FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

THIS IS THE END OF MUR # 1842

DATE FILMED 2/24/87 CAMERA NO. 3

CAMERAMAN AS

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FEDERAL ELECTION COMMISSION

Routing slips, Internal Report (12 Day Pre-Brief) and Comments thereto, Commissioner comments, Documents pertaining to conciliation, copies of personal checks

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):

___	(1) Classified Information	___	(6) Personal privacy
X	(2) Internal rules and practices	___	(7) Investigatory files
X	(3) Exempted by other statute	X	(8) Banking Information
___	(4) Trade secrets and commercial or financial information	___	(9) Well Information (geographic or geophysical)
X	(5) Internal Documents		

Signed Beverly B. Kramer

date 2-17-87

FEC 9-21-77

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Michael Goland	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 6, 1987, the Commission decided by a vote of 6-0 to take the following actions in MUR 1842.

1. Accept the counteroffer of January 12, 1987 submitted on behalf of Michael Goland, as recommended in the General Counsel's Report signed February 3, 1987.

2. Close the file.

3. Approve and send the letters, as recommended in the General Counsel's Report signed February 3, 1987.

Commissioners Aikens, Elliott, Josefiak, McDonald McGarry and Thomas voted affirmatively for this decision.

Attest:

2/9/87
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in the Office of Commission Secretary:	Tues.,	2-3-87,	5:23
Circulated on 48 hour tally basis:	Wed.,	2-4-87,	11:00
Deadline for vote:	Fri.,	2-6-87,	11:00

pllm

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 10, 1987

David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg, Tunney & Evans
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

On February 6 , 1987, the Commission accepted the conciliation agreement signed by you in settlement of a violation of 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter and it will become a part of the public record within thirty days.

Please note that 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: Lawrence M. Noble
Deputy General Counsel

Enclosure
Conciliation Agreement

GGC #2469

RECEIVED
OFFICE OF THE
GENERAL COUNSEL

BEFORE THE FEDERAL ELECTION COMMISSION

— JAN 12 P4:35

In the Matter of	)	
	)	MUR 1842
Michael Goland	)	

CONCILIATION AGREEMENT

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. The Commission found probable cause to believe that Michael Goland ("Respondent") violated 2 U.S.C. § 441d.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent, and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Respondent, Michael Goland, is a person registered with the Commission as making independent expenditures in support of or in opposition to candidates seeking election to Federal office.

2. Respondent paid for the production and placement costs of a television advertisement which expressly advocated the defeat of Senator Charles H. Percy in his bid for re-election to the United States Senate in 1984.

3. Section 441d of Title 2, United States Code, requires that whenever any person makes and expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, such communication must bear a disclaimer stating the name of the person who paid for the communication and whether the communication was authorized by any candidate or candidate's committee.

4. Respondent contends that he instructed the media firm placing the advertisement to include a disclaimer stating that Respondent paid for the advertisement, but that his instructions were not carried out.

5. Respondent did not instruct the media firm placing the ad to include in the disclaimer a statement that the advertisement was not authorized by any candidate or candidate's committee.

6. The advertisement was broadcast 62 times on WMAQ-TV, Chicago, during the five days preceding the November 6, 1984 general election. The advertisement, which was paid for by the Respondent, carried a disclaimer stating that it was paid for by an organization called "Citizens for Responsible Government in Illinois." The ad's disclaimer did not state whether the communication was authorized by any candidate or candidate's committee.

7. Respondent contends that for personal reasons he was not in Chicago for the time period immediately preceding the 1984 general election and that, therefore, he never saw the

advertisement when it was aired and was unable to take any action to correct the disclaimer.

V. Respondent failed to place a full and accurate disclaimer on an advertisement which expressly advocated the defeat of Senator Charles H. Percy, in violation of 2 U.S.C. § 441d.

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of Five Thousand Dollars ($5,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. 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 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.

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

IX. Respondent 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.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General

BY: _____ 2/10/87
Lawrence M. Noble
Deputy General Counsel

Date

FOR THE RESPONDENT:

_____ JANUARY 12, 1987
David M. Ifshin
Attorney

Date

7l6m

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 10, 1987

William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

Re: MUR 1842
Citizens for Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

This is to advise you that the entire file in this matter has now been closed and will become part of the public record within thirty days. Should you wish to submit any legal or factual materials to be placed on the public record in connection with this matter, please do so within 10 days.

Should you have any questions, please contact Beverly Kramer, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

3 7 7 1 0 6 4 2 2 7 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 10, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Daniel J. Swillinger
Davis and Gooch
920 Pennsylvania Avenue, S.E.
Washington, D.C. 20003

Re: MUR 1842
Citizens for Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer
Michael Goland

Dear Mr. Swillinger:

This is in reference to the complaint you filed with the Commission on November 2, 1984, on behalf of Senator Charles H. Percy and Citizens for Percy '84 alleging violations of the Federal Election Campaign Act, of 1971, as amended ("the Act") by Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, as its treasurer.

After conducting an investigation in this matter, the Commission determined on June 17, 1986, that there was no probable cause to believe that the Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A). The investigation revealed, however, other information indicating possible violations of the Act by Michael Goland, who was not specifically identified as a respondent in your complaint.

With regard to Michael Goland, the Commission determined on June 17, 1986 that there was no probable cause to believe the respondent violated 2 U.S.C. § 441a(a)(1)(C), but that there was probable cause to believe Michael Goland violated 2 U.S.C. § 441d. On February 6 , 1987, a conciliation agreement signed by the respondent was accepted by the Commission, thereby concluding this matter. A copy of this agreement is enclosed for your information.

The file number in this matter is MUR 1842. If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter, at (202) 376-5690.

Sincerely,

Charles N. Steele
General Counsel

By: Lawrence M. Noble
Deputy General Counsel

Enclosures
Conciliation Agreement
General Counsel's Briefs

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Michael Goland	)	MUR 1842
Citizens for Responsible Government	)	
in Illinois, Inc., and	)	
Charles Brooks, Treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of June 17, 1986, do hereby certify that the Commission took the following actions in MUR 1842:

1. Failed in a vote of 3-3 to pass a motion to:

   a) Find no probable cause to believe the Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A).

   b) Find no probable cause to believe Michael Goland violated 2 U.S.C. §441a (a)(1)(C).

   c) Find probable cause to believe Michael Goland violated 2 U.S.C. § 441d.

d.)

8704 064 02279

e) Close the file as it pertains to Citizens for Responsible Government in Illinois, Inc., and Charles Brooks, as treasurer.

f) Approve and send the letters attached to the General Counsel's report dated June 6, 1986.

Commissioners Harris, McDonald, and McGarry voted affirmatively for the motion; Commissioners Aikens, Elliott, and Josefiak dissented.

3. Decided by a vote of 4-2 to find no probable cause to believe the Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A).

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

(continued)

2 7 1 4 0 4 2 2 0

4. Decided by a vote of 5-1 to

a) Find no probable cause to believe Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

b) Find probable cause to believe Michael Goland violated 2 U.S.C. § 441d.

d) Close the file as it pertains to Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, as treasurer.

e) Approve and send the letters attached to the General Counsel's report dated June 6, 1986.

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

Attest:

6-17-86
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 24, 1986

William C. Oldaker, Esquire
Epstein, Becker, Barsady & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 1842
Citizens for Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

This is to advise you that after an investigation was conducted, the Commission concluded on June 17, 1986, that there is no probable cause to believe that your clients violated the Act. Accordingly the file in this matter, numbered MUR 1842, has been closed as it pertains to your clients. 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 Beverly Kramer, the staff member assigned to handle this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

87104422822

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 24, 1986

David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg, Tunney & Evans
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

On June 17, 1986, the Commission determined that there is no probable cause to believe that your client violated 2 U.S.C. § 441a(a)(1)(C), but that there is probable cause to believe that your client committed a violation of 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended.

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. If we are unable to reach an agreement during this period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose 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 Beverly Kramer, the staff member assigned to this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

RECEIVED AT THE FEC

HAND DELIVERED

86 JUN 16 AM : 51

MANATT, PHELPS, ROTHENBERG, TUNNEY & EVANS

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N. W.
SUITE 200
WASHINGTON, D. C. 20036

TELEPHONE (202) 463-4300

LOS ANGELES
11355 WEST OLYMPIC BOULEVARD
LOS ANGELES, CALIFORNIA 90064
(213) 312-4000

June 13, 1986

86 JUN 16 P3: 43

RECEIVED
GENERAL COUNSEL

HAND DELIVER

Beverly Kramer
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W., 7th Floor
Washington, D.C.

Re: MUR 1842 - Michael Goland

Dear Ms. Kramer:

This letter is to confirm our telephone conversation regarding the General Counsel's report in MUR 1842. It is the position of Mr. Goland that we will not contest the General Counsel's recommendation for purposes of conciliation of this matter.

It is my understanding that we will be receiving from you a proposed conciliation agreement in the near future.

Sincerely,

David M. Ifshin
Manatt, Phelps, Rothenberg,
Tunney & Evans

DMI/ppl

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: June 9, 1986

SUBJECT: MUR 1842 - General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of June 17, 1986

Open Session

Closed Session XX

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[ ]	Compliance	[XX]
Sensitive	[ ]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[XX]	Other (see distribution below)	[ ]

SENSITIVE - CIRCULATE ON

BLUE PAPER on Agenda 6-17-86

SENSITIVE

EXECUTIVE SESSION

JUN 17 1986

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Michael Goland	)	MUR 1842
Citizens for Responsible Government	)	
in Illinois, Inc., and	)	
Charles Brooks, Treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter originated from a complaint filed by Senator Charles H. Percy and his principal campaign committee, Citizens for Percy '84, on November 2, 1984. On February 20, 1985, the Commission found reason to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive contribution to the Citizens for Responsible Government in Illinois, Inc. ("CRGI"). In addition, the Commission found reason to believe that CRGI and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive in-kind contribution from Michael Goland, and violated 2 U.S.C. § 434(b)(3)(A) by failing to report the receipt of in-kind contributions from Michael Goland. An investigation was initiated and, in the course of the investigation, the Office of the General Counsel obtained information indicating that Michael Goland violated the disclaimer provision at forth at 2 U.S.C. § 441d.

