the committee refund the excessive portion of the remaining contribution from the unqualified committee, and provide copies of the cancelled check (front and back) for verification.

On December 11, 1980, the Committee responded that a form signed by the unqualified committee allowing for the transfer of the excessive portion of the contribution from the primary committee to the General Election Compliance Fund had been misplaced. Pending receipt of a duplicate copy of that letter, the Committee reported the excessive contribution as a debt owed to the unqualified Committee.

Recommendation

The Audit staff recommends no further action on this matter.

C. Disclosure of Earmarked Contributions

Section 434(b)(3) of Title 2 of the United States Code states, in part, that each report under this section shall disclose the identification of each person who makes a contribution to the Committee during the reporting period, whose contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of any such contribution.

83040384507

Section 110.6(c)(3) of Title 11 of the Code of Federal Regulations states that the intended recipient of an earmarked contribution shall disclose, on his next report, each conduit through which an earmarked contribution passed.

A review of reports filed with the Federal Election Commission by Committees reporting passage of earmarked contributions to this Committee identified 37 earmarked contributions in excess of \$200 which were required to be itemized with the name of the conduit on the Committee reports. Of these contributions, 23 were not found itemized, and 13 were itemized without being designated as earmarked, or identifying the conduit.

The Committee stated that many of the earmarked contributions had been received without being noted by the conduits as being earmarked.

The Audit staff recommended that the Committee file an amendment to the appropriate reports, itemizing the contributions as required.

On December 11, 1980, the Committee filed amended reports properly reporting the noted earmarked contributions.

Recommendation

The Audit staff recommends no further action.

D. Itemization of Transfers

Section 434(b)(2)(D) and 434(b)(3)(B) of Title 2 of the United States Code states in part, that each report shall disclose the total amount of contributions from other political committees, together with the identification of each political committee which makes a contribution to the reporting committee during the reporting period, including the date and amount of any such contribution.

Section 104.3(a)(3)(iv) & (4)(iii) of Title 11 of the Code of Federal Regulations states, in part, that an authorized committee of a candidate for Federal office shall report the total amount of receipts received during the reporting period and during the calendar year from committees. For all committees which make contributions to the reporting committee during the reporting period, the report shall identify the committee, the aggregate year-to-date total for such contribution, and the date of receipt and amount of the contribution.

In reviewing transfers made to the Committee, the Audit staff identified 31 transfers totaling \$27,911 which were reported by the transferring committees but not disclosed on committee reports. The Committee was provided with a list of these transfers, and submitted documentation showing that some

had been reported erroneously as contributions under the treasurer's name, some had been reported as earmarked contributions, and others had not been received by the committee and were being referred to the transferring committee for a letter of explanation. At the final date of fieldwork, two (2) transfers totaling \$1,100 had not been explained and were still being researched by the committee.

The Audit staff recommended that the committee amend their reports to properly itemize the noted transfers.

On December 11, 1980, the Committee filed amended Schedule A's to correctly disclose those transfers received.

Recommendation

The Audit staff recommends no further action.

E. Itemization of Expenditures

Section 434(b) (5) (A) of Title 2 of the United States Code states, in part, that each report under this section shall disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of \$200 within the calendar year is made to meet a committee operating expense, together with the date, amount, and purpose of such operating expenditure.

A review of Committee expenditures from the operating and payroll accounts identified nine (9) expenditures totaling \$125,105.40 which were not itemized on Committee reports. Seven (7) of the expenditures were required to be itemized in the 1979 year-end report, and appear to have resulted from Schedule B-P programming errors. Five (5) of the expenditures were for withholding taxes related to legal and accounting payroll. Two (2) were payments to a hotel for fundraising activities, and the remaining two (2) were for hotel and equipment rental during the convention.

Three (3) additional expenditures totaling \$17,456.92 were incorrectly itemized under a different vendor name.

Due to the programming errors identified with the 1979 year-end report, the Audit staff recommended that the Committee file an amended 1979 year-end Schedule B-P, and an amendment itemizing the two (2) convention related expenditures omitted from the September, 1980 monthly report.

On December 11, 1980, the Committee filed an amendment itemizing the noted expenditures. The Committee did not file an amended 1979 year-end Schedule B-P in its entirety as requested, due to the computer costs involved with producing the expenditure schedules.

83040384509

Recommendation

It is the opinion of the Audit staff that the Committee has materially complied with the Audit staff's recommendation, therefore, the Audit staff recommends no further action.

F. Matters Referred to the Office of General Counsel

Certain other matters noted during the audit were referred to the Commission's Office of General Counsel for consideration on October 3 and December 18, 1980.

III. Findings Related to Title 26 of the United States Code
Determination of Net Outstanding Campaign Obligations
and Repayment to the U.S. Treasury

A. Determination of Net Outstanding Campaign Obligations

Section 9034.5(a)(1) and (b) of Title 11, Code of Federal Regulations requires that the candidate submit a statement of net outstanding campaign obligations (NOCO) which contains, among other items, the total of all outstanding obligations for qualified campaign expenses and an estimate of necessary winding down costs within 15 days of the candidate's date of ineligibility.

Section 9038(b)(1) of Title 26 of the United States Code provides that if the Commission determines that any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount of payments to which such candidate was entitled under Section 9034, it shall notify the candidate, and the candidate shall pay to the Secretary an amount equal to the amount of the excess payments.

The Commission preliminarily determined August 15, 1980, to be the day on which President James E. Carter's candidacy terminated for the purpose of incurring qualified campaign expenses.

At the final date of audit fieldwork, the Committee had filed statements of net outstanding campaign obligations from August 15, 1980 through September 28, 1980. During the course of the audit, the Audit staff made necessary adjustments to the NOCO statement to reflect the candidate's cash position as of September 28, 1980, and other adjustments to correct mis-statements of the accounts receivable, accounts payable and winding down costs (see Attachment 1).

The Committee represented its outstanding debts as stated in the September monthly report to be the amount of outstanding accounts payable at September 28, 1980. Our audit of the NOCO statement indicated that the accounts payable at September 28, 1980 was mis-stated partly as a result of the inaccurate disclosure of campaign debts on the September 30, 1980 Schedule C-P September monthly report.

83040381510

As of September 28, 1980, the Committee's reported net outstanding campaign obligations, as adjusted, totaled \$756,784.20. Based on this outstanding debt, the Committee received matching fund payments of \$208,638.32. Therefore, as of that time the Candidate has received no matching fund payments in excess of his entitlement.

On November 6, 1980, the Commission determined that no payments in excess of the candidate's entitlement had been made.

B. Apparent Unqualified Campaign Expenses

Section 9038(b)(2) of Title 26 of the United States Code provides that if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than: to defray the qualified campaign expenses with respect to which such payment was made; or to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses; it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary an amount equal to such amount.

Section 9032(9)(A) and (B) of Title 26 of the United States Code defines a qualified campaign expense as a purchase, payment, distribution, loan advance, deposit, or gift of money or of anything of value incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination or election; and neither the incurring or payment of which constitutes a violation of any law of the United States or the state in which the expense is incurred or paid.

1. Payment of General Election Expenses By The Primary Election Committee

Section 9003.4(b)(4)(i) of Title 11 of the Code of Federal Regulations states in part, that a candidate who has received federal funding may borrow from his or her primary election campaign an amount not to exceed the residual balance projected to remain in the candidates primary account. 2/

2/ Section 9003.4(b)(4)(i) was pending before Congress at the time of the transactions and became effective on September 6, 1980.

83040384511

Prior to the candidate's nomination on August 13, 1980, the Committee made 12 expenditures totaling \$5,947.82 for lodging, transportation, and other payments to individuals relating to the General Election campaign. As evidenced by the Statement of Net Outstanding Campaign Obligations filed as of September 28, 1980 (see Attachment 1), no residual existed from which funds could be borrowed by the General Election Committee.

The Committee also made an additional 36 expenditures totaling \$21,183.73 which related to, or a portion of which related to the General Election Campaign during the period 8/14/80 through 9/28/80. These expenditures were frequently identified in Committee records as General Election related and consisted of consulting fees, expense reimbursements, equipment rental, and advertising.

In lieu of repayment to the U. S. Treasury, the Committee expressed a willingness to refund the \$27,131.55 to the primary campaign.

The Audit staff recommended that the Commission determine that the \$21,183.73 in general election expenses after the candidates date of ineligibility be considered non-qualified campaign expenses, and that an equal amount be deducted from the candidates remaining entitlement.

The Audit staff recommended that the Commission determine that the \$5,947.82 in General Election expenses prior to the date of nomination are non-qualified campaign expenses, and that an equal amount be repayable to the Secretary of the United States Treasury.

On December 11, 1980, the Committee presented a written response to finding III.B.1. in which they stated the following objections (summarized) to the Audit staff's recommendations:

- Because the General Election Regulations were not effective until September 6, 1980, the Committee was unable to get definitive guidance from the Commission on possible funding of General Election start-up expenses via primary funds.

- At the time the non-qualified expenditures were made, the Committee was not in a position to accurately project its residual net assets.

- The general election expenditures made by the primary committee represents loans that were substantially in compliance with the regulations, with the exception that the general election committee did not reimburse the primary committee within the required 15 days.

83040384512

The Commission's recommendation regarding these expenditures is inconsistent with their treatment of the Ford Committee in 1976 regarding legal services, when the Commission allowed reimbursement of the Ford Committee account by the Compliance Fund.

- If the Commission does require relief, the Committee urges that no distinction be made between pre- and post-nomination expenditures, and a reduction be made in matching fund entitlement for the entire amount of the unqualified campaign expenses rather than require a repayment of \$5,947.82 to the Treasury.

Recommendation

The Audit staff recommends that the Commission determine that the \$21,183.73 in general election expenses after the candidate's date of ineligibility be considered non-qualified campaign expenses, and that an equal amount be deducted from the candidate's remaining entitlement.

The Audit staff recommends that the Commission determine that the \$5,947.82 in General Election expenses prior to the date of nomination are non-qualified campaign expenses, and that an equal amount be repayable to the Secretary of the United States Treasury within 90 days of receipt of this report.

2. Payment of Parking Violations

The Audit staff identified Committee payments totaling \$255.00 for parking tickets received during the campaign. Payments to a limousine service hired during the week of the convention accounted for \$195.00 of this amount. Of the tickets received, \$60.00 was paid prior to the date of ineligibility and \$195.00 was paid after the date of ineligibility.

On December 11, 1980, the Committee did not include in its response any evidence that the \$255.00 in parking citations are qualified campaign expenses.

Recommendation

The Audit staff recommends that the Commission determine that the \$255.00 in parking citations are non-qualified campaign expenses, of which \$60.00 in tickets paid prior to the date of ineligibility be repayable to the Secretary of the United States Treasury within 90 days of receipt of this report, and \$195 paid after the date of ineligibility be deducted from the candidate's remaining entitlement.

83040384513

3. Expenditures In Excess of State Limitation

The Audit staff identified expenditures in excess of the state limitations for Iowa totaling \$53,477.12, for Maine totaling \$35,781.49, and for New Hampshire totaling \$34,177.27. 3

The Audit staff reviewed the Committee response to the interim report on December 11, 1980, and did not find any evidence that these expenditures totaling \$123,435.88 should be allocated other than as determined by the Audit Staff.

Recommendation

The Audit staff recommends that these expenditures totaling \$123,435.88 be considered non-qualified campaign expenses, and that the amount be repaid in full to the United States Treasury within 90 days of receipt of this report.

3/ For the amounts included as expenditures in excess of state limitation for Iowa, Maine, and New Hampshire, are contained in Finding II.A.1 and F.