A General Counsel's Brief recommending a finding of probable cause to believe Michael Goland violated 2 U.S.C. § 441d and a finding of no probable cause to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C) was mailed on April 29, 1986. In addition, a General Counsel Counsel's Brief recommending no probable cause to believe CRGI and its treasurer violated

2 U.S.C. §§ 441a(f) and 434(b)(3)(A) was mailed on April 29, 1986.

No written responses were received by the due date of May 20, 1986. Counsel for Michael Goland did, however, telephone this office on May 5, 1986 to state that he agreed with the legal conclusions of the General Counsel's Brief and that his client will conciliate after a finding of probable cause to believe has been made.

II. LEGAL ANALYSIS

A. Michael Goland

See the General Counsel's Brief which was circulated to the Commission on April 29, 1986.

B. CRGI and Charles Brooks, as Treasurer

See the General Counsel's Brief which was circulated April 29, 1986.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg, Tunney & Evans
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

On , 1986, the Commission determined that there is no probable cause to believe that your client violated 2 U.S.C. § 441a(a)(1)(C), but that there is probable cause to believe that your client committed a violation of 2 U.S.C. § 441d, a provision of the Federal Election Campaign Act of 1971, as amended.

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. If we are unable to reach an agreement during this period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose 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 Beverly Kramer, the staff member assigned to this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Conciliation Agreement

Attachment 2

4

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

William C. Oldaker, Esquire
Epstein, Becker, Barsady & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 1842
Citizens for Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

This is to advise you that after an investigation was conducted, the Commission concluded on , 1986, that there is no probable cause to believe that your clients violated the Act. Accordingly the file in this matter, numbered MUR 1842, has been closed as it pertains to your clients. 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 Beverly Kramer, the staff member assigned to handle this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

April 29, 1986

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

SUBJECT: MUR 1842

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. Copies of these briefs and letters notifying the respondents of the General Counsel's intent to recommend to the Commission findings of probable cause and no probable cause to believe were mailed on April 29, 1986. Following receipt of the respondents' replies to these notices, this Office will make a further report to the Commission.

Attachments
1. Briefs
2. Letters to Respondents

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

April 29, 1986

David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg, Tunney & Evans
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

Based on a complaint filed with the Commission on November 2, 1984, the Commission determined on February 20, 1985, that there was reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("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 of 2 U.S.C. § 441a(a)(1)(C) has occurred, but that it find probable cause to believe your client violated 2 U.S.C. § 441d. The Commission may or may not approve the General Counsel's recommendations.

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 client's 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 submit will be considered by the Commission before proceeding to a vote of probable cause or no probable cause to believe violations have occurred.

Should you have any questions, please contact Beverly Kramer, the staff member assigned to handle this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

87104422

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Michael Goland	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter originated from a complaint brought by Senator Charles H. Percy and his principal campaign committee, Citizens for Percy '84, on November 2, 1984. The case relates to expenditures made in connection with anti-Percy television advertisements which aired on WMAQ-TV, Chicago, during the five days preceding the general election held on November 6, 1984. The complaint attributed the ads to the Citizens for Responsible Government in Illinois, Inc. ("CRGI"), a non-connected political committee that registered with the Commission on October 25, 1984--just seven days prior to the date on which the ads began to air. The complaint alleged that CRGI failed to report independent expenditures for the ads within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

The public record revealed that less than two hours after the complaint was filed, CRGI filed a report with the Commission disclosing independent expenditures of $105,850 made to Tom Rubin and Associates (aka Focus Media Inc.) for anti-Percy television ads aired on WMAQ-Chicago. In a statement filed subsequent to the general election, CRGI declared that the expenditures were erroneously reported and that, consequently, they were "withdrawing" their independent expenditure report. On this same date, November 13, 1984, CRGI filed a letter seeking to terminate

its reporting obligations under the Act. The letter stated that CRGI "neither incurred any expenses nor made any expenditures or contributions during its brief 'paper' existence." CRGI later explained that they had anticipated they would be able to raise contributions to make expenditures for the ads but that the necessary funds were never raised.

Within the same reporting period as CRGI's disclosure, the public record revealed that Michael Goland, a person registered as making independent expenditures, filed a report with the Commission on November 2, 1984, disclosing independent expenditures of $150,000 to Focus Media for what appeared to be the same anti-Percy ads attributed to CRGI. The coincidence of the reporting raised questions concerning the relationship of Mr. Goland to CRGI. The most troublesome scenario that could be drawn based on available information suggested the possibility that CRGI may have had a contract with Focus Media to pay for the ads, but that as it became apparent they would be unable to meet their financial obligation, they may have sought financial assistance from Michael Goland. Mr. Goland's expenditures to Focus Media to satisfy CRGI's debts would constitute a contribution in-kind exceeding the $5,000 contribution limit of 2 U.S.C. § 441a(a)(1)(C).

On February 20, 1985, the Commission found reason to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive contribution in-kind to CRGI and initiated an investigation.

The investigation conducted by this Office has revealed that the expenditures at issue were made in connection with two television ads. The ads were directed against Senator Charles H. Percy and were broadcast 62 times on WMAQ-TV, Chicago, from November 1, 1984 through November 5, 1984. Station copies of the ads obtained during the investigation revealed that they carried disclaimers stating "Paid for by Citizens For Responsible Government in Illinois."

The visual portion of the first ad consists of a photocopy of a newspaper column appearing in the Chicago Sun Times. Statements in the article are enlarged on the screen whenever they are quoted. The audio portion is as follows:

> "After 18 years as a glad-hander, Senator Charles H. Percy has turned into a mugger" says the Sun-Times political columnist, Matical Talbot.
>
> He goes on to say in his October 18th column: "Even a top executive in Percy's campaign privately questions the veracity of a Percy ad that takes Simon to task. Percy's ad is false," says Talbot.
>
> Read the whole column and decide whether Percy is really the kind of man you want representing you in the U.S. Senate.

In the second ad, the logos of certain corporations dot the screen and comprise the entire video portion of the ad. The audio portion is as follows:

> Charles Percy says he's the Illinois advantage, but he's more an advantage to himself in a big corporation.

> Percy supported the 1981 law that gave millions in tax breaks to companies like Inland Steel. But they still closed their southworks here.
>
> What did U.S. Steel do? It bought Marathon Oil and its billion dollar tax credits. What did Percy do? He sold his own Marathon stock for a one hundred thousand dollar profit.
>
> Advantage, Mr. Percy. Disadvantage, Illinois.

Contrary to the disclaimer accompanying these ads stating that they were paid for by CRGI, the investigation revealed that the costs attendant to the production and placement of the ads on the television were paid by Michael Goland. The sworn statements of counsel on behalf of Mr. Goland attest to this fact as do the reports filed by Mr. Goland with the Commission. Mr. Goland reported making expenditures to Subtle Communications for the production of the ads and, in addition, reported making expenditures to Focus Media for the placement of the ads on WMAQ-TV. Focus Media verified receiving payment from Mr. Goland by submitting copies of checks issued to them on Mr. Goland's personal account.

The available information does not fully explain the circumstances giving rise to the appearance of disclaimers on ads paid for by Michael Goland stating "Paid for by Citizens for Responsible Government in Illinois." The sworn statements of counsel on behalf of CRGI reveal that CRGI had several discussions with Michael Goland concerning the possible purchase of ads by CRGI from Mr. Goland. However, according to counsel, no agreement was ever reached between the two parties. In addition, counsel states that discussions also occurred with

respect to the possible purchase of air-time through Focus Media. According to counsel, CRGI authorized Michael Goland to negotiate with Focus Media on their behalf. Thomas E. Rubin of Focus Media and Michael Goland on behalf of CRGI had discussions regarding the possible purchase of air-time by CRGI. Mr. Goland and CRGI assert, however, that no agreement was ever reached nor was any contract ever entered into between Focus Media and CRGI.

The only statement provided by Michael Goland with regard to the disclaimer is as follows:

> I later spoke with an employee of Focus Media when I was informed by CRGI that they had been unable to raise funds. When informed by counsel that I could not loan CRGI any funds without it being counted as a contribution to CRGI or guarantee payment to Focus Media, I called Focus Media to inform them of the current situation. I instructed Focus Media to place a disclaimer on any ads being run with the commercial I had produced indicating that they had been paid for by me. I do not recall the full name of the person with whom I spoke at Focus Media, but I believe her first name was Pat.

On November 2, 1984, Michael Goland filed a 24 hour report with the Commission stating "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Senator Charles Percy of Illinois."

II. LEGAL ANALYSIS

The question here is whether, on the facts, it can be shown that CRGI had incurred a legal obligation to pay Focus Media for the placement of ads on WMAQ-TV, Chicago, and, whether Michael Goland made a payment of $150,000 to Focus Media in satisfaction of CRGI's debts thereby making a contribution in-kind to CRGI that exceeded the $5000 contribution limit of 2 U.S.C.

§ 441a(a)(1)(C) in violation of this section.

The sworn statements of counsel on behalf of Michael Goland and CRGI and the sworn statements submitted by Tom Rubin of Focus Media admit that discussions occurred with regard to the possible purchase of air-time by CRGI through Focus Media, however, the various parties assert that no oral or written agreement was ever entered into between Focus Media and CRGI. Hence, it does not appear that CRGI incurred any legal obligation to pay Focus Media for the purchase of air-time. Since no legal obligation was incurred, Mr. Goland's payment to Focus Media cannot be viewed as a payment in satisfaction of debts owed by CRGI.

Indeed, the facts indicate that Mr. Goland's payment to Focus Media did not represent the satisfaction of a debt obligation of any kind. Rather, Mr. Goland reported payment of $150,000 to Focus Media on October 31, 1981, the day prior to the airing of the ads. Presumably, the Focus Media would not have performed its services without receipt of payment as one of its conditions. In view of the foregoing, the Office of the General Counsel concludes that the payment by Michael Goland to Focus Media did not constitute a contribution in-kind to CRGI. Accordingly, we recommend that the Commission find no probable cause to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

An ancillary issue arising out of information discovered in the course of this investigation is whether Michael Goland violated 2 U.S.C. § 441d by placing misleading disclaimers on ads paid for by him stating that they were paid for by CRGI.