83040384514

Attachment 1

CARTER/MONDALE PRESIDENTIAL COMMITTEE, INC.
STATEMENT OF NET OUTSTANDING CAMPAIGN OBLIGATIONS
SEPTEMBER 28, 1980

<u>ASSETS</u>	<u>ORIGINALLY STATED</u>	<u>ADJUSTED BY ADDIT</u>	<u>ADJUSTED</u>
Cash in Bank	\$ 29,799.00	21,297.56 1/	8,501.44
Accounts Receivable	30,000.00	83,685.47 2/	113,685.47
Unqualified Campaign Expenditures	-	21,103.73 4/	21,103.73
	<u>\$ 59,799.00</u>		<u>\$126,166.70</u>
 <u>OBLIGATIONS</u>			
Accounts Payable for Qualified Campaign Expenses	\$ 649,389.00	8736,105.98 3/	9,485,494.98
Estimated Winding Down Costs 9/28/80 to 6/30/81 (Projected Termination Date)		34,479.00	34,479.00
Salaries	34,479.00	94,286.00 5/	128,765.00
Computer Services	105,000.00	18,000.00	123,000.00
Supplies, Rent, Telephones	18,000.00		18,000.00
	<u>157,479.00</u>	<u>806,864.00</u>	<u>982,950.98</u>
Net Outstanding Campaign Obligation-Deficit		<u>\$747,065.00</u>	<u>\$756,784.20</u>

- 1/ Cash in bank was adjusted to accurately reflect the candidates cash position at 9/28/80.
- 2/ Accounts receivable was increased by the amount of certain deposits, refunded to the Committee subsequent to 9/28, but which had been omitted from the Committee's stated receivables on the 9/28 NOCO.
- 3/ The Committee had used the 9/30/80 report, line 13, outstanding debts and obligations as a source for the accounts payable stated on the NOCO. In examining documentation for each item included in the Committee's total, the Audit staff revised the accounts payable by eliminating items that had actually been paid prior to 9/28 and were no longer liabilities, and adding debts that had previously been undisclosed or understated.
- 4/ Unqualified campaign expenditures representing General Election expenditures made from primary funds are added back to adjust the Committee's matching funds entitlement. See Finding III.B.1.
- 5/ In the absence of any evidence presented by the Committee for a change in their original estimate, the winding down cost of computer services is reduced to reflect the Committee's original estimate of computer expenses which the Audit staff had analyzed and found to be reasonable.

B. Key Personnel

The principal officers of the Committee during the period audited were: Mr. Evan S. Dobelle, Chairman, from October 1, 1979 to December 1, 1979; and Mr. Robert S. Strauss from December 1, 1979 to the present; and Mr. John H. Dalton, Treasurer from October 1, 1979 to November 15, 1979; and Mr. S. Lee Kling from November 15, 1979 to the present.

C. Scope

The audit included such tests as verification of total reported receipts and expenditures and individual transactions; review of required supporting documentation and analysis of Committee debts and obligations; review of contribution and expenditure limitations; and such other audit procedures as deemed necessary under the circumstances.

II. Audit Findings and Recommendations
Relating to Title 2 of the United States Code

On November 7, 1980, the Committee received the interim post-primary audit report requiring either a 15 or 30 day response as specified in the recommendation section for each finding. Committee personnel met with Commission staff within the 15 day period provided for in finding A-1. The response to the remaining findings was due on December 8, but the Committee responded on December 11.

A. Allocation of Expenditures to States

Sections 441a(b)(1)(A) and 441a(c) of Title 2 of the United States Code provides, in part, that no candidate for the office of President of the United States who is eligible to receive and has received matching funds may make expenditures in any one state aggregating in excess of the greater of 16 cents multiplied by the state voting age population or \$200,000.00, adjusted by the Consumer Price Index.

Section 106.2(a) of Title 11 of the Code of Federal Regulations states, in part, that expenditures made by a candidate's authorized committee(s) which seek to influence the nomination of that candidate for the Office of President of the United States with respect to a particular State shall be allocated to that State.

83040384516

In addition, Section 106.2(b) and (c) of Title 11 of the Code of Federal Regulations states, in part, that expenditures for staff, media, printing and other services used in a campaign in a specific state shall be attributed to that State, and that expenditures by a Presidential Candidate for use in two (2) or more States, shall be attributed to each State based on the voting age population in each state which can reasonably be expected to be influenced by such expenditures.

During the threshold audit, the Committee was made aware of several areas (media documentation and allocation, White House travel allocation, and national staff payroll allocation) which appeared to pose future allocation problems. Through statistical sampling and other review procedures during the post primary audit, these and additional areas were identified as containing State expenditure allocation errors. Since only the limitations relating to the States of Iowa, Maine, and New Hampshire were approached by the Committee, an extensive review was made of allocations to these States.

1. Verification of the Vendor's Media Allocation

The Threshold Report of the Audit Division made a procedural recommendation that the Committee obtain detailed invoices from its media agent in order to properly allocate media costs to the affected States. During the Post Primary Audit, there appeared to be no change in the informational content of the media invoices as a result of the Threshold finding. Therefore, the allocations made by the media agent could not be verified from available records, and the agent's contract states that additional records shall be made available 60 days after the date of nomination.

The Audit staff recommended that the Committee obtain or provide at the vendors offices documentation sufficiently detailed to allow for the verification of vendor allocations to Iowa, Maine and New Hampshire. As of December 16, 1980, the Committee has not submitted or provided access to these records.

Recommendation

The Audit staff recommends that the matter be referred to the Office of General Counsel.

83040301517

2. Adjustment to the Committee Allocated Totals For Iowa, Maine and New Hampshire

a. Payments to the United States Treasurer

The Committee did not allocate intrastate travel connected with the use of Air Force II by the Vice President and the First Lady. In addition, several payments for the cost of White House luncheons for "State delegates" or "constituents" had not been allocated as required.

Our review determined that an additional \$7,862.28 should be allocated to Iowa, \$4,388.35 should be allocated to Maine, and \$2,185.86 to New Hampshire.

On December 11, 1980, the Committee in its response stated that the Audit staff had erroneously allocated to Iowa \$1,700 of interstate travel to Illinois and Nebraska. The Audit staff allocated the flights in question to Iowa after review of the itineraries for each trip. On two occasions, the Vice President, while campaigning in Iowa, used airports outside of Iowa, and then immediately returned to Iowa to continue campaigning. The itineraries indicated no campaign activity in Illinois or Nebraska. It should also be noted that the amounts allocated by the Audit staff were invoiced to the Committee by the Office of the Vice President as intrastate travel related to Iowa.

The Committee also stated in its response that the delegate luncheons which the Audit staff had allocated to Iowa and New Hampshire were held after the date of the primaries in those respective states, and the expenditures did not occur within the states, and should not therefore be allocated to Iowa or New Hampshire.

The Audit staff allocated these costs because 11 C.F.R. Section 106.2(a) requires that expenditures made with respect to a particular state shall be allocated to that state and does not make a distinction as to whether the expenditure was made prior to or after the date of the primary. In addition, the Committee should note that according to White House invoices, the New Hampshire luncheon took place between February 1-14, 1980, prior to the New Hampshire primary.

03040304518

b. Long Distance Telephone Calls

Our review determined that the Committee deleted telephone calls made from Iowa and New Hampshire to locations outside of those states.

Allocation of these calls to Iowa and New Hampshire increases each state's total expenditures by \$21,881.20 and \$18,595.37 respectively.

In the Committee's December 11, 1980, response, the Committee argued that interstate communication is a "necessary ingredient" of a national campaign, and as with interstate travel, should not be allocable. Therefore, as previously done in Iowa and New Hampshire, amendments filed with the response deleted an additional \$7,962.05 in interstate telephone calls from Maine.

The Audit staff allocated the interstate phone calls noted above because the Regulations require that expenditures for services used in a campaign in a specific state shall be attributed to that state and because telephone calls are not one of those specific expenditures exempted by the regulations from state allocation.

c. Media Expense Allocations

The Committee did not allocate by voting age population various media charges such as freight, buttons and bumper stickers. The review also determined that the Committee had recently received amended allocation statements from the advertising firm which had not been reflected in the Committee's state allocation totals.

These media allocation adjustments require that an additional \$783.09 be allocated to Iowa, \$15,717.08 be allocated to Maine, and \$157.15 be allocated to New Hampshire. 2/

In its December 11, 1980 response, the Committee adjusted the state expenditure totals for Iowa, Maine, and New Hampshire to include the media allocation adjustments noted above.

2/ Amounts are subject to change based upon documentation provided for review in Finding II.A.1.

83040304519

2. Adjustment to the Committee Allocated
Totals For Iowa, Maine and New Hampshire

a. Payments to the United States Treasurer

The Committee did not allocate intrastate travel connected with the use of Air Force II by the Vice President and the First Lady. In addition, several payments for the cost of White House luncheons for "State delegates" or "constituents" had not been allocated as required.

Our review determined that an additional \$7,862.28 should be allocated to Iowa, \$4,388.35 should be allocated to Maine, and \$2,185.86 to New Hampshire.

On December 11, 1980, the Committee in its response stated that the Audit staff had erroneously allocated to Iowa \$1,700 of interstate travel to Illinois and Nebraska. The Audit staff allocated the flights in question to Iowa after review of the itineraries for each trip. On two occasions, the Vice President, while campaigning in Iowa, used airports outside of Iowa, and then immediately returned to Iowa to continue campaigning. The itineraries indicated no campaign activity in Illinois or Nebraska. It should also be noted that the amounts allocated by the Audit staff were invoiced to the Committee by the Office of the Vice President as intrastate travel related to Iowa.

The Committee also stated in its response that the delegate luncheons which the Audit staff had allocated to Iowa and New Hampshire were held after the date of the primaries in those respective states, and the expenditures did not occur within the states, and should not therefore be allocated to Iowa or New Hampshire.

The Audit staff allocated these costs because 11 C.F.R. Section 106.2(a) requires that expenditures made with respect to a particular state shall be allocated to that state and does not make a distinction as to whether the expenditure was made prior to or after the date of the primary. In addition, the Committee should note that according to White House invoices, the New Hampshire luncheon took place between February 1-14, 1980, prior to the New Hampshire primary.

0
2
5
1
0
3
0
1
0
2
0

d. Travel Expense Reimbursements

A review of the Committee's payments to individuals for travel expenses identified \$10,214.82 in payments relating to Iowa, \$7,453.70 relating to Maine, and \$5,503.03 relating to New Hampshire which had not been allocated as required. Generally, the payments consisted of reimbursements for lodging, car rental, and per diem for individuals doing advance and scheduling work in those states.

In its December 11, 1980 response, the Committee did not contest the Audit staffs allocations relating to travel expense reimbursements, and adjusted the state totals accordingly.

e. Outstanding Debt

A review of the Committee's Statement of Net Outstanding Campaign Obligations filed as of September 21, 1980 identified outstanding debts totaling \$3,068.25 which were related to the Committee's campaign in Iowa, \$1,869.98 which related to Maine, and \$1,188.56 which related to New Hampshire. As payments are made on these debts, the expenditures will be required to be allocated.

In its December 11, 1980 response, the Committee did not contest the outstanding debt allocations noted above, and adjusted the state totals accordingly.

f. Other Vendor Payments

Analysis of payments from the headquarter's operating accounts to vendors for telephone, car rental, postage, etc., revealed that additional payments totaling \$8,145.27 should be allocated to Iowa, \$29,902.65 to Maine, and \$7,909.08 to New Hampshire.

In its December 11, 1980 response, the Committee did not contest these allocations, and adjusted the state totals accordingly.

g. Miscellaneous

Various tests including a review of the Committee's draft allocation system, the allocation of payroll for headquarter's staff when traveling, Committee clerical errors and other tests of expenditures, identified \$1,852.81 which should be allocated to Iowa, an over-allocation of \$700.27 to Maine, and \$9,350.22 which should be allocated to New Hampshire.

83040384521

In its December 11, 1980 response the Committee stated that travel by national headquarters staff to a particular state is not justification for allocating a portion of their salaries to that state. According to the committee, national officers who travel are involved with national campaign activity even when traveling from state to state. However, the Audit staff allocated a portion of these salaries since it is reasonable to assume that travel of headquarters staff to a particular state would involve work related to that state.