Section 441d of the Federal Election Campaign Act states, in part, that whenever any person makes an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate, such communication shall clearly state the name of the person who paid for the communication, and state whether the communication was authorized by any candidate or candidate's committee. Commission regulation 11 C.F.R. § 109.1(b)(2) defines express advocacy as a message that advocates election or defeat, including such expressions as "vote for," "elect" or "defeat." Therefore, if the ads in this case expressly advocate the election or defeat of a clearly identified candidate, Michael Goland has violated 2 U.S.C. § 441d by placing improper disclaimers on his advertisements.

In Buckley v. Valeo, 424 U.S. 1 (1976), the Supreme Court held that in order for the government to regulate expressive political activity, such activity must "in express terms advocate the election or defeat of a clearly identified candidate for federal office." Buckley, 424 at 44. The Court found that express advocacy is typified by such words of exhortation as "vote for," "elect," "support," "cast your ballot for," "Smith for Congress," "vote against," "defeat" and "reject." Buckley, 424 U.S. at 44 n.52. In the instant case, the first of two ads financed by Michael Goland (see discussion infra at pages 3 and 4) expressly advocates the defeat of a candidate for Federal office in words which clearly fall within the scope of the examples listed in Buckley and incorporated by Commission

Regulation 11 C.F.R. § 109.1(b)(2).

The first ad quotes an article in the Chicago Sun-Times charging that "Senator Charles Percy has turned into a mugger." It continues to quote the article saying "Even a top executive in Percy's campaign privately questions the veracity of a Percy ad that takes Simon to task. Percy's ad is False." The ad concludes with the statement "Read the whole column and decide whether Percy is the kind of man you want representing you in the U.S. Senate."

A fair reading of Mr. Goland's ad leaves little doubt that it advocates Senator Charles Percy's defeat. The ad, which was aired on the eve of the general election, makes disparaging remarks about Senator Percy. It quotes an article from a newspaper in Senator Percy's home state accusing him of turning into a "mugger" and stating that even a top executive in his campaign privately questions Senator Percy's campaign tactics. The ad continues with the exhortation "Read the whole column and decide whether Percy is really the kind of man you want representing you in the U.S. Senate." When read in the context of the entire ad, this exhortation plainly calls for the defeat of Senator Charles Percy in the general election. The viewer is asked to read an article which contains disparaging remarks about Senator Percy and, based on this reading, is asked to decide whether Percy is the kind of man he wants representing him in the U.S. Senate -- a result that can only be stopped by voting Senator Percy out of office in the general election.

This plain meaning of the ad is confirmed by the fact that it was aired for five consecutive days preceding the general election when the campaign was virtually over and the only action left for the viewer to take was to vote.

The second ad at issue, while critical of Senator Percy's conduct in office, does not incite or induce any responsive action whatsoever by the viewer. Consequently, it does not meet the standard of express advocacy and the disclaimer provisions of 2 U.S.C. § 441d do not apply.

In view of the foregoing analysis, this Office concludes that the disclaimer provision of 2 U.S.C. § 441d applies to the first ad at issue. Since Mr. Goland, by his own admission, placed an incorrect disclaimer on the ad stating that it was financed by someone other than himself and failed to state whether it was authorized by any candidate or candidate's committee, we recommend that the Commision find probable cause to believe Michael Goland violated 2 U.S.C. § 441d.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find no probable cause to believe Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

2. Find probable cause to believe Michael Goland violated 2 U.S.C. § 441d.

26 April 1986
Date

Charles N. Steele
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 29, 1986

William C. Oldaker, Esquire
Edstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 1842
Citizens for Responsible Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

Based on a complaint filed with the Commission on November 2, 1984, the Commission determined on February 20, 1985, that there was reason to believe that your clients had violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A), provisions of the Federal Election Campaign Act of 1971, as amended ("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 clients' 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 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 Beverly Kramer, the staff member assigned to handle this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Citizens for Responsible	)	
Government in Illinois, Inc.	)	
Charles Brooks, as treasurer	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter originated from a complaint brought by Senator Charles H. Percy and his principal campaign committee, Citizens for Percy '84, on November 2, 1984. The case relates to expenditures made in connection with anti-Percy television ads which aired on WMAQ-TV, Chicago, during the five days preceding the general election held on November 6, 1984. The complaint attributed the ads to the Citizens for Responsible Government in Illinois, Inc. ("CRGI"), a non-connected political committee that registered with the Commission on October 25, 1984--just seven days prior to the date on which the ads began to air. The complaint alleged that CRGI failed to report independent expenditures for the ads within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

The public record revealed that less than two hours after the complaint was filed, CRGI filed a report with the Commission disclosing independent expenditures of $105,850 made to Tom Rubin and Associates (aka Focus Media Inc.) for anti-Percy television ads aired on WMAQ-Chicago. In a statement filed subsequent to the general election, CRGI declared that the expenditures were erroneously reported and that, consequently, they were "withdrawing" their independent expenditure report. On this same date, November 13, 1984, CRGI filed a letter seeking to terminate

its reporting obligations under the Act. The letter stated that CRGI "neither incurred any expenses nor made any expenditures or contributions during its brief 'paper' existence." CRGI later explained that they had anticipated they would be able to raise contributions to make expenditures for the ads but that the necessary funds were never raised.

Within the same reporting period as CRGI's disclosure, the public record revealed that Michael Goland, a person registered as making independent expenditures, filed a report with the Commission on November 2, 1984, disclosing independent expenditures of $150,000 to Focus Media for what appeared to be the same anti-Percy ads attributed to CRGI. The coincidence of the reporting raised questions concerning the relationship of Mr. Goland to CRGI. The most troublesome scenario that could be drawn based on available information suggested the possibility that CRGI may have had a contract with Focus Media to pay for the ads, but that as it became apparent they would be unable to meet their financial obligation, they may have sought financial assistance from Michael Goland. Mr. Goland's expenditures to Focus Media to satisfy CRGI's debts would constitute a contribution in-kind exceeding the $5,000 contribution limit of 2 U.S.C. § 441a(a)(1)(C). CRGI's acceptance of the excessive contribution and its failure to report the receipt of such contribution would constitute violations of 2 U.S.C. § 441a(f) and § 434(b)(3)(A), respectively.

On February 20, 1985, the Commission found reason to believe that CRGI and Charles Brooks, as treasurer, violated 2 U.S.C.

§ 441a(f) and § 434(b)(3)(A) and initiated an investigation of this matter.

The investigation conducted by this Office has revealed that the expenditures at issue were made in connection with two television advertisements. The advertisements were directed against Senator Charles H. Percy and were broadcast 62 times on WMAQ-TV, Chicago, from November 1, 1984 through November 5, 1984. Station copies of the advertisements obtained during the investigation revealed that the advertisements carried disclaimers stating "Paid for by Citizens For Responsible Government in Illinois."

The visual portion of the first advertisement consists of a photocopy of a newspaper column appearing in the Chicago Sun Times. Statements in the article are enlarged on the screen whenever they are quoted. The audio portion is as follows:

> "After 18 years as a glad-hander, Senator Charles H. Percy has turned into a mugger" says the Sun-Times political columnist, Matical Talbot.
>
> He goes on to say in his October 18th column: "Even a top executive in Percy's campaign privately questions the veracity of a Percy ad that takes Simon to task. Percy's ad is false," says Talbot.
>
> Read the whole column and decide whether Percy is really the kind of man you want representing you in the U.S. Senate.

In the second advertisement, the logos of certain corporations dot the screen and comprise the entire video portion of the ad. The audio portion is as follows:

> Charles Percy says he's the Illinois advantage, but he's more an advantage to himself in a big corporation.

> Percy supported the 1981 law that gave millions in tax breaks to companies like Inland Steel. But they still closed their southworks here.
>
> What did U.S. Steel do? It bought Marathon Oil and its billion dollar tax credits. What did Percy do? He sold his own Marathon stock for a one hundred thousand dollar profit.
>
> Advantage, Mr. Percy. Disadvantage, Illinois.

Contrary to the disclaimer accompanying these ads stating that they were paid for by CRGI, the investigation revealed that the costs attendant to the production and placement of the ads on the television were paid by Michael Goland. The sworn statements of counsel on behalf of Mr. Goland attest to this fact as do the reports filed by Mr. Goland with the Commission. Mr. Goland reported making expenditures to Subtle Communications for the production of the ads and, in addition, reported making expenditures to Focus Media for the placement of the ads on WMAQ-TV. Focus Media verified receiving payment from Mr. Goland by submitting copies of checks issued to them on Mr. Goland's personal account.

The available information does not fully explain the circumstances giving rise to the appearance of disclaimers on ads paid for by Michael Goland stating "Paid for by Citizens for Responsible Government in Illinois." The sworn statements of counsel on behalf of CRGI reveal that CRGI had several discussions with Michael Goland concerning the possible purchase of advertisements by CRGI from Mr. Goland. However, according to counsel, no agreement was ever reached between the two parties. In addition, counsel states that discussions also occurred with

respect to the possible purchase of air-time through Focus Media. According to counsel, CRGI authorized Michael Goland to negotiate with Focus Media on their behalf. Thomas E. Rubin of Focus Media and Michael Goland on behalf of CRGI had discussions regarding the possible purchase of air-time by CRGI. Mr. Goland and CRGI assert, however, that no agreement was ever reached nor was any contract ever entered into between Focus Media and CRGI.

The only statement provided by Michael Goland with regard to the disclaimer is as follows:

> I later spoke with an employee of Focus Media when I was informed by CRGI that they had been unable to raise funds. When informed by counsel that I could not loan CRGI any funds without it being counted as a contribution to CRGI or guarantee payment to Focus Media, I called Focus Media to inform them of the current situation. I instructed Focus Media to place a disclaimer on any ads being run with the commercial I had produced indicating that they had been paid for by me. I do not recall the full name of the person with whom I spoke at Focus Media, but I believe her first name was Pat.

On November 2, 1984, Michael Goland filed a 24 hour report with the Commission stating "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Senator Charles Percy of Illinois."

II. LEGAL ANALYSIS

The question here is whether, on the facts, it can be shown that CRGI had incurred a legal obligation to pay Focus Media for the placement of advertisements on WMAQ-TV, Chicago, and, whether CRGI accepted an excessive in-kind contribution from Mr. Goland in the form of a $150,000 payment to Focus Media in satisfaction

of CRGI's debts.

The sworn statements of counsel on behalf of Michael Goland and CRGI and the sworn statements submitted by Tom Rubin of Focus Media admit that discussions occurred with regard to the possible purchase of air-time by CRGI through Focus Media, however, the various parties assert that no oral or written agreement was ever entered into between Focus Media and CRGI. Hence, it does not appear that CRGI incurred any legal obligation to pay Focus Media for the purchase of air-time. Since no legal obligation was incurred, Mr. Goland's payment to Focus Media cannot be viewed as a payment in satisfaction of debts owed by CRGI.

Indeed, the facts indicate that Mr. Goland's payment to Focus Media did not represent the satisfaction of a debt obligation of any kind. Rather, Mr. Goland reported payment of $150,000 to Focus Media on October 31, 1981, the day prior to the airing of the ads. Presumably, the Focus Media would not have performed its services without receipt of payment as one of its conditions. In view of the foregoing, the Office of the General Counsel concludes that the payment by Michael Goland to Focus Media did not constitute a contribution in-kind to CRGI. Accordingly, we recommend that the Commission find no probable cause to believe that CRGI and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A) in connection with this matter.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find no probable cause to believe that Citizens for Responsible Government in Illinois and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A).

2. Close the file as it pertains to the respondents.

26 April 1986
Date

Charles N. Steele
General Counsel

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 29, 1986

David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg, Tunney & Evans
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

Based on a complaint filed with the Commission on November 2, 1984, the Commission determined on February 20, 1985, that there was reason to believe that your client had violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("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 of 2 U.S.C. § 441a(a)(1)(C) has occurred, but that it find probable cause to believe your client violated 2 U.S.C. § 441d. The Commission may or may not approve the General Counsel's recommendations.

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 client's 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 submit will be considered by the Commission before proceeding to a vote of probable cause or no probable cause to believe violations have occurred.

Should you have any questions, please contact Beverly Kramer, the staff member assigned to handle this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

3 7 0 4 0 5 4 2 3 1 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Michael Goland	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter originated from a complaint brought by Senator Charles H. Percy and his principal campaign committee, Citizens for Percy '84, on November 2, 1984. The case relates to expenditures made in connection with anti-Percy television advertisements which aired on WMAQ-TV, Chicago, during the five days preceding the general election held on November 6, 1984. The complaint attributed the ads to the Citizens for Responsible Government in Illinois, Inc. ("CRGI"), a non-connected political committee that registered with the Commission on October 25, 1984--just seven days prior to the date on which the ads began to air. The complaint alleged that CRGI failed to report independent expenditures for the ads within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

The public record revealed that less than two hours after the complaint was filed, CRGI filed a report with the Commission disclosing independent expenditures of $105,850 made to Tom Rubin and Associates (aka Focus Media Inc.) for anti-Percy television ads aired on WMAQ-Chicago. In a statement filed subsequent to the general election, CRGI declared that the expenditures were erroneously reported and that, consequently, they were "withdrawing" their independent expenditure report. On this same date, November 13, 1984, CRGI filed a letter seeking to terminate

its reporting obligations under the Act. The letter stated that CRGI "neither incurred any expenses nor made any expenditures or contributions during its brief 'paper' existence." CRGI later explained that they had anticipated they would be able to raise contributions to make expenditures for the ads but that the necessary funds were never raised.

Within the same reporting period as CRGI's disclosure, the public record revealed that Michael Goland, a person registered as making independent expenditures, filed a report with the Commission on November 2, 1984, disclosing independent expenditures of $150,000 to Focus Media for what appeared to be the same anti-Percy ads attributed to CRGI. The coincidence of the reporting raised questions concerning the relationship of Mr. Goland to CRGI. The most troublesome scenario that could be drawn based on available information suggested the possibility that CRGI may have had a contract with Focus Media to pay for the ads, but that as it became apparent they would be unable to meet their financial obligation, they may have sought financial assistance from Michael Goland. Mr. Goland's expenditures to Focus Media to satisfy CRGI's debts would constitute a contribution in-kind exceeding the $5,000 contribution limit of 2 U.S.C. § 441a(a)(1)(C).

On February 20, 1985, the Commission found reason to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive contribution in-kind to CRGI and initiated an investigation.

The investigation conducted by this Office has revealed that the expenditures at issue were made in connection with two television ads. The ads were directed against Senator Charles H. Percy and were broadcast 62 times on WMAQ-TV, Chicago, from November 1, 1984 through November 5, 1984. Station copies of the ads obtained during the investigation revealed that they carried disclaimers stating "Paid for by Citizens For Responsible Government in Illinois."

The visual portion of the first ad consists of a photocopy of a newspaper column appearing in the Chicago Sun Times. Statements in the article are enlarged on the screen whenever they are quoted. The audio portion is as follows:

> "After 18 years as a glad-hander, Senator Charles H. Percy has turned into a mugger" says the Sun-Times political columnist, Matical Talbot.
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In the second ad, the logos of certain corporations dot the screen and comprise the entire video portion of the ad. The audio portion is as follows:

> Charles Percy says he's the Illinois advantage, but he's more an advantage to himself in a big corporation.

> Percy supported the 1981 law that gave millions in tax breaks to companies like Inland Steel. But they still closed their southworks here.
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> What did U.S. Steel do? It bought Marathon Oil and its billion dollar tax credits. What did Percy do? He sold his own Marathon stock for a one hundred thousand dollar profit.
>
> Advantage, Mr. Percy. Disadvantage, Illinois.

Contrary to the disclaimer accompanying these ads stating that they were paid for by CRGI, the investigation revealed that the costs attendant to the production and placement of the ads on the television were paid by Michael Goland. The sworn statements of counsel on behalf of Mr. Goland attest to this fact as do the reports filed by Mr. Goland with the Commission. Mr. Goland reported making expenditures to Subtle Communications for the production of the ads and, in addition, reported making expenditures to Focus Media for the placement of the ads on WMAQ-TV. Focus Media verified receiving payment from Mr. Goland by submitting copies of checks issued to them on Mr. Goland's personal account.

The available information does not fully explain the circumstances giving rise to the appearance of disclaimers on ads paid for by Michael Goland stating "Paid for by Citizens for Responsible Government in Illinois." The sworn statements of counsel on behalf of CRGI reveal that CRGI had several discussions with Michael Goland concerning the possible purchase of ads by CRGI from Mr. Goland. However, according to counsel, no agreement was ever reached between the two parties. In addition, counsel states that discussions also occurred with

respect to the possible purchase of air-time through Focus Media. According to counsel, CRGI authorized Michael Goland to negotiate with Focus Media on their behalf. Thomas E. Rubin of Focus Media and Michael Goland on behalf of CRGI had discussions regarding the possible purchase of air-time by CRGI. Mr. Goland and CRGI assert, however, that no agreement was ever reached nor was any contract ever entered into between Focus Media and CRGI.

The only statement provided by Michael Goland with regard to the disclaimer is as follows:

> I later spoke with an employee of Focus Media when I was informed by CRGI that they had been unable to raise funds. When informed by counsel that I could not loan CRGI any funds without it being counted as a contribution to CRGI or guarantee payment to Focus Media, I called Focus Media to inform them of the current situation. I instructed Focus Media to place a disclaimer on any ads being run with the commercial I had produced indicating that they had been paid for by me. I do not recall the full name of the person with whom I spoke at Focus Media, but I believe her first name was Pat.

On November 2, 1984, Michael Goland filed a 24 hour report with the Commission stating "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Senator Charles Percy of Illinois."

II. LEGAL ANALYSIS

The question here is whether, on the facts, it can be shown that CRGI had incurred a legal obligation to pay Focus Media for the placement of ads on WMAQ-TV, Chicago, and, whether Michael Goland made a payment of $150,000 to Focus Media in satisfaction of CRGI's debts thereby making a contribution in-kind to CRGI that exceeded the $5000 contribution limit of 2 U.S.C.

§ 441a(a)(1)(C) in violation of this section.

The sworn statements of counsel on behalf of Michael Goland and CRGI and the sworn statements submitted by Tom Rubin of Focus Media admit that discussions occurred with regard to the possible purchase of air-time by CRGI through Focus Media, however, the various parties assert that no oral or written agreement was ever entered into between Focus Media and CRGI. Hence, it does not appear that CRGI incurred any legal obligation to pay Focus Media for the purchase of air-time. Since no legal obligation was incurred, Mr. Goland's payment to Focus Media cannot be viewed as a payment in satisfaction of debts owed by CRGI.

Indeed, the facts indicate that Mr. Goland's payment to Focus Media did not represent the satisfaction of a debt obligation of any kind. Rather, Mr. Goland reported payment of $150,000 to Focus Media on October 31, 1981, the day prior to the airing of the ads. Presumably, the Focus Media would not have performed its services without receipt of payment as one of its conditions. In view of the foregoing, the Office of the General Counsel concludes that the payment by Michael Goland to Focus Media did not constitute a contribution in-kind to CRGI. Accordingly, we recommend that the Commission find no probable cause to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

An ancillary issue arising out of information discovered in the course of this investigation is whether Michael Goland violated 2 U.S.C. § 441d by placing misleading disclaimers on ads paid for by him stating that they were paid for by CRGI.

Section 441d of the Federal Election Campaign Act states, in part, that whenever any person makes an expenditure for a communication that expressly advocates the election or defeat of a clearly identified candidate, such communication shall clearly state the name of the person who paid for the communication, and state whether the communication was authorized by any candidate or candidate's committee. Commission regulation 11 C.F.R. § 109.1(b)(2) defines express advocacy as a message that advocates election or defeat, including such expressions as "vote for," "elect" or "defeat." Therefore, if the ads in this case expressly advocate the election or defeat of a clearly identified candidate, Michael Goland has violated 2 U.S.C. § 441d by placing improper disclaimers on his advertisements.

In Buckley v. Valeo, 424 U.S. 1 (1976), the Supreme Court held that in order for the government to regulate expressive political activity, such activity must "in express terms advocate the election or defeat of a clearly identified candidate for federal office." Buckley, 424 at 44. The Court found that express advocacy is typified by such words of exhortation as "vote for," "elect," "support," "cast your ballot for," "Smith for Congress," "vote against," "defeat" and "reject." Buckley, 424 U.S. at 44 n.52. In the instant case, the first of two ads financed by Michael Goland (see discussion infra at pages 3 and 4) expressly advocates the defeat of a candidate for Federal office in words which clearly fall within the scope of the examples listed in Buckley and incorporated by Commission

Regulation 11 C.F.R. § 109.1(b)(2).