In addition to the objection noted above, the Committee reiterated their position that in order to effectively campaign in the early primaries, actual campaigning was necessary several months prior to the publication of the state expenditure limitations. Therefore, in order to comply with the spirit of the law, a Committee consultant from Peat, Marwick and Mitchell on February 1, 1980, estimated the state limitations by using the 1978 voting age population figures, and the 1979 inflation factor of 13.3%. The Committee's estimates were higher than the actual limitations, and if considered, would reduce the excessive total of expenditures by \$13,759.73. 3/

In amendments filed with its December 11, 1980 response, the Committee used these estimated state expenditure limitations to calculate the value of excessive expenditures in Iowa, Maine, and New Hampshire.

Recommendation

The Committee has complied with the Audit staff's recommendations for item c, d, e, and f; therefore no further action is recommended. The Audit staff recommends that items a, b, and g be referred to the Office of General Counsel for consideration. For the repayment calculation relating to all amounts in excess of the state limitations see Finding III.B.3. For a comparison of Audit staff recommended allocation adjustments vs. those actually made by the Committee, see Attachment 1.

B. Receipt of Contributions Exceeding \$1,000 per Person

Section 441a(a)(1)(A) of Title 2 of the United States Code states, in part, that no person shall make contributions to any candidate and his authorized political committees with respect to any election to Federal office which, in aggregate, exceed \$1,000.

3/ The expenditure limitations for Maine and New Hampshire are not affected by the Voting Age Population, and the cost of living factor was available shortly after the Committee made their calculation.

8304038452

EXHIBIT
2

Section 103.3(b) of Title 11 of the Code of Federal Regulations states, in part, that contributions which appear to be illegal shall be, within 10 days, either returned to the contributor or deposited into the campaign depository and reported. A statement noting that the legality of the contribution is in question shall be included in the report, and best efforts made to determine legality. When the legality of a contribution cannot be determined, refunds shall be made within a reasonable time and the current report shall be amended to reflect the committee's response.

1. Although our audit testing of contributions did not reveal a material problem, our pre-audit review of receipts identified 348 contributors from whom the Committee had received contributions aggregating in excess of \$1,000. An analysis of the committee's actions regarding these excessive contributors revealed that the committee required from one to three months to take action on 29% of them, and from four to twelve months for 40%. The remaining 31% consist of excessive contributions for which the Committee took no action or for which the Audit staff was unable to determine the dates of committee action.

This matter was referred to the Committee in the Threshold audit report and the committee subsequently instituted corrective procedures. The identification and disposal of excessive contributions continued, however, to be a problem as noted above.

On December 11, 1980, the Committee delivered a written response to finding II.B.1. in which they claimed mitigating circumstances, summarized as follows:

- The 348 excessive contributions represent only 1/2 of one percent of the total number of contributions received by the committee;
- The Committee received these contributions at peak collection periods and because of staff shortages could not take corrective action until activity declined; and
- The practice of assigning the excessive portion to a spouse or the General Election Compliance Fund involves a lengthy correspondence with the contributor.

8304030423

L

2. As a result of the pre-audit review of excessive contributions, and in performing other selective audit procedures in the course of fieldwork, the Audit staff found that the Committee had not taken final action on \$46,150.48 (excessive portion) in excessive contributions from 81 individuals. 4/ The Committee had attempted to clear \$4,459.50 of these contributions by contacting 8 contributors and requesting permission to attribute the excess portions to either the contributor's spouse, or to the General Election Legal and Accounting Compliance Fund, but as of the final date of fieldwork the contributors had not replied. The remaining \$41,690.98 represents excessive contributions from 73 contributors on which the committee had taken no action as of the end of audit fieldwork. The Audit staff found no evidence of attempts to either refund the excessive portion or attribute it to the spouse or General Election Compliance Fund.

The Audit staff recommended that the Committee present documentation that the contributions are not excessive, have been legally attributed or the excessive portions have been refunded to the original contributors.

In compliance with the Audit staff recommendation, on December 11, 1980, the committee submitted documentation showing the proper disposal of the excessive contributions cited in Finding II.B.2. Of the \$46,150.48 (excessive portion) \$7,461.00 was shown to be not excessive, \$15,752.48 was attributed to the General Election Legal and Accounting Compliance Fund or the spouse, and \$22,937.00 was listed in amendments as debts owed in records to the contributors.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

C. Apparent Corporate Contributions

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any national bank or any corporation to make a contribution or expenditure in connection with any election to any political office. It further states that it is unlawful for any political committee, or other person to knowingly accept or receive any contribution prohibited by this section, or any officer of any corporation or national bank to consent to any contribution or expenditure by the corporation or national bank.

4/ Additional excessive contributions were previously referred by the Reports Analysis Division to the Office of General Counsel.

83040764524

On December 11, 1980, the Committee filed an amendment to the report. The Committee did not file an amended report until January 8, 1981. The Committee amended the report to include the following information:

During the review of Committee expenditure files, documentation was noted which indicated possible corporate contributions from a bank, an insurance company, and 2 real estate companies. In all instances, it appears that corporate money totaling \$9,969.16 was used to pay for fundraising expenses, and later reimbursed by the Committee. Reimbursement was made to the bank and insurance company; however, no payments had been made to either real estate company.

In addition, during the review of Committee matching fund submissions, one (1) corporate contribution was noted totaling \$350.00.

The Audit staff recommended that the Committee submit to the Audit staff additional documentation indicating that these contributions were not funded from corporate sources, or refund the remaining three (3) amounts (providing copies of the cancelled refund checks).

On December 11, 1980, the committee submitted copies of cancelled checks refunding two (2) of the amounts, and a copy of one (1) check, which had not yet cleared the bank, refunding the remaining amount.

Recommendation

The Audit staff recommends that this matter be referred to the Office of General Counsel.

D. Excessive Contributions From Registered Committees

Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. Section 431(1) in part, defines the term person to include a partnership, committee, association, corporation, or any other organization or group of persons.

In reviewing contributions received by the committee from other committees, the Audit staff identified three (3) contributions in excess of \$1,000 which according to the Commission's Reports Analysis Division, were from committees that were not qualified as multi-candidate committees under Section 441a(a)(4). The Committee was notified, and refunded the excessive

8
3
0
4
0
3
6
4
2
5

On December 11, 1980, the Committee filed an amendment itemizing the noted expenditures. The Committee did not file an amended 1979 year-end Schedule B-P in its entirety as requested, due to the computer costs involved with producing the expenditure schedules.

EXHIBIT 4

Recommendation

It is the opinion of the Audit staff that the Committee has materially complied with the Audit staff's recommendation, therefore, the Audit staff recommends no further action.

H. Undisclosed Debt

Section 434(b)(8) of Title 2 of the United States Code states, in part, that each report required to be filed shall disclose the amount and nature of outstanding debts and obligations owed, and where such debts are settled for less than their reported value, a statement as to the circumstances and conditions under which they were extinguished.

Section 104.11 of Title 11 of the Code of Federal Regulations details the reporting requirements for debts and obligations. Those which remain outstanding shall be continuously reported until extinguished. A debt, obligation, or other promise to make an expenditure, the amount of which is \$500 or less, shall be reported as of the time payment is made or no later than 60 days after the obligation is incurred whichever comes first. Any loan, debt, or obligation, the amount of which is over \$500 shall be reported as of the time of the transaction.

In examining the Committee's reported outstanding debts and obligations at July 31, 1980, the Audit staff identified a total of \$98,017.60 in committee debts in excess of \$500 which were undisclosed. In addition, the committee was found to have understated their disclosed debts by \$57,648.43.

The Audit staff recommended that the Committee amend their August Monthly report to accurately reflect outstanding debt as of July 31, 1980, and amend subsequent reports to the extent that they are affected by those changes.

No amendments were filed by the Committee.

Recommendation

The Audit staff recommends that the matter be referred to the Office of General Counsel.

EXHIBIT 304526

The Committee argues that \$1,700 of these costs should not be allocated to Iowa, the apparent basis for this approach being in partial allocation of the flights from the airports in Nebraska and Illinois to Iowa cities.

This Office concurs with the position of the Audit Division that because the flights at issue were so closely tied to the Iowa tours and because no campaign activity on the part of the Vice-President occurred in Nebraska and Illinois on those particular days, the allocation of the total cost to Iowa should stand.

2. White House Luncheons

It is the understanding of this Office that expenditures for White House luncheons for delegates from Iowa and New Hampshire were held during the first two weeks of February, 1980. The Audit Division has allocated the costs of these events to these states. The Committee argues that such allocation is not appropriate because the expenditures were not made in the states and because the luncheons were held after the relevant primaries.

The Committee's argument that expenditures made after a state primary, although made with regard to a particular state, are not allocable is not supported by the language of 2 U.S.C. § 441b(b)(A) or of 11 C.F.R. § 106.2. Both the statute and the regulations are concerned with "a campaign for nomination" in particular states, not just with primary campaigns. Attempts to influence state delegates may continue between a primary and the convention at which a nominee is finally selected. Therefore, expenditures made after a primary, but with regard to a campaign in a particular state, are allocable.

The Committee's argument that 11 C.F.R. § 106.2(a) requires that expenditures must be made in a particular state before they are allocable is based on a misinterpretation of that regulation. Former 106.2(a) states, in part, that expenditures made by a candidate/committee which seek to influence the nomination of a candidate in a particular state shall be attributed to that state. This wording does not indicate that the expenditures must be made in the particular state which the candidate/committee seeks to influence, but rather that the expenditures must be related to the effort of seeking to influence a particular state. 1/

1/ The current 106.2(a) makes clearer this concept by using the language "with respect to" a particular state. However, since this revision was not published until March 7, 1980 and was finalized on April 1, 1980, it is not apposite to this discussion.

83040304528

Memorandum to Robert J. Costa
Page Three
Report of the Audit Division on The Carter/Mondale Presidential
Committee, Inc. - A-881

Based on this reasoning, we concur with the Audit Division that the expenses of the White House luncheons should be allocated to Iowa and New Hampshire.

b. Long Distance Telephone Calls

Although this Office concurred with the Audit Division's recommendation in the interim audit report that expenditures for long distance telephone calls made from a state be allocated to that state, the Committee has argued persuasively in its response with regard to the similarities between interstate travel and interstate telephone communications and to the anomalies which arise if allocation depends upon the location of the originator of a telephone call. This Office therefore recommends that the Committee not be required to allocate the costs of interstate telephone calls originating in a state. 2/

g. Miscellaneous

1. Salary of National Headquarters Staff

It is the understanding of this Office that the national headquarters staff salaries at issue involve those of national officers, not those of advance personnel. AO 1979-73 required the allocation of both salary and per diem of advance staff salaries but did not discuss the salaries of national officers. It is the opinion of this Office that a legitimate distinction exists between advance personnel and national officers in terms of overall function and also the ease with which an allocation of salary could be made. Therefore, this Office recommends that the Committee not be required to allocate portions of the salaries of national officers to states which they visited.

2. Estimated State Limitations

It remains the position of the Office of General Counsel that the official state limitation figure are the ones to which committees must adhere. (See Memorandum to Robert J. Costa from Charles N. Steele, Comments on Interim Audit Report Carter/Mondale Presidential Committee, Inc. - November 4, 1980.)

2/ Acceptance by the Commission of this recommendation would affect the audits of the Bush for President Committee and the Reagan for President Committee. The Bush Committee used a WATTS system for all interstate call between the field and headquarters; the expenditures were allocated by the Audit Division on a state by state basis using a voting age population approach.

83040384519

Memorandum to Robert J. Costa

Page Four

Report of the Audit Division on The Carter/Mondale Presidential
Committee, Inc. - A-881

It is the understanding of this Office that the Audit Division's recommendations of referral to the Office of General Counsel involve the record-keeping and/or reporting aspects of the allocation issues involved. We concur with the recommendations that item a and the portion of item g related to clerical errors and to miscalculations of state expenditure limitations be referred to this Office. Given our recommendations that no allocations be required as to item b (telephone expense) and to the portion of item g involving national headquarters officers, no referral is deemed necessary in these regards.

B. Receipt of Contributions Exceeding \$1000 Per Person

This Office concurs with the recommendation that the issue of apparent excessive contributions be referred to the Office of General Counsel. We note that, although the Committee presents strong arguments for mitigation of the violation, the aggregate of that amount in excess was large, and over \$22,000 had yet to be refunded as of December 11, 1980.