The first ad quotes an article in the Chicago Sun-Times charging that "Senator Charles Percy has turned into a mugger." It continues to quote the article saying "Even a top executive in Percy's campaign privately questions the veracity of a Percy ad that takes Simon to task. Percy's ad is False." The ad concludes with the statement "Read the whole column and decide whether Percy is the kind of man you want representing you in the U.S. Senate."

A fair reading of Mr. Goland's ad leaves little doubt that it advocates Senator Charles Percy's defeat. The ad, which was aired on the eve of the general election, makes disparaging remarks about Senator Percy. It quotes an article from a newspaper in Senator Percy's home state accusing him of turning into a "mugger" and stating that even a top executive in his campaign privately questions Senator Percy's campaign tactics. The ad continues with the exhortation "Read the whole column and decide whether Percy is really the kind of man you want representing you in the U.S. Senate." When read in the context of the entire ad, this exhortation plainly calls for the defeat of Senator Charles Percy in the general election. The viewer is asked to read an article which contains disparaging remarks about Senator Percy and, based on this reading, is asked to decide whether Percy is the kind of man he wants representing him in the U.S. Senate -- a result that can only be stopped by voting Senator Percy out of office in the general election.

This plain meaning of the ad is confirmed by the fact that it was aired for five consecutive days preceding the general election when the campaign was virtually over and the only action left for the viewer to take was to vote.

The second ad at issue, while critical of Senator Percy's conduct in office, does not incite or induce any responsive action whatsoever by the viewer. Consequently, it does not meet the standard of express advocacy and the disclaimer provisions of 2 U.S.C. § 441d do not apply.

In view of the foregoing analysis, this Office concludes that the disclaimer provision of 2 U.S.C. § 441d applies to the first ad at issue. Since Mr. Goland, by his own admission, placed an incorrect disclaimer on the ad stating that it was financed by someone other than himself and failed to state whether it was authorized by any candidate or candidate's committee, we recommend that the Commision find probable cause to believe Michael Goland violated 2 U.S.C. § 441d.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find no probable cause to believe Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

2. Find probable cause to believe Michael Goland violated 2 U.S.C. § 441d.

26 April 1986
Date

Charles N. Steele
General Counsel

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 29, 1986

William C. Oldaker, Esquire
Edstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 1842
Citizens for Responsible
Government in Illinois,
Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

Based on a complaint filed with the Commission on November 2, 1984, the Commission determined on February 20, 1985, that there was reason to believe that your clients had violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A), provisions of the Federal Election Campaign Act of 1971, as amended ("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 clients' 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 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 Beverly Kramer, the staff member assigned to handle this matter, at (202)376-8200.

Sincerely,

Charles N. Steele
General Counsel

Enclosure
Brief

3 7 1 1 0 6 4 2 3 2 3

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Citizens for Responsible	)	
Government in Illinois, Inc.	)	
Charles Brooks, as treasurer	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter originated from a complaint brought by Senator Charles H. Percy and his principal campaign committee, Citizens for Percy '84, on November 2, 1984. The case relates to expenditures made in connection with anti-Percy television ads which aired on WMAQ-TV, Chicago, during the five days preceding the general election held on November 6, 1984. The complaint attributed the ads to the Citizens for Responsible Government in Illinois, Inc. ("CRGI"), a non-connected political committee that registered with the Commission on October 25, 1984--just seven days prior to the date on which the ads began to air. The complaint alleged that CRGI failed to report independent expenditures for the ads within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

The public record revealed that less than two hours after the complaint was filed, CRGI filed a report with the Commission disclosing independent expenditures of $105,850 made to Tom Rubin and Associates (aka Focus Media Inc.) for anti-Percy television ads aired on WMAQ-Chicago. In a statement filed subsequent to the general election, CRGI declared that the expenditures were erroneously reported and that, consequently, they were "withdrawing" their independent expenditure report. On this same date, November 13, 1984, CRGI filed a letter seeking to terminate

its reporting obligations under the Act. The letter stated that CRGI "neither incurred any expenses nor made any expenditures or contributions during its brief 'paper' existence." CRGI later explained that they had anticipated they would be able to raise contributions to make expenditures for the ads but that the necessary funds were never raised.

Within the same reporting period as CRGI's disclosure, the public record revealed that Michael Goland, a person registered as making independent expenditures, filed a report with the Commission on November 2, 1984, disclosing independent expenditures of $150,000 to Focus Media for what appeared to be the same anti-Percy ads attributed to CRGI. The coincidence of the reporting raised questions concerning the relationship of Mr. Goland to CRGI. The most troublesome scenario that could be drawn based on available information suggested the possibility that CRGI may have had a contract with Focus Media to pay for the ads, but that as it became apparent they would be unable to meet their financial obligation, they may have sought financial assistance from Michael Goland. Mr. Goland's expenditures to Focus Media to satisfy CRGI's debts would constitute a contribution in-kind exceeding the $5,000 contribution limit of 2 U.S.C. § 441a(a)(1)(C). CRGI's acceptance of the excessive contribution and its failure to report the receipt of such contribution would constitute violations of 2 U.S.C. § 441a(f) and § 434(b)(3)(A), respectively.

On February 20, 1985, the Commission found reason to believe that CRGI and Charles Brooks, as treasurer, violated 2 U.S.C.

§ 441a(f) and § 434(b)(3)(A) and initiated an investigation of this matter.

The investigation conducted by this Office has revealed that the expenditures at issue were made in connection with two television advertisements. The advertisements were directed against Senator Charles H. Percy and were broadcast 62 times on WMAQ-TV, Chicago, from November 1, 1984 through November 5, 1984. Station copies of the advertisements obtained during the investigation revealed that the advertisements carried disclaimers stating "Paid for by Citizens For Responsible Government in Illinois."

The visual portion of the first advertisement consists of a photocopy of a newspaper column appearing in the Chicago Sun Times. Statements in the article are enlarged on the screen whenever they are quoted. The audio portion is as follows:

> "After 18 years as a glad-hander, Senator Charles H. Percy has turned into a mugger" says the Sun-Times political columnist, Matical Talbot.
>
> He goes on to say in his October 18th column: "Even a top executive in Percy's campaign privately questions the veracity of a Percy ad that takes Simon to task. Percy's ad is false," says Talbot.
>
> Read the whole column and decide whether Percy is really the kind of man you want representing you in the U.S. Senate.

In the second advertisement, the logos of certain corporations dot the screen and comprise the entire video portion of the ad. The audio portion is as follows:

> Charles Percy says he's the Illinois advantage, but he's more an advantage to himself in a big corporation.

> Percy supported the 1981 law that gave millions in tax breaks to companies like Inland Steel. But they still closed their southworks here.
>
> What did U.S. Steel do? It bought Marathon Oil and its billion dollar tax credits. What did Percy do? He sold his own Marathon stock for a one hundred thousand dollar profit.
>
> Advantage, Mr. Percy. Disadvantage, Illinois.

Contrary to the disclaimer accompanying these ads stating that they were paid for by CRGI, the investigation revealed that the costs attendant to the production and placement of the ads on the television were paid by Michael Goland. The sworn statements of counsel on behalf of Mr. Goland attest to this fact as do the reports filed by Mr. Goland with the Commission. Mr. Goland reported making expenditures to Subtle Communications for the production of the ads and, in addition, reported making expenditures to Focus Media for the placement of the ads on WMAQ-TV. Focus Media verified receiving payment from Mr. Goland by submitting copies of checks issued to them on Mr. Goland's personal account.

The available information does not fully explain the circumstances giving rise to the appearance of disclaimers on ads paid for by Michael Goland stating "Paid for by Citizens for Responsible Government in Illinois." The sworn statements of counsel on behalf of CRGI reveal that CRGI had several discussions with Michael Goland concerning the possible purchase of advertisements by CRGI from Mr. Goland. However, according to counsel, no agreement was ever reached between the two parties. In addition, counsel states that discussions also occurred with

respect to the possible purchase of air-time through Focus Media. According to counsel, CRGI authorized Michael Goland to negotiate with Focus Media on their behalf. Thomas E. Rubin of Focus Media and Michael Goland on behalf of CRGI had discussions regarding the possible purchase of air-time by CRGI. Mr. Goland and CRGI assert, however, that no agreement was ever reached nor was any contract ever entered into between Focus Media and CRGI.

The only statement provided by Michael Goland with regard to the disclaimer is as follows:

> I later spoke with an employee of Focus Media when I was informed by CRGI that they had been unable to raise funds. When informed by counsel that I could not loan CRGI any funds without it being counted as a contribution to CRGI or guarantee payment to Focus Media, I called Focus Media to inform them of the current situation. I instructed Focus Media to place a disclaimer on any ads being run with the commercial I had produced indicating that they had been paid for by me. I do not recall the full name of the person with whom I spoke at Focus Media, but I believe her first name was Pat.

On November 2, 1984, Michael Goland filed a 24 hour report with the Commission stating "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Senator Charles Percy of Illinois."

II. LEGAL ANALYSIS

The question here is whether, on the facts, it can be shown that CRGI had incurred a legal obligation to pay Focus Media for the placement of advertisements on WMAQ-TV, Chicago, and, whether CRGI accepted an excessive in-kind contribution from Mr. Goland in the form of a $150,000 payment to Focus Media in satisfaction

of CRGI's debts.

The sworn statements of counsel on behalf of Michael Goland and CRGI and the sworn statements submitted by Tom Rubin of Focus Media admit that discussions occurred with regard to the possible purchase of air-time by CRGI through Focus Media, however, the various parties assert that no oral or written agreement was ever entered into between Focus Media and CRGI. Hence, it does not appear that CRGI incurred any legal obligation to pay Focus Media for the purchase of air-time. Since no legal obligation was incurred, Mr. Goland's payment to Focus Media cannot be viewed as a payment in satisfaction of debts owed by CRGI.

Indeed, the facts indicate that Mr. Goland's payment to Focus Media did not represent the satisfaction of a debt obligation of any kind. Rather, Mr. Goland reported payment of $150,000 to Focus Media on October 31, 1981, the day prior to the airing of the ads. Presumably, the Focus Media would not have performed its services without receipt of payment as one of its conditions. In view of the foregoing, the Office of the General Counsel concludes that the payment by Michael Goland to Focus Media did not constitute a contribution in-kind to CRGI. Accordingly, we recommend that the Commission find no probable cause to believe that CRGI and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A) in connection with this matter.

III. GENERAL COUNSEL'S RECOMMENDATION

1. Find no probable cause to believe that Citizens for Responsible Government in Illinois and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A).

2. Close the file as it pertains to the respondents.

26 April 1986
Date

Charles N. Steele
General Counsel

3704043330

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel RD

DATE: March 27, 1986

SUBJECT: MUR 1842 - General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[ ]	Compliance	[XX]
Sensitive	[ ]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[XX]	Status Sheets	[ ]
Sensitive	[XX]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

3 7 1 1 0 5 4 3 3 1

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	86 MAR 27 P4:55
Citizens for Responsible	)	
Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, as treasurer	)	
Michael Goland	)	

GENERAL COUNSEL'S REPORT

The Office of General Counsel is prepared to close the investigation in this matter as to the above-referenced respondents, based on the assessment of the information presently available.

26 March 1986
Date

Charles N. Steele
General Counsel

9704064332

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 30, 1985

Gerald F. Lutkus
Rueben & Proctor
19 South LaSalle Street
Chicago, Illinois 60603

RE: MUR 1842
WMAQ-TV, Chicago

Dear Mr. Lutkus:

Enclosed is a check for $100 payable to the National Broadcasting Company to cover your client's costs in providing witness materials in response to the Commission's subpoena issued to WMAQ-TV on October 11, 1985.

We appreciate your client's assistance in this matter. If you have any questions, please contact Beverly Kramer, the staff member handling this matter, at (202) 376-8200.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure
Check

TREASURY
BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

WASHINGTON, D. C.

Check No. 25,831,136

SYMBOL 3005

DO NOT FOLD, SPINDLE OR MUTILATE

KNOW YOUR ENDORSER .. REQUIRE IDENTIFICATION

United States Treasury 15-51/000

PAY TO THE ORDER OF MAT BROADCASTING CO

DOLLARS	CTS.
$***100	00

MONTH	DAY	YEAR
12	11	85

95350001

F E C
WASH DC
W6082

FE6AW035 WIT FEE

⑈30052⑈ ⑆000000518⑆ 25831136⑈

REUBEN & PROCTOR
19 SOUTH LA SALLE STREET
CHICAGO, ILLINOIS 60603
TWX NO. 910-221-5346

CENTRAL NUMBER
(312) 558-5500

TO CALL WRITER DIRECT
(312) 558- 6381

RECEIVED AT THE FEC
HAND DELIVERED
85 NOV 18 A10:45
GCC#8956

November 15, 1985

VIA FEDERAL EXPRESS

Ms. Beverly Kramer
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1842

Dear Ms. Kramer:

Enclosed is a VHS copy of the two advertisements sponsored by Citizens for Responsible Government, Inc. broadcast by WMAQ-TV, Chicago, Illinois, on November 1, 1984 that fall within the terms of your subpoena.

As I explained on the telephone, there were only two advertisements sponsored by this group which were broadcast during the November 1-5 period covered by your subpoena. Therefore, I have sent you a tape with two copies of each advertisement as they were broadcast on November 1. The advertisements broadcast on November 2-5 were the same as those broadcast on November 1.

I would like to apologize for the quality of this tape. As I told you during our recent telephone conversation, the original advertisements were destroyed or returned pursuant to normal station practices, and these copies had to be made off of the station's A.V. Logger. As a result, the quality of the reproduction is very poor.

It is our understanding that this production fully satisfies the terms of your subpoena. Please send me a check for $100 payable to National Broadcasting Company, Inc., to cover our client's costs in reproducing this tape. Thank you.

If you have questions about this, please feel free to contact me.

Very truly yours,

Gerald F. Lutkus

GFL/gb
Enclosure

GCC# 8877

BEFORE THE FEDERAL ELECTION COMMISSION

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
'85 NOV 7 A8:52

In The Matter of	)	
	)	
Citizens for Responsible	)	
Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, as treasurer	)	

RESPONSE OF RESPONDENT MICHAEL GOLAND
TO SUPPLEMENTAL QUESTIONS

1. State whether you had any conversations, communications, or meetings with Thomas E. Rubin of Focus Media, Inc. concerning the Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI"). If so:

   a. List the dates of those discussions.

   b. Describe the substance of those discussions.

   c. Explain how CRGI's name entered into these discussions.

   d. State whether you made the initial contact with Thomas E. Rubin concerning CRGI.

ANSWER:

To the best of my recollection during the period in question, I had one conversation with Thomas E. Rubin. I believe that conversation occurred by telephone some time during October 1984. I discussed with Mr. Rubin whether Focus Media would be willing to purchase time on behalf of CRGI.

2. State whether you had discussions with Focus Media, Inc. concerning their purchase of advertising/media time for CRGI. If so:

   a. List the dates of those discussions.

   b. Identify the person with whom you had those discussions.

   c. Describe the substance of those discussions.

8771014277

ANSWER:

In addition to my conversation with Thomas E. Rubin described in Answer to Supplemental Question #1, I later spoke with an employee of Focus Media when I was informed by CRGI that they had been unable to raise funds. When informed by counsel that I could not loan CRGI any funds without it being counted as a contribution to CRGI or guarantee payment to Focus Media, I called Focus Media to inform them of the current situation. I instructed Focus Media to place a disclaimer on any ads being run with the commercial I had produced indicating that they had been paid for by me. I do not recall the full name of the person with whom I spoke at Focus Media, but I believe her first name was Pat.

3. State whether you had discussions with Focus Media, Inc. concerning the commission or fee they would receive for purchasing advertising/media time for CRGI. If so:

a. List the dates of those discussions.

b. Identify the persons with whom you had those discussions.

c. Describe the substance of those discussions.

ANSWER:

I had no discussions with Focus Media, Inc. concerning the commission or fee they would receive for purchasing advertising/media time for CRGI.

4. State whether you negotiated with Focus Media, Inc. on behalf of CRGI concerning the commissions Focus Media, Inc. would receive for purchasing advertising/media time for CRGI. If so:

a. List the dates in which the negotiations occurred.

b. Identify all persons participating in the negotiations.

c. Describe the terms of any agreement that was reached.

d. State whether you were authorized by CRGI to negotiate on its behalf and, if so, identify the persons from whom you received authorization.

ANSWER:

I did not negotiate with Focus Media, Inc. on behalf of CRGI concerning the commissions Focus Media, Inc. would receive for purchasing advertising/media time for CRGI.

5. State whether you made an oral agreement with Thomas E. Rubin that Focus Media, Inc. would receive a 15% fee for all services rendered in connection with the purchase of advertising/media time for CRGI.

ANSWER:

I did not make an oral agreement with Thomas E. Rubin that Focus Media, Inc. would receive a 15% fee for all services rendered in connection with the purchase of advertising/media time for CRGI.

6. In response to questions issued by the Commission on February 28, 1984, you state that you paid for the production and placement costs of advertisements against Senator Charles Percy of Illinois which aired on WMAG-Chicago, beginning November 1, 1984. State whether a disclaimer appeared on these ads and, if so, state what the disclaimer read.

ANSWER:

I did not see the advertisements in question when they appeared on WMAG-Chicago and have no personal knowledge as to what the disclaimer stated. It is my understanding the disclaimer erroneously identified CRGI as paying for the advertisements despite my efforts to have the disclaimer indicate that the advertisements were paid by me as indicated in the reports I filed with the Federal Election Commission at the time.

Respondent reserves the right to supplement his answers if additional information comes into his possession.

Respectfully submitted,

David N. Ifshin
Counsel for Michael Goland

REUBEN & PROCTOR

19 SOUTH LA SALLE STREET

CHICAGO, ILLINOIS 60603

TWX NO. 910-221-5346

CENTRAL NUMBER
(312) 558-5500

TO CALL WRITER DIRECT
(312) 558 6381

RECEIVED AT THE FEC
GCCH 8905
85 NOV 8 P12:52

November 4, 1985

85 NOV 8 P1:55

Ms. Beverly Kramer
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1842

Dear Ms. Kramer:

As you know, this firm represents National Broadcasting Company, Inc., the licensee of television station WMAQ-TV in Chicago.

We are in receipt of the Federal Election Commission subpoena dated October 10, 1985, and are in the process of locating the materials responsive to your subpoena. As I explained during our telephone conversation, a union jurisdictional question at WMAQ-TV has delayed our response. We will have the tapes for you very soon and we appreciate your courtesy in waiving the subpoena's ten-day response deadline.

For your information, the commericals which you will receive will be copies of the advertisements which were aired because, according to station policy, all political commercials are destroyed after they are broadcast. In addition, there is a $100 charge to cover our client's costs in locating and copying the subpoenaed materials.

Thank you for your cooperation.

Very truly yours,

Gerald F. Lutkus

Gerald F. Lutkus

GFL/gb

GCC # 8834

BEFORE THE FEDERAL ELECTION COMMISSION

In The Matter Of	)	
	)	
Citizens for Responsible	)	
Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, as treasurer	)	

OCT 30 P3:28

RESPONSE OF CITIZENS FOR RESPONSIBLE
GOVERNMENT IN ILLINOIS, INC.
AND CHARLES BROOKS TO SUPPLEMENTAL QUESTIONS

1. Your response states: "Charles Brooks, along with other individuals decided sometime in October of 1984 to establish a non-connected political action committee to make contributions and expenditures in support of and in opposition to Federal candidates."

   a. Identify the "other individuals" referenced in your response.

ANSWER:

The phrase "other individuals" in our response refers to the fact that Charles Brooks had various discussions regarding the possible establishment of CRGI. None of these "other individuals", however, actually contributed to CRGI and/or has a legal relationship with the entity.

2. Your response states: "Discussions between the Committee and Tom Rubin & Associates regarding the purchase of air time also occurred."

   a. Clarify this statement by providing:

      - the identities of the persons participating in the discussions;

      - the dates on which the discussions occurred

      - the substance of the discussions

b. State whether any agreement was reached as a result of these discussions. If so, state the terms of the agreement. State whether the agreement was ever rescinded. State whether the agreement was ever modified and, if so, describe any changes in the terms of the agreement.