C. Apparent Corporate Contributions

This Office concurs with the recommendation that the issue of apparent corporate contributions be referred to the Office of General Counsel. We note that, although refund of the corporate contributions has been made by the Committee, the contributions totaled over \$10,000.

D. Excessive Contributions from Registered Committees

In light of the fact that the Committee did attempt to ascertain from the Commission whether or not the committees making the contributions were multicandidate committees and that the Committee has refunded two out of the three excessive contributions which aggregated \$5000, this Office does not recommend that this issue be referred to the Office of General Counsel.

E. Disclosure of Earmarked Contributions

This Office concurs with the recommendation of the Audit Division that no further action be taken.

F. Itemization of Transfers

This Office concurs with the recommendation of the Audit Division that no further action be taken.

G. Itemization of Expenditures

This Office concurs with the recommendation of the Audit Division that no further action be taken.

83040384530

Memorandum to Robert J. Costa

Page Five

Report of the Audit Division on The Carter/Mondale Presidential Committee, Inc. - A-881

H. Undisclosed Debt

This Office concurs with the recommendation of the Audit Division that this issue be referred to the Office of General Counsel. The Committee has had an opportunity to amend its reports to reflect the approximately \$155,000 in undisclosed or understated debts and has not amended.

III. Findings Related to Title 26 of the United States Codes: Determination of Net Outstanding Campaign Obligations and Repayment to the U.S. Treasury

B. Apparent Unqualified Campaign Expenses

1. Payment of General Election Campaign Expense

The interim post-primary audit report contained a recommendation, approved by the Commission, that \$27,331.55 in general election campaign expenses paid for by the Committee be deemed non-qualified campaign expenses repayable to the U.S. Treasury. The Committee, in its response to the interim report, urges reconsideration of this finding, citing lack of definitive guidance concerning the funding of general election expenses prior to receipt of federal funds, inability to project accurately its residual net assets, and the fact that the Committee's expenditures requested loans "substantially in compliance with regulation" although not reimbursed within the prescribed fifteen days.

11 C.F.R. § 9003.4(b)(4)(i) permits presidential candidates to borrow funds from their primary election committees to meet general election expenses prior to receipt of federal funds pursuant to 26 U.S.C. § 9034, provided that the amount borrowed does not exceed the residual balance anticipated in the primary amount. This regulation was first published as a proposed provision on May 15, 1980 and became effective as published on September 6, 1980. The expenditures here at issue were made beginning July 8, 1980. Therefore, the Committee was aware of the particular possible sources of funds which the Commission was prepared to permit candidates to use to meet general election-related expenses prior to receipt of public funds by the candidate's general election campaign committees. The Committee was thus also aware of the proposed requirement that primary committee funds were to be borrowed only if the primary committee anticipated a surplus. 3/

3/ Prior to the publishing and later promulgation of 11 C.F.R. § 9003.4(b)(4)(i), the regulations contained no provision of the acquisition of funds to be used for general election purposes prior to the receipt of public funds.

Memorandum to Robert J. Costa

Page Six

Report of the Audit Division on The Carter/Mondale Presidential Committee, Inc. - A-881

Prior to July 8, 1980, the Committee's reports had begun to show the Committee to be in a deficit position. As of September 28, 1980, the Committee's net outstanding campaign obligations totaled \$756,784.20. It therefore does not appear reasonable for the Committee to have expected a surplus from which loans could be made to the general election campaign committee. (In addition, the general election committee has not complied with the regulatory requirement of repayment within fifteen days of receipt of federal funds. 11 C.F.R. § 9003.4).

This Office concurs with the Audit Division's position that expenditures equal to the amounts of the loans made by the Committee with regard to the general election campaign should be deemed non-qualified campaign expenses repayable to the U.S. Treasury. It is recommended that all such sums, including those representing expenditures made both before and after the date of nomination, be deducted from the candidate's remaining entitlement.

2. Payment of Parking Violations

This Office concurs with the recommendation of the Audit Division that \$255.00 in parking situations be found to be non-qualified campaign expenses repayable to the U.S. Treasury.

3. Expenditures in Excess of State Limitations

This Office recommends that the amounts allocated by the Audit Division to Iowa, Maine, and New Hampshire which involve long distance telephone calls discussed at Section II, A, 2, b, and the salaries of Committee officials who traveled to these states discussed at Section II, A, 2, g be deducted from the total of \$123,435.88 which the Audit Division has recommended be found to be non-qualified campaign expenses. This Office also recommends that the amount remaining after the above deductions are made be found to be non-qualified campaign expenses repayable to the U.S. Treasury.

83040384532

3:00

The portions of the audit report addressed herein also raise several basic issues of law, policy, and procedure that we have discussed in our previous correspondence. These questions are addressed in the report.

CARTER-MONDALE PRESIDENTIAL COMMITTEE, INC.
2000 L Street, N.W.
Washington, D.C.

II A.1.2 (b) 2
of All Force II Travel and White House Personnel
December 10, 1980

Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Commissioners:

This letter is submitted on behalf of the Carter-Mondale Presidential Committee, Inc. ("the Committee") in response to the interim report of the Audit Division, dated November 7, 1980 (hereafter "audit report"). The Committee previously has responded to part of the audit report, which dealt with the issue of allocation of media production costs.^{1/}

Except where noted, the Committee has agreed to accept the recommendations and requests of the audit staff that are contained in the audit report, and, where required, to amend our earlier reports accordingly.^{2/} We do so in the spirit of full cooperation and compromise, but without, of course, waiving any rights, defenses, or claims with respect to these matters as may be appropriate to exercise in the future.

We wish to emphasize at the outset that our working relationships with the Audit Division have been most professional, constructive, and cordial. We do have serious substantive differences with several portions of the audit report, however.

The auditors' recommendations, taken together, involve substantial amounts of additional financial and other burdens that in effect increase the Committee's already large debt.

^{1/} See letter of Carol Darr dated December 1, 1980. This earlier response was made within 15 days, instead of the normal 30 days, at the request of the Audit Division.

^{2/} The actual amendments are being delivered to the staff under separate cover.

8304038453

The portions of the audit report addressed herein also raise several basic issues of law, policy, and fundamental fairness that we believe the Commission must carefully address. Each of these questions is treated separately below.

II A.2.a. (p. 4) 3/ State-by-State Allocation of Air Force II Travel and White House Receptions

(1) Use of Air Force II by Vice President

The Audit Report has erroneously treated as allocable intrastate travel two trips by the Vice President which in fact involved interstate travel. The trips were made on Air Force II between Iowa and Nebraska in one instance, and between Iowa and Illinois in the other. The cost of the trips, which amounts to approximately \$1,700, was mistakenly allocated to Iowa's state limitation and should be deducted.

(2) Cost of White House Luncheons

Several luncheons were held for delegates at the White House subsequent to the date of their states' primary contests. Since these expenditures were not "used in" the delegates' states, nor to influence the states' primary contests which had already occurred -- the luncheon expenses for these delegates and constituents need not be allocated to their state's limit. The costs and particulars for these luncheons will be submitted to the auditors by amendment.

Section II.A.2.b. (p. 4) -- State-by-State Allocation of Long Distance Telephone Calls.

The audit report recommends that the costs of interstate long-distance telephone calls made from Iowa and New Hampshire to other states (mostly, in fact, to the campaign's national headquarters in Washington, D.C.) be attributed to those states' expenditure limitations. This legal conclusion, if sustained, would alone cause the Committee to exceed the respective state expenditure limitations -- and hence to incur liability for repayment to the U.S. Treasury -- in the amount of \$40,476.57. Under the circumstances, this result is simply unwarranted and unfair.

The statute, regulations, and Commission precedent on allocation of costs for purposes of state expenditure limita-

3/ Section and page references are to the audit report.

83040384514

agreed that, in their opinion, interstate phone calls were logically indistinguishable from interstate travel and did not have to be allocated.

While it is true that the Commission audit staff subsequently changed its view and that the Committee did not obtain an Advisory Opinion that would bind the Commission, nonetheless the initial view of the Commission audit staff itself lends substantial weight to the conclusion that the Committee's same analysis and interpretation were reasonable.

Where a novel or complex question of law is involved and where the interpretation of a candidate or committee is reasonable and in good faith, as was true here, the Commission should act prospectively, not punitively. See MUR 260, In the Matter of Marine Engineers Beneficial Association, General Counsel's Report of Nov. 1, 1978 at 1; MUR 266, In the Matter of the Sheet Metal Workers International Association Political Action League, General Counsel's Report of Nov. 1, 1978 at 1. See also National Conservative Political Action Committee v. FEC, USCA (DC) No. 78-1543, decided March 11, 1980 (FEC action invalid because inconsistent with previous practice of affording interested parties published notice and the opportunity to comment.)

Maintaining such a policy of regulatory restraint is especially appropriate here in view of the more than \$40,000 that would be imposed on the committee as an effective 100% penalty if the recommendation of the audit report were to be adopted.

II.A.2.c. (p.4) -- Media (Other than Production):

The audit report recommends that various media costs (other than production) also be allocated to particular states by voting age population (VAP). Such allocation, the report concludes, would cause the Committee to incur additional repayment obligations of \$11,161.19 in Iowa, \$16,561.83 in Maine, and \$844.66 in New Hampshire, for a total of over \$28,000.

We believe that at least two of the media costs cited -- brochures and the media consulting firm's agency fees -- involve substantial sums and should not, for the reasons set forth below, be required to be allocated by state.

(1) Brochures.

The report mentions three expenditures totalling \$8,121.23 for "Iowa Brochures" and unidentified sums for general brochures that, according to the audit staff, must be allocated. We disagree.

83040364535

tions were treated at length in our earlier submission on allocation of media production costs and need not be repeated here. A key element of allocability in all these contexts, however, is the notion that the activity, product, or service in question must be "used in" the state. 11 C.F.R. 106.2(b).

By the same token, interstate communication -- and, expressly, interstate travel -- are not allocable, since interstate communications and travel are necessary ingredients of a coordinated national campaign. Such expenditures are an unavoidable part of national headquarters' administrative responsibilities and thus are fairly treated as part of national overhead.

A few examples demonstrate that to do otherwise would be both arbitrary and anomalous. Suppose a state coordinator has a budget question to raise with national headquarters. If he or she travels to Washington (or Boston or Chicago) for a meeting with the campaign's field director, that expense clearly would not be allocable to the state since "expenditures for travel between states need not be attributed to any individual state." 11 C.F.R. 106.1(c)(2). If the supervisor came to the coordinator's state for this conversation, the costs also would not be allocable.

Similarly, if the supervisor called from Washington to the field, the cost also would be considered a national administrative or overhead expense and, hence, not allocable to the state. If the campaign had an incoming WATS (toll-free) number that was used by field personnel, those expenditures, too, would be national, not allocable by state.

To treat all of the above examples as clearly non-allocable expenditures, on the one hand, and then isolate for completely different treatment one variant of precisely the same type of activity, on the other hand, is to elevate form over substance without any compelling policy justification. Even more seriously, to make this interpretation after the fact in this case would be extremely unfair.

The Committee arrived at its decision about the non-allocability only after careful deliberation and analysis. It made its ultimate accounting decision based on its best accounting and legal judgment, not to evade or disregard the law.

In fact, the Committee, after it had made this interpretation, informally brought this matter to the attention of the Commission audit staff, who initially agreed with the Committee's conclusion. ^{4/} Specifically, Commission auditors

^{4/} The Committee accountants wish to emphasize that they reached their decisions in this area independently and are not claiming reliance on formal approval or advice from the Commission staff.

83040384536

services for which the fee was paid included national media strategy advice to the candidate and the national campaign leadership, and had nothing to do with state operations.

The monthly fee also was paid in consideration of staff and other services provided by the agency to administer and support the campaign account. Thus, in this regard, such expenditures were identical to those made for "in-house" administration and management functions performed by salaried employees and consultants at national headquarters. There is no reason, we submit, to treat the same type of national management and consulting services differently merely because they are obtained through an independent vendor.