ANSWER:

a. To the best of our knowledge, Thomas E. Rubin of Focus Media and Michael Goland on behalf of CRGI had discussions regarding the possible purchase of air time by CRGI. We are unaware of the dates on which the discussions occurred or the precise substance of the discussions.

b. No agreement was ever reached nor was any contract ever entered into between CRGI and Focus Media.

3. State whether CRGI made an oral agreement with Tom Rubin & Associates to pay a 15% fee for services to be rendered in connection with the purchase of air time for the advertisements.

ANSWER:

Discussions regarding a 15% fee may have taken place between Thomas Rubin and Michael Goland. However, as stated in our answer to Question 2b supra, no agreement was ever reached nor was any contract ever entered into between CRGI and Focus Media.

4. State whether CRGI authorized Michael Goland to negotiate on its behalf with Tom Rubin & Associates for services to be rendered in connection with the purchase of air time for the advertisements. If so:

a. State whether the negotiations occurred.

b. List the dates on which the negotiations occurred.

c. Identify all persons participating in the negotiations.

d. State whether any agreement was reached as a result of these negotiations. If so, state the agreement was ever rescinded. State whether the agreement was ever modified and, if so, describe any changes in the terms of the agreement.

ANSWER:

Yes, CRGI authorized Michael Goland to negotiate on its behalf with Thomas Rubin of Focus Media regarding services to be rendered in connection with the possible purchase of air time for GRGI.

a. Yes.

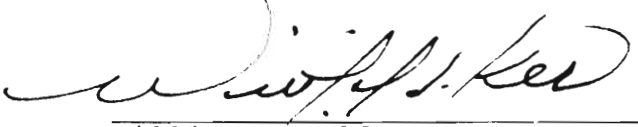
b. Sometime in late October and possibly November of 1984.

c. To the best of our knowledge, Michael Goland and Thomas E. Rubin.

d. No agreement was ever reached as a result of these negotiations.

Respondents reserve the right to supplement their answers to the Commissions's Supplemental Questions if additional information comes into their possession.

Respectfully submitted,



William C. Oldaker
Counsel for Respondents,
Citizens for Responsible
Government in Illinois, Inc. and
Charles Brooks, Treasurer

RECEIVED AT THE FEC
CCC# 8810
85 OCT 28 A9:33

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

ALLAN ALBALA
JEROME L. LEVINE
ALLEN I. NEIMAN
JEROME S. BILLET
JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

TELEPHONE
(213) 824-5100
TELEX 910-342-6507

OF COUNSEL
DAVID WEISS

October 25, 1985

BY FEDERAL EXPRESS

Kenneth A. Gross, Esq.
FEDERAL ELECTION COMMISSION
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Focus Media, Inc. -
Federal Election Commission Subpoena

Your File No. MUR 1842

Dear Mr. Gross:

Enclosed please find the Supplemental Responses of Focus Media, Inc. and Thomas E. Rubin to the above-described Subpoena.

Very truly yours,

NEIMAN BILLET ALBALA & LEVINE

Susan H. Green

SUSAN H. GREEN

SHG/bd
Enclosure

8 7 7 1 7 5 4 3 3 4 4

NEIMAN BILLET ALBALA & LEVINE
10960 WILSHIRE BOULEVARD, SUITE 1908
LOS ANGELES, CALIFORNIA 90024-3877
(213) 824-5100
ATTORNEYS FOR ~~THOMAS E. RUBIN and~~
FOCUS MEDIA, INC.

BEFORE THE FEDERAL ELECTION COMMISSION

In The Matter Of SUBPOENA TO PRODUCE DOCUMENTS, ORDER TO SUBMIT WRITTEN ANSWERS SUBMITTED TO TOM RUBIN, PRESIDENT, FOCUS MEDIA, INC.	CASE NO. MUR 1842 SUPPLEMENTAL RESPONSES TO SUBPOENA

RESPONSE TO SUPPLEMENTAL QUESTION NO. 1:

A. With respect to those who agreed to purchase time for CRGI in connection with the described advertisements, "we" refers to TOM RUBIN acting on behalf of FOCUS MEDIA, INC. With respect to those who later learned that CRGI had been unable to raise the necessary funds for the described advertisements, "we" refers to TOM RUBIN and perhaps other employees of FOCUS MEDIA, INC.

B. Michael Goland.

C. Yes, I did have discussions with Michael Goland concerning fOCUS MEDIA's agreeing to purchase time for the advertisements. I do not recall what representations, if any, Michael Goland made concerning his authority to negotiate on behalf of CRGI.

RESPONSE TO SUPPLEMENTAL QUESTION NO. 2:

A. Yes, as indicated in response to question no. 16.

B. The person or entity purchasing or running the advertisements was responsible for paying Focus Media's commission. Initially, it was envisioned CRGI would pay the commission. However, as CRGI was unable to raise the necessary funds to pay for the advertisements, Michael Goland in his personal capacity purchased the time and ran the advertisements and therefore was personally and solely liable for satisfying Focus Media's commissions.

C. See subpart B, above.

VERIFICATION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I, the undersigned, say:

I have read the foregoing SUPPLEMENTAL RESPONSES TO SUBPOENA

and know its contents.

☒ CHECK APPLICABLE PARAGRAPH

XX I am a party to this action. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am ☐ an officer ☐ a partner ☐ a (n) _____ of _____

_____

a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I am informed and believe and on that ground allege that the matters stated in it are true.

☐ I am one of the attorneys for _____, a party to this action. Such party is absent from the county of aforesaid where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in it are true.

I certify (or declare) under penalty of perjury under the laws of California that the foregoing is true and correct.

Executed on October 25, 19 85.

THOMAS E. RUBIN, President Of
FOCUS MEDIA, INC.

ACKNOWLEDGMENT OF RECEIPT OF DOCUMENT

I Received a copy of the document described as _____

on _____ 19____.

_____

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 29, 1985

David M. Ifshin
Manatt, Phelps, Rothenberg
Tunney & Evans
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

This is in reference to your letter dated October 23, 1985, requesting an extension until November 1, 1985, to respond to the Commission's Order to submit written answers. After considering the circumstances presented in your letter, the Office of the General Counsel has determined to grant you your requested extension. Accordingly, your response will be due on November 1, 1985.

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

GCC# 8788

MANATT, PHELPS, ROTHENBERG, TUNNEY & EVANS
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N. W.
SUITE 200
WASHINGTON, D. C. 20036

TELEPHONE (202) 463-4300

LOS ANGELES
11355 WEST OLYMPIC BOULEVARD
LOS ANGELES, CALIFORNIA 90064
(213) 312-4000

October 23, 1985

85 OCT 23 P 1:52
GENERAL COUNSEL

HAND DELIVERED

Beverly Kramer
Federal Election Commission
Office of the General Counsel
1325 K Street, N.W.
7th floor
Washington, D.C. 20463

Re: Michael Goland, MUR 1842

Dear Ms. Kramer:

This letter is to confirm our telephone conversation of October 21, 1985, confirming that the date for the submission of answers to the interrogatories submitted to Michael Goland has been extended until November 1, 1985.

Mr. Goland was married on October 6, 1985, and is presently on his honeymoon. While we are not certain at this time of the date he will return, the extension granted should provide us with sufficient time to consult with him in order to prepare the answers.

Thank you for your cooperation.

Sincerely,

David M. Ifshin
Manatt, Phelps, Rothenberg,
Tunney & Evans

DMI/ppl

9704743349

Form 3811 Jan 1979

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
   - [X] Show to whom and date delivered ..... ___ ¢
   - [ ] Show to whom, date and address of delivery ..... ___ ¢
   - [ ] RESTRICTED DELIVERY
     Show to whom and date delivered ..... ___ ¢
   - [ ] RESTRICTED DELIVERY
     Show to whom, date, and address of delivery $ ___

   (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
   William C. Oldaker, Esq.
   Epstein, Becker, Borsody & Green, P.C.
   1140 19th St., N.W.
   Washington, D.C. 20036-6601

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	945210	

(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE: [ ] Addressee [X] Authorized agent

C. Spencer

4. DATE OF DELIVERY: OCT 15 1985 — POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: — CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MUR 1842 Kramer

GPO 1979 288 848

9 7 1 1 0 5 4 1 3 0

PS Form 3811, Jan. 1979

SENDER: Complete items 1, 2, and 3
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one)
- [X] Show to whom and date delivered. . . . . ___ ¢
- [ ] Show to whom, date and address of delivery. . . ___ ¢
- [ ] RESTRICTED DELIVERY
  Show to whom and date delivered. . . . . ___ ¢
- [ ] RESTRICTED DELIVERY.
  Show to whom, date, and address of delivery. $ ___

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO
Susan H. Green
Neiman, Billet, Albala & Levine
10960 Wilshire Blvd. Suite 1908
Los Angeles, CA 90024-3877

3. ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	94321	

(Always obtain signature of addressee or agent)

I have received the article described above
SIGNATURE [ ] Addressee [X] Authorized agent

4. DATE OF DELIVERY
ST OCT 15 1985

POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

☆GPO 1979 288-848

MUR 1842 Kramer

Form 3811, Jan. 1979

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one.)
   - [x] Show to whom and date delivered..... ___ ¢
   - [ ] Show to whom, date and address of delivery..... ___ ¢
   - [ ] RESTRICTED DELIVERY
     Show to whom and date delivered..... ___ ¢
   - [ ] RESTRICTED DELIVERY
     Show to whom, date, and address of delivery $___

   (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:
David M. Ifshin, Esq.
Manatt, Phelps, Rothenberg & Tunney
1200 New Hampshire Ave., NW Suite 200
Washington, D.C. 20036-[redacted]

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	943269	

(Always obtain signature of addressee or agent)

I have received the article described above
SIGNATURE ☐ Addressee ☐ Authorized agent

4. DATE OF DELIVERY 10/10/82 — POSTMARK

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE: — CLERK'S INITIALS

☆GPO 1979-288-848

MUR 1842 Kramer

9 7 1 1 7 6 4 3 7 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Citizens for Responsible	)	
Government in Illinois, Inc.	)	
Charles Brooks, treasurer	)	
Michael Goland	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 7, 1985, the Commission decided by a vote of 4-0 to take the following actions in MUR 1842:

1. Authorize the issuance of the order and cover letter to Thomas E. Rubin of Focus Media, Inc. attached to the General Counsel's Report signed October 1, 1985.