Finally, we are aware of no prior example, with any prior presidential campaign or any major outside consultant vendor, where consulting fees were required to be allocated according to voting age population to individual states.

III.A.2.g (p. 5) Miscellaneous

(1) Allocation of Payroll for National Staff Who Travel

The audit report assumes a need to allocate a portion of the salary of a national headquarters official when he or she travels to a particular state. The Committee does not believe such an assumption is reasonable or required.

11 C.F.R. 601.2(b) provides, in part

Expenditures for . . . staff . . . directly relating to the national campaign headquarters . . . need not be attributed to individual states.

The Committee's national officers were constantly engaged in national campaign activity, such as planning national strategy and overseeing its implementation even when traveling from state to state. The payroll expenses for these individuals are easily distinguishable from the salary and per diem expenses of field organization employees who work in a series of particular states as part of their regular employment activities and who, thus, are principally involved in individual state primary and caucus contests, as opposed to national campaign management. ^{5/}

^{5/} Compare AO 1979-73 which held that salary and per diem expenses are allocable for advance staff "assigned" to a particular state for a particular period.

83040303337

Each of the brochures contained an appeal for contributions to the Carter-Mondale Presidential Committee and comprised an essential part of the overall fundraising effort.

The regulations at 11 C.F.R. 100.8(b) definition of expenditure -- and thus from the national expenditure limit -- "any cost reasonably related to fundraising activity, including the costs of printing and postage . . . incurred by a candidate . . . in connection with the solicitation of contributions . . . the aggregate of which do not exceed 20% of the expenditure limitation applicable to that candidate"

11 C.F.R. 100.8(b) further exempts these fundraising expenditures from the state-by-state expenditure limits except where the activity is aimed at a particular state and takes place within 28 days prior to a primary election, convention or caucus.

Expenditures for the Iowa brochures all occurred prior to 28 days before the first tier of the Iowa caucuses. All expenditures for the Iowa and the general brochures occurred well before the campaign reached its 20% ceiling for exempt cost-of-fundraising spending. As the Commission has made clear in the past, any activity that involves a substantial fundraising purpose or component may be treated as an exempt fundraising cost, up to the overall 20% limit (subject, as noted, to the 28-day rule).

Put another way, the Congress and the Commission chose to limit the cost-of-fundraising exemption by imposing an overall 20% national ceiling, as opposed to attempting to require allocation of precise portions of particular products and activities (e.g., brochures) to fundraising and other precise portions to organizational or other non-fundraising functions. Thus, campaigns have been given considerable latitude to determine how to allocate or "use" their 20% exemption.

(2) Agency Consulting Fee

Another substantial component of the alleged excess expenditures in the identified states appears to be the Committee's monthly consulting fee to its media agency. These expenditures were treated as part of national headquarters general administrative and overhead costs, and were not allocated to particular states. The audit report contends that these fees must be distributed to states according to voting age population, which once again would increase the Committee's repayment obligation.

The consulting fee in question was in the nature of a monthly retainer to a national consultant. It was paid in addition, and without regard, to commissions on purchases of media time in particular states, which were allocated. The

83040304538

Consequently, the Committee believes that the payroll amounts for national headquarters staff that the auditors have attributed to certain states be deducted from the alleged excess expenditures in those states.

(2) Committee's Estimates for State Limits

There is another important item discussed in this section of the audit report that the Committee believes in fairness should reduce its overall repayment obligation relating to state expenditure limitations by \$13,759.72. So that the Commission has adequate background on this substantial disputed amount, the issues involved are discussed fully below.

Section 441a(c) of the Federal Election Campaign Act provides:

(1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percent difference between the price index for the base period. Each limitation established by subsection (b) of this section and subsection (d) of this section shall be increased by such percent difference. Each amount so increased shall be the amount in effect for such calendar year.

Throughout the latter half of 1979, Committee personnel were in frequent contact with Commission staff members in several different offices in attempts to obtain guidance on estimated state expenditure limits in several early primary and caucus states, particularly Iowa and New Hampshire. In part, this effort was made because the Committee anticipated significant expenditures in these states beginning in late 1979 and needed at least estimates of the eventual state limits in order to budget and plan effectively in early 1980.

The Commission staff, perhaps understandably, was not willing to provide estimates, since this would have involved predicting cost-of-living figures before they were officially released. Nonetheless, practical political realities dictated that the Committee proceed on some basis, so it secured the services of a consultant from a major national accounting firm to project likely state expenditure limitations. The consultant provided the Committee with good-faith estimates based on the latest available authoritative data: the 1978 voting age population figures and the Department of Commerce

Consumer Price Index for 1979 (including a year-end inflation factor of 13.38).

When the Commission finally provided the official figures, it turned out that the consultant's projection exceeded the actual aggregate limitations for Iowa, Maine, and New Hampshire by \$13,759.72. (This means that the error in the consultant's projection was only around 1%). In light of the Committee's reasonable and good faith reliance on the consultant's estimate and in light also of the delay it faced in getting any better official information, we submit that this amount should be deducted from the total amount determined to be in excess of the state expenditure limitations. (See Attachment 1 to the Audit Report.)

II.B. Receipt of Contributions Exceeding \$1,000 Per Person (P. 6)

By way of background, the Committee to date has received around 70,000 contributions, the large majority of which occurred during the period covered by the audit report. Each contribution was entered into a computer in order to deal with this large volume of transactions and in particular to assist in compliance with the Act by identifying excessive individual or aggregate contributions.

(1) Excessive Contributions From 348 Persons

In response to the comments contained in the Report concerning 348 excessive contributions from individuals, the Committee wishes to note that these contributions represent less than 1/2 of one percent of the total number of contributions that the Carter/Mondale Committee received over a year and a half period. It should also be pointed out that the majority of these contributions were received during the peak period of contribution collection. The committee was unable to staff the offices involved to accommodate collection peaks, and consequently corrective action was taken during periods of reduced activity.

As with most large campaigns, excessive contributions were a recurring problem. A related factor was that many of the excess contributors, after contact by the Committee, wished to attribute by affidavit a portion of their contribution to a spouse (who had not reached his or her contribution limitation) or, particularly during the latter stages of the nomination campaign, to assign their contribution to the general election committee's compliance fund which had a separate \$1,000 contribution limit per individual. The practice of contacting excessive contributors to inform them of the availability of these procedures, in addition to the alternative of a simple refund

03040384510

of the excess, was described by the Committee to the Audit Division, which did not object.

The report erroneously states that the Committee made no apparent change in their procedures to expedite the identification and disposal of excessive contributions." Following the FEC's threshold audit of this Committee, the following corrective actions were taken:

- The Contributor Aggregation Program was modified. This modification resulted in the decrease of matching fund submission aggregation error rates by one-half.
- An additional staff member was hired in January to assist in the identification and disposal of excessive contributions.
- An Excessive Contribution Report was programmed to aid in identification.

(2) 73 Remaining Contributions in Question

The thrust of the audit report on this subject is that, with respect to 73 specific contributions, there has been "no action" by the Committee in resolving these situations, either by refund or attribution to a spouse or the general election compliance fund. While the Committee sincerely regrets the admittedly long delay in taking care of these apparently excessive contributions, we must note that in several respects the audit report's characterizations of our efforts to resolve this problem are incomplete or misleading.

It is not accurate that subsequent to our threshold audit by the Commission that "the Committee made no apparent change in their procedures to expedite the identification and disposal of excessive contributions" (p. 6) or that, with respect to the 73 cited contributions that there is "no evidence of attempts to either refund the excessive portion or attribute it to the spouse or General Election Compliance Fund" (p.7).

Documentation has been presented to the audit staff to show that \$6,425.00 of the contributions in question are not excessive.

Documentation has also been provided for \$8,077.48 in contributions attributed and transferred to the general election compliance fund. \$31,648.00 in contributions have been listed in the amendments being filed simultaneously herewith as amounts owed to the contributors.

Thus, the Committee staff made repeated efforts to improve its system for contacting excess contributors and attempting to learn their wishes for final disposition of the excess amount involved. As the audit division is aware, this is an extremely time-consuming, tedious, and costly process.

An additional problem in this regard occurred during the summer months when the primary committee experienced fund-raising difficulties (due in part to competition with various general election-related fundraising by the Democratic National Committee and others), cash-flow problems, and increasing debt. It was at the same time, of course, that numerous committee finance and administrative personnel had to shift their attention on an urgent basis to general election accounting and compliance matters.

The Committee acknowledges its obligation to repay, or otherwise satisfactorily resolve, all excessive contributions and to amend its reports as appropriate. It has, in fact, allocated the entirety of its most recent payment of matching funds for this purpose. We submit that our intent and actions in this regard amount, under all the circumstances, to a "best efforts" attempt at timely compliance.

II.C. (p. 7) Apparent Corporate Contributions.

The Committee has now reimbursed all the possible corporate expenditures described in the audit report, including the payments to the two real estate companies that had not been made as of the time of the close of the audit fieldwork. Our records and report have been amended accordingly.

III.B.1. (pp. 13-14) Payment of Certain General Election Expenses by the Primary Committee.

As with the issue of the variance between estimated and actual state expenditure limitations discussed above, this question requires greater background and discussion than is contained in the audit report. Indeed, there are several similarities between the two situations. In each, for reasons largely beyond its control, the Commission was unable to give timely definitive guidance to the Committee about an important legal interpretation. In each case, partly as a result, the Committee found itself between the proverbial rock and hard

6/ The check copies requested in the audit report have also been provided and document repayment to the apparent corporate contributors.

830403842

place. In each case, we think the Committee's response was a fair and reasonable one and, in any case, not grounds for imposing substantial additional repayment liability.

The audit report correctly points out that general election expenses are not "qualified campaign expenses" for a primary committee receiving matching funds. Indeed, the Committee began reminding the Commission staff of this fact and the obvious dilemma it posed for a primary committee that needed to make at least contingency plans for a general election campaign.

Particularly with a late convention and with receipt of public funds for the general not possible for more than a week after the nomination, it is simply not possible to avoid some general election expenditures by a primary committee. Some start-up expenditures have to be made. Also, in shifting personnel and functions from one committee to another, bank drafts on the primary committee's account may inadvertently be executed for general election expenses.

The solution that the Committee urged on the Commission staff during the summer was to allow the general election committee (compliance fund or the Committee itself) to reimburse the primary committee for any necessary, bona fide general election-related expenditures. The staff was sympathetic, but pointed out that the new regulations covering this area were pending and thus not final. It also was properly cautious about seeming to endorse any plan that might involve a primary committee "subsidy" of the general election or vice versa. (Note that the loan-reimbursement fact pattern present here does not involve any such subsidy.)

The new regulations, effective September 6, 1980, 11 C.F.R. 9003.4(b) (4) (i), provided in pertinent part:

A candidate . . . may borrow from his or her primary election campaign an amount not to exceed the residual balance projected to remain in the candidate's primary account on the basis of the formula set forth at 11 CFR 9038.3(c). A major party candidate receiving payments equal to the expenditure limitation shall reimburse amounts borrowed from his or her primary campaign from payments received by the candidate under 11 CFR Part 9005 within 15 days of such receipt.

Based on this regulation, which was not effective until after all of the alleged general election expenses by the primary committee enumerated in Attachments 5 and 6 were made, the

1/ Nor was the Commission Financial Control and Compliance Manual for Presidential Candidates Receiving Public Financing available until August 16, 1980.

8304030484

audit staff has concluded that repayment liability exists since the Committee had no residual net outstanding campaign obligation balance (i.e., no net assets) at the time.

Aside from technical objections based on the non-finality of the pending regulations until September 6, 1980, there are more basic questions of fairness and feasibility involved in the issues raised in this part of the audit report.

Clearly, there was no intent here improperly to increase the amount of funds available for use in either the primary or general election campaigns. What was done was an honest attempt to comply with the spirit of the law by treating any general election expenses of the primary committee as loans that had to be repaid when the general election committee received its public funds (or from the general election compliance fund).

Indeed, these limited general election expenditures by the primary committee, we submit, do in fact represent loans that were, in all material respects, in compliance with applicable regulations. Indeed, the only demonstrated failure to comply with 11 C.F.R. 9003.4(b)(4)(i) is the failure to reimburse borrowed amounts within 15 days and this is at most a technical oversight of the general election committee, not the primary committee.

Also, during this period, the Committee simply was not in a position to accurately project its residual net assets. Fundraising personnel were hopeful, for example, about raising significant funds towards the primary debt at the Convention and immediately thereafter, although their hope became unrealistic when the nature (and costs) of the Convention changed and general election fundraising immediately became a competing priority. Whether or not the primary committee was able to show or project a net residual balance, however, it (a) could not legally spend funds on the general election without reimbursement, and (b) found that it was impossible, as a practical matter, to avoid making some such general election expenditures. Hence, particularly in the absence of final regulations, the loan-and-reimbursement solution resulted.

For the Commission under the circumstances to permit the general election committee to reimburse the primary committee for miscellaneous expenses would be consistent with the Commission's treatment of the President Ford Committee in 1976 in a similar situation. When the Commission determined that an expenditure for legal services was an unqualified campaign expense and, as a result, that payment from the President Ford Committee account was improper, the Commission allowed the President Ford Committee Compliance Fund to reimburse the President Ford Committee account for the expense. See Report of the Audit Division on the President Ford Committee at 5.

830403

Finally, the audit report draws a distinction between the pre- and post-nomination expenses that in reality does not exist. These two types of expenditures were accounted for identically and were identical in nature. Commission audit personnel, in declining to give definitive guidance because of the pending of the new regulation, did not themselves differentiate, until the audit report, between pre- and post-nomination general election expenses incurred by the primary committee.

Accordingly, while the Committee urges that no repayment or reduction in any future matching fund entitlement be required on these facts, it also urges that, if the Commission determines that some relief is required, it reduce the Committee's future matching entitlement by the amount of the pre-nomination, as well as the post-nomination, general election expenditures, rather than require an additional \$5,947.82 repayment to the Treasury.

Conclusion

The audit report recommendations, if adopted, would mean an additional financial burden to the Committee of over \$150,000 (exclusive of obligations to return excessive contributions). This huge sum, even if sustained by the Commission, would not be reflective of malfeasance, however, or even of any substantial negligence by the Committee. Rather, this sum -- which would represent in effect a 100% penalty for alleged overspending -- would stem entirely from reasonable and good-faith differences of legal interpretation between the Committee and the Commission audit staff, mostly concerning issues of allocability pursuant to state expenditure limitations.

As the Commission is well aware, state expenditure limitations for presidential nomination campaigns have been wide criticized and considered a prime target for legislative change. See, e.g., Interim Research Report of the Campaign Finance Study Group of the Institute of Politics, Harvard University, Recommendation #3 at 1; 1977 Annual Report of the Federal Election Commission, CCH Federal Election Campaign Financing Guide, ¶9028; Alexander, H., "Background Paper to the Presidential Finance Officers Conference," Washington, D.C., December 5, 1980, at 16. While we realize, of course, that such criticism does not mitigate the full force and effect of the existing statute and regulations, it bears noting that one key reason for this criticism is the difficulty the vague existing standards present to campaigns trying to labor under them.

For example, as as previously noted, the broad and arguably internally inconsistent language of 11 C.F.R. 106.2, if interpreted expansively might be read to require state-

by-state allocation of national staff salaries, national planning and consulting costs, a vendor's general overhead expenditures, and so forth. As also noted, a legalistic approach to the allocation regulations also produces absurd results like not allocating a long-distance phone call from national headquarters, but allocating (and then penalizing) the same phone call placed to national headquarters.

Where such policy and compliance difficulties exist, the Commission in the past has used its discretion to interpret and enforce the law in such a way as to at least partially ameliorate these problems and their punitive impact on candidate and political committees until it or the Congress are in a position to clarify the actual requirements and rules in question.

This course of action, we would suggest, is particularly appropriate where, as here, the campaign really had no choice but to make some reasonable interpretation of an ambiguous standard and proceed in good faith.

We think the Audit Division will confirm that the Committee's staff, particularly the Finance and Administration departments, made considerable efforts to make a full and complete audit of the Committee as easy as possible. Our records were auditable, accessible, and assembled and maintained on as professional a basis as possible under the hectic circumstances of a hotly contested nomination campaign. In short, there has never been an effort to withhold information or cooperation and, if any mistakes were made, those, too, have been available for all to see and acknowledge.

In closing, we would ask that these considerations of policy, enforcement discretion, cooperation and good faith also be taken into account by the Commission, along with the legal and factual arguments presented above, as it evaluates the audit report, its recommendations, and this response.

Respectfully submitted,

Timothy G. Smith
Timothy G. Smith
General Counsel

Carol C. Darr
Carol C. Darr
Deputy General Counsel

830405040



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1361

Date Filmed 4/22/83 Camera No. --- 2

Cameraman BPC

8 3 0 4 0 3 8 4 5 4 7



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20543

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 1361.

83040413709





FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 14, 1983

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel *KAG*

SUBJECT: MURs 1284, 1353, 1361 and 1389

Attached for the Commission's review is a memorandum from the Audit Division concerning its review of Rafshoon media expenditures for the Carter/Mondale Presidential Committee, Inc. ("CMPC") and the Carter-Mondale Reelection Committee, Inc. ("CMRC") as provided for in the conciliation agreement. The Audit Division's review of the media documentation did not disclose any problems concerning documentation or allocation.

Additionally, on June 20, 1983, an amended 1980 August monthly report was filed by CMPC disclosing previously undisclosed and understated debts and on May 11, 1983, a check was received from CMPC for repayment of \$7,310.35 in matching funds.

CMPC and CMRC have complied with all requirements of the agreement entered into with the Commission on February 4, 1983.

ATTACHMENT:
Audit Memorandum

83040413710



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY
060
Docket
#2

83 JUL 1 P2: 16
July 1, 1983

SENSITIVE

MEMORANDUM

TO: CHARLES N. STEELE
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON *JS*
ACTING STAFF DIRECTOR

FROM: BOB COSTA *BC*

SUBJECT: REVIEW OF CARTER/MONDALE MEDIA EXPENDITURES
MURS 1361 AND 1389

83040413711

As provided in the conciliation agreement, the Audit staff reviewed Rafshoon Communication's documentation supporting media placement and allocation and found no problems concerning documentation or allocation. A brief summary of the test procedures and results for both the primary and general campaign are presented below:

- 1) Carter/Mondale Presidential Committee, Inc. ("CMPC")

For the primary campaign, two (2) separate tests were conducted; a 100% review of all media activity related to Iowa, Maine and New Hampshire, and a sample of all activity not related to those states. The Audit staff reviewed the printouts previously provided, the printouts used by Rafshoon Communications to prepare invoices for CMPC, Rafshoon Communications check copies, contracts, spot schedules, and any related riders (refunds, time changes, etc.).

All items tested were adequately documented. In regards to the allocation of media placement, we would like to note that the methods of allocation differed slightly from those previously communicated to us by the committee. For television, Rafshoon Communications used ADI (area of dominant influence) as a base, and then adjusted the percentages somewhat depending upon the content of the ad. For radio, household viewing estimates (similar to ADI) adjusted by ad content were used if available, and if not, the station's signal strength and frequency, direction of broadcast, antenna height, geographical location, as well as ad content were considered in the allocation. Newspaper ads were allocated based on the newspapers circulation.

①



In order to determine whether the specific media were allocated on a reasonable basis, we met with the media responsible for the allocations, and traced selected buys through the allocation process. We found that the methods used resulted in a more realistic allocation than some others we have encountered and generally required a larger allocation to Iowa, Maine and New Hampshire than would be required under ADI.

2) Carter/Mondale Re-Election Committee, Inc. (CMRC)

A sample was conducted of all Rafshoon Communications' media expenditures (including production) related to the general election. The Audit staff reviewed Rafshoon Communications' check copies, station contracts, spot schedules, affidavits, and related riders (refunds, rate changes, etc.). All test items were adequately documented.

If you have any questions concerning the above matter, please contact Glen Buco or Ray Lisi at 523-4155.

8 3 0 4 0 4 1 3 7 1 2

8 3 0 4 0 4 1 3 7 1 2

2

83 JUN 20 6cc #350
AID: 50

STEIN & HURON
1618 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

DOUGLAS B. HURON*
EILEEN M. STEIN

(202) 797-3660

MARYLAND OFFICE
7804 BYBROOK LANE
CHEVY CHASE, MD. 20015
(301) 657-9220

*ADMITTED IN D. C. ONLY

June 16, 1983

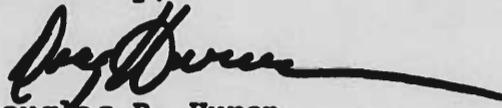
Marsha Gentner, Esquire
Federal Election Commission
Washington, DC 20463

re: MURs 1284, 1353, 1361, 1389

Dear Marsha:

Enclosed for filing is the original of the Carter/Mondale Presidential Committee's amended report for August 1980, signed by S. Lee Kling, the Committee's treasurer. I understand that the Commission's auditors have completed their field work in Atlanta concerning Rafshoon Communications. With the filing of the enclosed report, then, the Carter/Mondale Committees have complied with all requirements of the conciliation agreement that resolved the captioned MURs.

Sincerely,



Douglas B. Huron

Enclosure

83040413713

JUN 21 P 2: 11

REPORT OF RECEIPTS AND EXPENDITURES
By a Candidate or Authorized Committee of
a Candidate Seeking Nomination or Election
to the Office of President or Vice President
of the United States

83 JUN 20 AM: 30

NOTE: This report is to be used by a candidate or authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

1 (a) NAME OF CANDIDATE OR COMMITTEE IN FULL <input type="checkbox"/> Check if name or address is changed CARTER/MONDALE PRESIDENTIAL Comm., INC	2 IDENTIFICATION NUMBER C00108407
(b) ADDRESS (Number and Street) P.O. Box 832	3 Is this report of receipts and expenditures for: <input checked="" type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL
(c) CITY, STATE AND ZIP CODE McLEOD, VA 22101	

4 TYPE OF REPORT (Check appropriate box and complete, if applicable)

(a) <input checked="" type="checkbox"/> Amendment for <u>July 31, 1980</u> (which report)	(d) <input type="checkbox"/> October 10 Quarterly Report	(g) <input type="checkbox"/> Termination Report
(b) <input type="checkbox"/> April 10 Quarterly Report	(e) <input type="checkbox"/> January 31 Year End Report	(h) <input type="checkbox"/> Tenth day report preceding _____ Election on _____ in the State of _____
(c) <input type="checkbox"/> July 10 Quarterly Report (state month)	(f) <input type="checkbox"/> Monthly Report	(i) <input type="checkbox"/> Thirtieth day report following _____ Election on _____ in the State of _____

CANDIDATE OR COMMITTEE SUMMARY OF RECEIPTS AND EXPENDITURES

5 COVERING PERIOD: FROM July 1, 1980 THROUGH July 31, 1980

Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year-to-Date
6 Cash on Hand January 1, 19 _____		\$ 897,360.24
7 Cash on Hand at Beginning of Reporting Period	\$325,937.64	
8 Total Receipts (from Line 23)	\$934,958.72	\$12,833,195.32
(a) Subtotal (Add Lines 7 and 8)	\$1,260,926.36	\$13,730,555.56
9 Total Expenditures (from Line 28)	\$ 830,341.42	\$13,299,970.62
10 Cash on Hand at Close of Reporting Period (Subtract Line 9 from Line 8a)	\$ 430,584.94	\$ 430,584.94
11 Contributed Items on Hand to be Liquidated (Attach Itemized List) . . . \$ _____		
DEBTS AND OBLIGATIONS		
12 Debts and Obligations Owed TO the Committee (Itemize all on Schedule C-P)	\$ 187,921.81	
13 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C-P)	\$1,211,322.76	
Section B - Summary of Expenditures Subject to Limitation		
14 Expenditure Total (Add Lines 24c and 26b)	\$ 496,836.82	\$10,928,972.08
15 Refunds and Rebates (from Line 21c)	\$ 62,256.31	\$ 613,969.96
(a) Expenditures Subject to Limitation (Subtract Line 15 from Line 14)	\$ 434,580.51	\$ 10,35,002.12
(b) Expenditures from Prior Years Subject to Limitation		\$ 2,884,095.02
(c) Total Expenditures Subject to Limitation (Add Lines 15a and 15b)		\$13,199,097.14

I certify that I have examined this Report, and to the best of my knowledge and belief it is true, correct and complete.

S. Lee Kling
(Typed Name of Treasurer or Candidate)

[Signature]
(Signature of Treasurer or Candidate)

6/14/83
(Date)

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g, §441j; and 26 U.S.C. §9012, §9042.

For further information Contact:



Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
or Call 800/424-9530

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

83040413714

DETAILED SUMMARY OF RECEIPTS AND EXPENDITURES

(Page 2, FEC Form 3P)

Name of Candidate or Committee	REPORT COVERING THE PERIOD:	
	FROM: 7/1/80	TO: 7/3/80
	COLUMN A This Period	COLUMN B Calendar Year-to-Date
RECEIPTS		
16 FEDERAL FUNDS (Itemize on Schedule A-P)	\$ 576,250.70	\$ 4,747,876.18
17 Contributions from Individuals (including contributions in-kind):		
(a) Itemized (use Schedule A-P)	\$ 197,495.00	
(b) Unitemized	\$ 88,219.54	
(c) Sales and Collections Included Above: List by Event on Memo Schedule D-P (\$ _____)		
(d) Subtotal of Contributions from Individuals (including contributions in-kind)	\$ 285,714.54	\$ 7,176,801.56
18 Transfers In from Political Committees (including contributions in-kind):		
(a) From Affiliated/Authorized Committee (Itemize on Schedule A-P Regardless of Amount)	\$ 9,383.05	
(b) From Other Committees (Itemize on Schedule A-P Regardless of Amount)	\$ 9,383.05	\$ 254,209.56
(c) Subtotal of Transfers In from Political Committees (including contributions in-kind)		
19 Other Income:		
(a) Itemized (use Schedule A-P)	\$ 937.88	
(b) Unitemized	\$	
(c) Subtotal of Other Income	\$ 937.88	\$ 32,871.45
20 Loans and Loan Repayments Received:		
(a) Itemized (use Schedule A-P)	\$	
(b) Unitemized	\$	
(c) Subtotal of Loans and Loan Repayments Received	\$	\$ N/A
21 Refunds, Rebates, Returns of Deposits:		
(a) Itemized (use Schedule A-P)	\$ 62,256.31	
(b) Unitemized	\$	
(c) Subtotal of Refunds, Rebates, Returns of Deposits	\$ 62,256.31	\$ 613,969.96
22 Refunds and Rebates Relating to Exempt Fundraising, Legal and Accounting Fees:		
(a) Itemized (use Schedule A-P)	\$ 445.94	
(b) Unitemized	\$	
(c) Subtotal	\$ 445.94	\$ 7,446.57
23 TOTAL RECEIPTS	\$ 934,988.72	\$ 12,833,195.32
EXPENDITURES		
24 Operating Expenditures:		
(a) Itemized (use Schedule B-P)	\$ 483,139.04	
(b) Unitemized	\$ 13,697.78	
(c) Subtotal of Operating Expenditures	\$ 496,836.82	\$ 10,923,972.03
25 Exempt Fundraising, Legal and Accounting Expenditures:		
(a) Itemized (use Schedule B-P)	\$ 307,810.73	
(b) Unitemized	\$ 413.58	
(c) Subtotal of Exempt Fundraising, Legal and Accounting Expenditures	\$ 308,224.61	\$ 2,298,361.55
26 Transfers Out:		
(a) To Affiliated Committees (Itemize on Schedule B-P Regardless of Amount)	\$ 19,474.99	
(b) To Other Committees (Itemize on Schedule B-P Regardless of Amount)	\$	
(c) Subtotal of Transfers Out	\$ 19,474.99	\$ 19,474.99
27 Loans, Loan Repayments, and Contribution Refunds Made:		
(a) Itemized (use Schedule B-P)	\$ 5805.00	
(b) Unitemized	\$	
(c) Subtotal of Loans, Loan Repayments, and Contribution Refunds	\$ 5805.00	\$ 53,214.00
28 TOTAL EXPENDITURES	\$ 830,341.42	\$ 13,379,970.62
RECEIPTS AND EXPENDITURES, NET OF TRANSFERS TO AND FROM AFFILIATED COMMITTEES		
29 TOTAL RECEIPTS (from Line 23)	\$ 934,988.72	
30 TRANSFERS IN (from Line 18a)	\$ 0	
31 NET RECEIPTS (Subtract Line 30 from Line 29)	\$ 934,988.72	
32 TOTAL EXPENDITURES (from Line 28)	\$ 830,341.42	
33 TRANSFERS OUT (from Line 26a)	\$ 19,474.99	
34 NET EXPENDITURES (Subtract Line 33 from Line 32)	\$ 810,866.43	

83040413715

Carter/Mondale Presidential Committee, Inc.

NOCO/LIABILITIES

Summary of Debts Mis-stated
in CP for 7/31/80

	<u>Invoice Date</u>	<u>Vendor Total</u>	<u>Stated on CP</u>	<u>Difference</u>
Disclosure Violations at 7/31/80 Summarized from NOCO WP				
White House	7/31/80	\$ 59,907.72	\$16,975.13	\$ 42,932.59
Altair International	7/14/80	538.00		
	7/08/80	2,147.00	380.00	2,305.00
Aable Rents & Sales	5/28/80	981.15	141.84	839.31
6 Automated Datatron	7/17/80	7,653.97	6,700.88	953.09
7 Avis	5/18/80	838.55		
	2/28/80	359.93		1,198.48
3 Baltimore Hilton	5/11/80	570.05		
	5/11/80	360.34		
	4/29/80	73.29		1,003.68
4 Bristol, George L.	6/02/80	9,249.66	8,041.41	1,208.25
4 CDSI, June Services		12,028.28	11,120.75	907.53
	July Services	43,309.88		43,309.88
3 Caesars' Palace	12/02	25,481.78	24,887.19	594.59
	to 6/11			
8 Charter One, Ltd.	4/25/80	2,092.50		2,092.50
Cleveland Plaza	5/02/80	12,021.04		12,021.04
Committee for Tape of AMPI	5/02/80	988.07		988.07
Custom Print, Inc.	7/31/80	921.90		
	7/31/80	131.25		1,053.15
Flight Charter Corp.	3/25/80	8,041.27		8,041.27
Forest Printing Co.	3/17/80	950.00		950.00
George & Yvonne Gekas	4/80	1,431.50		1,431.50

Carter/Mondale Presidential Committee, Inc.

NOCO/LIABILITIES

	<u>Invoice Date</u>	<u>Vendor Total</u>	<u>Stated on CP</u>	<u>Difference</u>
Hertz Corp.	2/02/80	\$ 23.44		
	2/22/80	268.15		
	2/28/80	578.14		
	6/06/80	363.55		\$ 1,233.28
Knudson, Robert L.	7/31/80	1,455.00		
	7/24/80	801.65		2,256.65
Lanierland Music Park	7/17/80	1,994.22		1,994.22
Marcus Group Inc.	5/31/80	800.00		800.00
Moynahan, Barrette & ASSOC.	6/02/80	658.70		658.70
NY Telephone	5/12/80	821.91		821.91
North American Systems	6/12/80	3,494.72		
	6/05/80	2,646.05		
	5/15/80	96.00		6,236.77
Overland Express	2/01/80	643.50		643.50
Ramada Inn	3/18/80	139.46		139.46
	3/15/80	500.00		500.00
St. Francis	3/31/80	2,720.93		2,720.93
Warren, J.N.	6/24/80	3,715.00		3,715.00
Dept. of Transportation	4/30/80	1,728.26		1,728.26
Landrieu, Moon	5/28/80	973.50		973.50
Rogers & Wells	3/19/80	15,000.00	\$ 7,091.93	7,908.07
ARA Food Services Co.	5/28/80	1,000.00		1,000.00
Weddington, Sarah	5/28/80	505.85		505.85
Total		\$231,005.16	\$75,339.13	\$155,666.03

6cc# 315
83 JUN 10 AB: 20

STEIN & HURON
1818 NEW HAMPSHIRE AVENUE, N. W.
WASHINGTON, D. C. 20009

DOUGLAS B. HURON
EILEEN M. STEIN
CHRISTINE L. OWENS
NOT ADMITTED IN MARYLAND

(202) 797-3680

MARYLAND OFFICE
7504 BYBROOK LANE
CHEVY CHASE, MD. 20815
(301) 657-8220

June 8, 1983

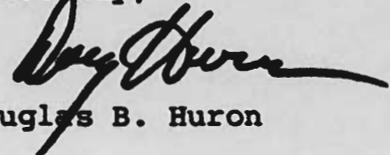
Marsha G. Gentner, Esquire
Federal Election Commission
Washington, DC 20463

re: MURs 1284, 1353, 1361, 1389

Dear Marsha:

Enclosed is a copy of the amended August 1980 report for the Carter/Mondale Presidential Committee, Inc., which our Committee is required to file under the conciliation agreement that resolved the captioned MURs. I will forward the original to you as soon as it has been signed by the Committee's treasurer.

Sincerely,



Douglas B. Huron

Enclosure

83040413718

JUN 10 4 58 PM '83

REPORT OF RECEIPTS AND EXPENDITURES
By a Candidate or Authorized Committee of
a Candidate Seeking Nomination or Election
to the Office of President or Vice President
of the United States

83 JUN 10 1980

NOTE: This report is to be used by a candidate or authorized committee of a candidate seeking nomination or election to the Office of President or Vice President of the United States whether or not public funds are used.

<p>1 (a) NAME OF CANDIDATE OR COMMITTEE IN FULL <input type="checkbox"/> Check if name or address is changed CARTER/MONDALE PRESIDENTIAL Comm., INC</p> <p>(b) ADDRESS (Number and Street) P.O. Box 832</p> <p>(c) CITY, STATE AND ZIP CODE McLEANS, VA 22101</p>	<p>2 IDENTIFICATION NUMBER C00108407</p> <p>3 Is this report of receipts and expenditures for: <input checked="" type="checkbox"/> PRIMARY <input type="checkbox"/> GENERAL</p>
<p>4 TYPE OF REPORT (Check appropriate box and complete, if applicable)</p> <p>(a) <input checked="" type="checkbox"/> Amendment for <u>July 31, 1980</u> (which report) (d) <input type="checkbox"/> October 10 Quarterly Report (g) <input type="checkbox"/> Termination Report (b) <input type="checkbox"/> April 10 Quarterly Report (e) <input type="checkbox"/> January 31 Year End Report (h) <input type="checkbox"/> Tenth day report preceding _____ Election (c) <input type="checkbox"/> July 10 Quarterly Report (state month) (f) <input type="checkbox"/> Monthly Report _____ (i) <input type="checkbox"/> Thirtieth day report following _____ Election (state month) on _____ in the State of _____</p>	

CANDIDATE OR COMMITTEE SUMMARY OF RECEIPTS AND EXPENDITURES

5 COVERING PERIOD: FROM <u>July 1, 1980</u> THROUGH <u>July 31, 1980</u>		
Section A - Cash Balance Summary	Column A This Period	Column B Calendar Year-to-Date
6 Cash on Hand January 1, 19_____		\$ 897,360.24
7 Cash on Hand at Beginning of Reporting Period	\$ 325,937.64	
8 Total Receipts (from Line 23)	\$ 934,958.72	\$ 12,833,195.52
(a) Subtotal (Add Lines 7 and 8)	\$ 1,260,926.36	\$ 13,730,555.56
9 Total Expenditures (from Line 28)	\$ 830,341.42	\$ 13,299,970.62
10 Cash on Hand at Close of Reporting Period (Subtract Line 9 from Line 8a)	\$ 430,584.94	\$ 430,584.94
11 Contributed Items on Hand to be Liquidated (Attach Itemized List) . . . \$ _____		
DEBTS AND OBLIGATIONS		
12 Debts and Obligations Owed TO the Committee (Itemize all on Schedule C-P)	\$ 127,921.81	
13 Debts and Obligations Owed BY the Committee (Itemize all on Schedule C-P)	\$ 1,211,322.76	
Section B - Summary of Expenditures Subject to Limitation		
14 Expenditure Total (Add Lines 24c and 26b)	\$ 496,836.82	\$ 10,928,972.08
15 Refunds and Rebates (from Line 21c)	\$ 62,256.31	\$ 613,969.96
(a) Expenditures Subject to Limitation (Subtract Line 15 from Line 14)	\$ 434,580.51	\$ 10,35,002.12
(b) Expenditures from Prior Years Subject to Limitation		\$ 2,984,075.02
(c) Total Expenditures Subject to Limitation (Add Lines 15a and 15b)		\$ 13,199,077.14

I certify that I have examined this Report, and to the best of my knowledge and belief it is true, correct and complete.

(Typed Name of Treasurer or Candidate)

(Signature of Treasurer or Candidate)

(Date)

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g, §441j; and 26 U.S.C. §9012, §9042.

For further information Contact:



Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463
or Call 800/424-9630

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

DETAIL SUMMARY OF RECEIPTS AND EXPENDITURES
(Page 2, FEC Form 3P)

Name of Candidate or Committee	REPORT COVERING THE PERIOD:	
	FROM: 7/1/80	TO: 7/31/80
	COLUMN A This Period	COLUMN B Calendar Year-to-Date
RECEIPTS		
16 FEDERAL FUNDS (Itemize on Schedule A-P)	\$ 576,250.70	\$ 4,741,876.18
17 Contributions from Individuals (including contributions in-kind):		
(a) Itemized (use Schedule A-P)	\$ 197,495.00	
(b) Unitemized	\$ 88,219.54	
(c) Sales and Collections Included Above: List by Event on Memo Schedule D-P (\$ _____)		
(d) Subtotal of Contributions from Individuals (including contributions in-kind)	\$ 285,714.54	\$ 7,176,801.56
18 Transfers In from Political Committees (including contributions in-kind):		
(a) From Affiliated/Authorized Committee (Itemize on Schedule A-P Regardless of Amount)	\$ 4,383.05	
(b) From Other Committees (Itemize on Schedule A-P Regardless of Amount)	\$ 4,383.05	\$ 254,209.56
(c) Subtotal of Transfers In from Political Committees (including contributions in-kind)	\$ 8,766.10	
19 Other Income:		
(a) Itemized (use Schedule A-P)	\$ 737.88	
(b) Unitemized	\$ 0	
(c) Subtotal of Other Income	\$ 737.88	\$ 22,811.43
20 Loans and Loan Repayments Received:		
(a) Itemized (use Schedule A-P)	\$ 0	
(b) Unitemized	\$ 0	
(c) Subtotal of Loans and Loan Repayments Received	\$ 0	\$ N/A
21 Refunds, Rebates, Returns of Deposits:		
(a) Itemized (use Schedule A-P)	\$ 62,276.31	
(b) Unitemized	\$ 0	
(c) Subtotal of Refunds, Rebates, Returns of Deposits	\$ 62,276.31	\$ 613,469.76
22 Refunds and Rebates Relating to Exempt Fundraising, Legal and Accounting Fees:		
(a) Itemized (use Schedule A-P)	\$ 445.94	
(b) Unitemized	\$ 0	
(c) Subtotal	\$ 445.94	\$ 7,446.57
23 TOTAL RECEIPTS	\$ 732,458.12	\$ 8,833,195.37
EXPENDITURES		
24 Operating Expenditures:		
(a) Itemized (use Schedule B-P)	\$ 453,139.04	
(b) Unitemized	\$ 13,691.78	
(c) Subtotal of Operating Expenditures	\$ 466,830.82	\$ 12,038,771.09
25 Exempt Fundraising, Legal and Accounting Expenditures:		
(a) Itemized (use Schedule B-P)	\$ 367,810.73	
(b) Unitemized	\$ 413.58	
(c) Subtotal of Exempt Fundraising, Legal and Accounting Expenditures	\$ 368,224.31	\$ 2,299,359.55
26 Transfers Out:		
(a) To Affiliated Committees (Itemize on Schedule B-P Regardless of Amount)	\$ 19,474.99	
(b) To Other Committees (Itemize on Schedule B-P Regardless of Amount)	\$ 0	
(c) Subtotal of Transfers Out	\$ 19,474.99	\$ 19,474.99
27 Loans, Loan Repayments, and Contribution Refunds Made:		
(a) Itemized (use Schedule B-P)	\$ 5805.00	
(b) Unitemized	\$ 0	
(c) Subtotal of Loans, Loan Repayments, and Contribution Refunds	\$ 5805.00	\$ 53,214.00
28 TOTAL EXPENDITURES	\$ 830,341.42	\$ 13,399,970.62
RECEIPTS AND EXPENDITURES, NET OF TRANSFERS TO AND FROM AFFILIATED COMMITTEES		
29 TOTAL RECEIPTS (from Line 23)	\$ 732,458.12	
30 TRANSFERS IN (from Line 18a)	\$ 0	
31 NET RECEIPTS (Subtract Line 30 from Line 29)	\$ 732,458.12	
32 TOTAL EXPENDITURES (from Line 28)	\$ 830,341.42	
33 TRANSFERS OUT (from Line 26a)	\$ 19,474.99	
34 NET EXPENDITURES (Subtract Line 33 from Line 32)	\$ 810,866.43	

83040413720

Carter/Mondale Presidential Committee, Inc.

NOCO/LIABILITIES

Summary of Debts Mis-stated
in CP for 7/31/80

	<u>Invoice Date</u>	<u>Vendor Total</u>	<u>Stated on CP</u>	<u>Difference</u>
Disclosure Violations at 7/31/80 Summarized from NOCO WP				
White House	7/31/80	\$ 59,907.72	\$16,975.13	\$ 42,932.59
Altair International	7/14/80	538.00		
	7/08/80	2,147.00	380.00	2,305.00
Aable Rents & Sales	5/28/80	981.15	141.84	839.31
Automated Datatron	7/17/80	7,653.97	6,700.88	953.09
Avis	5/18/80	838.55		
	2/28/80	359.93		1,198.48
Baltimore Hilton	5/11/80	570.05		
	5/11/80	360.34		
	4/29/80	73.29		1,003.68
Bristol, George L.	6/02/80	9,249.66	8,041.41	1,208.25
CDSI, June Services		12,028.28	11,120.75	907.53
	July Services	43,309.88		43,309.88
Caesars' Palace	12/02 to 6/11	25,481.78	24,887.19	594.59
Charter One, Ltd.	4/25/80	2,092.50		2,092.50
Cleveland Plaza	5/02/80	12,021.04		12,021.04
Committee for Tape of AMPI	5/02/80	988.07		988.07
Custom Print, Inc.	7/31/80	921.90		
	7/31/80	131.25		1,053.15
Flight Charter Corp.	3/25/80	8,041.27		8,041.27
Forest Printing Co.	3/17/80	950.00		950.00
George & Yvonne Gekas	4/80	1,431.50		1,431.50

Carter/Mondale Presidential Committee, Inc.

NOCO/LIABILITIES

	<u>Invoice Date</u>	<u>Vendor Total</u>	<u>Stated on CP</u>	<u>Difference</u>
Hertz Corp.	2/02/80	\$ 23.44		
	2/22/80	268.15		
	2/28/80	578.14		
	6/06/80	363.55		\$ 1,233.28
Knudson, Robert L.	7/31/80	1,455.00		
	7/24/80	801.65		2,256.65
Lanierland Music Park	7/17/80	1,994.22		1,994.22
Marcus Group Inc.	5/31/80	800.00		800.00
Moynahan, Barrette & Assoc.	6/02/80	658.70		658.70
NY Telephone	5/12/80	821.91		821.91
North American Systems	6/12/80	3,494.72		
	6/05/80	2,646.05		
	5/15/80	96.00		6,236.77
Overland Express	2/01/80	643.50		643.50
Ramada Inn	3/18/80	139.46		139.46
	3/15/80	500.00		500.00
St. Francis	3/31/80	2,720.93		2,720.93
Warren, J.N.	6/24/80	3,715.00		3,715.00
Dept. of Transportation	4/30/80	1,728.26		1,728.26
Landrieu, Moon	5/28/80	973.50		973.50
Rogers & Wells	3/19/80	15,000.00	\$ 7,091.93	7,908.07
ARA Food Services Co.	5/28/80	1,000.00		1,000.00
Weddington, Sarah	5/28/80	<u>505.85</u>	<u> </u>	<u>505.85</u>
Total		<u>\$231,005.16</u>	<u>\$75,339.13</u>	<u>\$155,666.03</u>

STEIN & HURON

1619 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20008

(202) 797-3680

DOUGLAS B. HURON
EILEEN M. STEIN
CHRISTINE L. OWENS
NOT ADMITTED IN MARYLAND

8 P 3:07

MARYLAND OFFICE
7504 BYBROOK LANE
CHEVY CHASE, MD. 20815
(301) 687-8220

June 6, 1983

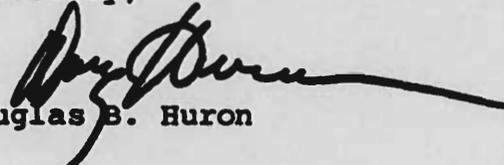
Marsha G. Gentner, Esquire
Federal Election Commission
Washington, DC 20463

Dear Marsha:

Enclosed is the agreement we have discussed,
which I have signed on behalf of the Carter/Mondale
committees.

Thank you for your cooperation.

Sincerely,


Douglas B. Huron

Enclosure

83040413723



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

**AGREEMENT BETWEEN CARTER/MONDALE PRESIDENTIAL
COMMITTEE, INC. AND THE CARTER-MONDALE REELECTION
COMMITTEE, INC., AND THE FEDERAL ELECTION COMMISSION**

In order to avoid litigation over the question of compliance of the Carter/Mondale Presidential Committee, Inc. ("CMPC") and the Carter-Mondale Reelection Committee, Inc. ("CMRC") with the terms of the conciliation agreement entered into by CMPC, CMRC and the Federal Election Commission ("FEC") to resolve MURs 1284, 1353, 1361, and 1389, the CMPC, CMRC, and the FEC, as evidenced by the signatures, below, of their respective counsel, enter into the following agreement:

- 1) CMRC and CMPC agree to comply, in a timely manner, with all remaining requirements as stated in the conciliation agreement, a copy of which is affixed hereto, as each such obligation becomes due;
- 2) CMRC and CMPC agree that the three year period of 26 U.S.C. § 9038(c), within which a notification by the FEC of a repayment under 26 U.S.C. § 9038(b) must be made, is extended for an additional ninety (90) days. CMRC and CMPC hereby expressly waive any defense based on 26 U.S.C. § 9038(c) to the extent the FEC notifies CMRC and CMPC of a repayment determination under 26 U.S.C. § 9038(b) no more than three (3) years plus

8 3 0 4 0 4 1 3 7 2 4

ninety (90) days after the date of the end of the 1980 primary matching period. (See 26 U.S.C. § 9031(6) for the definition of "matching payment period".)

- 3) All parties agree that they will use their best efforts to facilitate an expeditious completion of the audit process pertaining to CMRC and CMPC. The field work associated with such audit to commence on June 6, 1983.

The above constitutes the complete agreement between the parties. With the exception of the attached conciliation agreement, to the extent any prior and/or oral agreements have been made by and between the parties with respect to these matters they are hereby nullified unless contained in this agreement.



 Douglas B. Huron
 Counsel
 Carter/Mondale Presidential
 Committee, Inc.
 Carter-Mondale Reelection
 Committee, Inc.



 Charles N. Steele
 General Counsel
 Federal Election Commission

6/6/83

 Date

9 June 1983

 Date

83040413725



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

END OF ADDITIONAL MATERIAL FOR CLOSED MJR

1361

83040413726