2. Authorize the issuance of the order and cover letter to Citizens for Responsible Government in Illinois, Inc. attached to the General Counsel's Report signed October 1, 1985.

3. Authorize the issuance of the order and cover letter to Michael Goland attached to the General Counsel's Report signed October 1, 1985.

(Continued)

4. Authorize the issuance of the subpoena and cover letter to WMAQ-TV, Chicago attached to the General Counsel's Report signed October 1, 1985.

Commissioners Aikens, Elliott, Josefiak, and McDonald voted affirmatively in this matter; Commissioners Harris and McGarry did not cast a vote.

Attest:

10-7-85
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

2 7 1 1 4 4 7 5 4

Received in Office of Commission Secretary: Wed., 10-2-85, 4:42
Circulated on 48 hour tally basis: Thur., 10-3-85, 11:00
Deadline for votes: Mon., 10-7-85, 11:00

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 1842
Citizens for Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

On February 28, 1985, you were notified that the Commission found reason to believe your clients violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A), provisions of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your clients is necessary.

Consequently, the Federal Election Commission has issued the attached order which requires your clients to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

It is required that you submit the information under oath and that you do so within ten days of your receipt of this order.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202)523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
	)	
Citizens for Responsible Government in Illinois, Inc.	)	
Charles Brooks, as treasurer	)	

ORDER TO SUBMIT WRITTEN ANSWERS

To: Charles Brooks, Treasurer
Citizens for Responsible Government in Illinois, Inc.
c/o William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 10 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of October, 1985.

John Warren McGarry
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions

QUESTIONS TO CHARLES BROOKS AND CRGI

The questions below seek clarification of your response dated April 3, 1984 to the Commission's questions issued with its notice of its determination to find reason to believe that the Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI") and Charles Brooks, as treasurer, violated the Act. Questions regarding "the advertisements" refer to ads designed to defeat Senator Percy's re-election campaign which aired on WMAQ Chicago from November 1-5, 1984. As used in the order, the term "identify" with respect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

1. Your response states: "Charles Brooks, along with other individuals decided sometime in October of 1984 to establish a non-connected political action committee to make contributions and expenditures in support of and in opposition to Federal candidates."

   a. Identify the "other individuals" referenced in your response.

2. Your response states: "Discussions between the Committee and Tom Rubin & Associates regarding the purchase of air time also occurred."

   a. Clarify this statement by providing:

      - the identities of the persons participating in the discussions

      - the dates on which the discussions occurred

      - the substance of the discussions

   b. State whether any agreement was reached as a result of these discussions. If so, state the terms of the agreement. State whether the agreement was ever rescinded. State whether the agreement was ever modified and, if so, describe any changes in the terms of the agreement.

3. State whether CRGI made an oral agreement with Tom Rubin & Associates to pay a 15% fee for services to be rendered in connection with the purchase of air time for the advertisements.

4. State whether CRGI authorized Michael Goland to negotiate on its behalf with Tom Rubin & Associates for services to be rendered in connection with the purchase of air time for the advertisements. If so:

a. State whether the negotiations occurred.

b. List the dates on which the negotiations occurred.

c. Identify all persons participating in the negotiations.

d. State whether any agreement was reached as a result of these negotiations. If so, state the terms of the agreement. State whether the agreement was ever rescinded. State whether the agreement was ever modified and, if so, describe any changes in the terms of the agreement.

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

October 11, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Susan H. Green
Neiman Billet Albala & Levine
Suite 1908
10960 Wilshire Blvd.
Los Angeles, California 90024-3877

RE: MUR 1842
Thomas E. Rubin
Focus Media, Inc.

Dear Ms. Green:

This is to acknowledge receipt of your response to the Commission's subpoena/order issued to Thomas E. Rubin and Focus Media Inc. on June 3, 1985 in connection with an investigation being conducted by the Commission. On reviewing your response the Commission determined that clarification is necessary. Accordingly, the Commission has issued the attached order which requires your clients to provide certain information. The Commission does not consider your clients respondents in this matter; but rather witnesses only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You are required to submit the information under oath within ten days of your receipt of this order.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202)523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1842

ORDER TO SUBMIT WRITTEN ANSWERS

To: Thomas E. Rubin, President
Focus Media, Inc.
c/o Susan H. Green, Esquire
Neiman, Billet, Albala & Levine
Suite 1908
10906 Wilshire Blvd.
Los Angeles, CA 90024-3877

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 10 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of October, 1985.

John Warren McGarry
Chairman

ATTEST:

Majorie W. Emmons
Secretary to the Commission

Attachment
Questions

QUESTIONS TO THOMAS E. RUBIN

The questions below seek clarification of your July 22, 1985 response to questions issued by the Commission on June 3, 1985. As used in the order, the term "identify" with repsect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

1. In response to the question: "state whether you entered into any business transactions with Charles Brooks and/or [Citizens for Responsible Government in Illinois ("CRGI")] in 1984," you state:

   > "as to CRGI, we agreed to purchase time for CRGI in connection with the advertisements but later learned that CRGI had been unable to raise the necessary funds for those ads."

   a. Identify the persons referred to as "we" in your response.

   b. Identify the persons with whom you discussed the agreement referenced in your response.

   c. State whether you had discussions with Michael Goland concerning the agreement referenced in your response. If so, state whether Michael Goland made any representations to you regarding his authority to negotiate on behalf of CRGI and state the content of those representations.

2. In response to the question: "State whether there was any oral or written agreements with Charles Brooks and/or CRGI concerning payment for services provided in conection with the advertisements," you refer to your responses to questions 9 and 10.

   Question 9 read: "State whether you had any conversations, communications or meetings with Michael Goland concerning payment for services performed in regard to these television ads and, if so, describe the content of the discussions."

   In response to question #9 you stated that you had discussions with Michael Goland wherein you negotiated the commissions which Focus Media, Inc. would receive for purchasing the advertising time.

   a. Please clarify your response by stating whether these negotiations concerned the purchasing of advertising time for CRGI.

Question 10 read: "State whether there was any oral or written contract, promise or agreement with Michael Goland concerning payment for the services you provided in connection with the television advertisements and, if so, describe the terms of all oral agreements made.

In response to question #10 you stated that it was agreed Focus Media, Inc. would receive a 15% fee for all services rendered.

b. State whether the referenced agreement was between Focus Media, Inc. and CRGI.

c. If the answer to b. is yes, state whether the agreement was ever rescinded. State whether the agreement was ever modified and if so, describe any changes in the terms of the agreement.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William Ramirez
WMAQ-TV
Merchandise Mart Plaza
Chicago, IL 60654

RE: MUR 1842

Dear Mr. Ramirez:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, Internal Revenue Code of 1954. In connection with an investigation being conducted by the Commission, the attached subpoena which requires you provide certain materials has been issued. The Commission does not consider you a respondent in this matter; but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena. However, you are required to submit the information within ten days of your receipt of this subpoena.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 1842

SUBPOENA

To: William Ramirez
WMAQ-TV
Merchandise Mart Plaza
Chicago, IL 60654

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas WMAQ-TV to produce for inspection and copying the materials identified below that are in the possession or control of WMAQ-TV or its officers, agents, staff members or employees. If the request for production of materials has not been fully complied with, please state the objection to such request for production of materials and the reasons for the objection in lieu of the production of materials.

1. Please submit copies of all video tapes pertaining to advertisements designed to defeat Senator Charles Percy's re-election campaign which aired on WMAQ-TV from November 1-5, 1984 and which were sponsored by either Michael Goland or Citizens for Responsible Government in Illinois, Inc..

Notice is given that these materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. within 10 days of your receipt of this subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this, 10th day of October, 1985.

John Warren McGarry

John W. McGarry
Chairman

ATTEST:

Marjorie W. Emmons

Marjorie W. Emmons
Secretary to the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 11, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg & Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

On February 28, 1985, your client was notified that the Commission found reason to believe your client violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your client is necessary.

Consequently, the Federal Election Commission has issued the attached order which requires your client to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

It is required that you submit the information under oath and that you do so within ten days of your receipt of this order.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202)523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
	)	
Michael Goland	)	

ORDER TO SUBMIT WRITTEN ANSWERS

To: Michael Goland
c/o David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg & Tunney
Suite 200
Washington, D.C. 20036

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 10 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 10th day of October, 1985.

John Warren McGarry
John Warren McGarry
Chairman

ATTEST:

Marjorie W. Emmons
Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions

QUESTIONS TO MICHAEL GOLAND

Please respond to the following. As used in the order, the terms listed below are defined as follows:

a. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

b. The terms "and" or "or" shall be construed disjuntively or conjunctively as necessary to bring within the scope of this request any information which may be otherwise construed to be out of its scope.

1. State whether you had any conversations, communications or meetings with Thomas E. Rubin of Focus Media, Inc. concerning the Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI"). If so:

   a. List the dates of those discussions.

   b. Describe the substance of those discussions.

   c. Explain how CRGI's name entered into these discussions.

   d. State whether you made the initial contact with Thomas E. Rubin concerning CRGI.

2. State whether you had discussions with Focus Media, Inc. concerning their purchase of advertising/media time for CRGI. If so:

   a. List the dates of those discussions.

   b. Identify the persons with whom you had those discussions.

   c. Describe the substance of those discussions.

3. State whether you had discussions with Focus Media, Inc. concerning the commission or fee they would receive for purchasing advertising/media time for CRGI. If so:

a. List the dates of those discussions.

b. Identify the persons with whom you had those discussions.

c. Describe the substance of those discussions.

4. State whether you negotiated with Focus Media, Inc. on behalf of CRGI concerning the commissions Focus Media, Inc. would receive for purchasing advertising/media time for CRGI. If so:

a. list the dates in which the negotiations occurred.

b. Identify all persons participating in the negotiations.

c. Describe the terms of any agreement that was reached.

d. State whether you were authorized by CRGI to negotiate on its behalf and, if so, identify the persons from whom you received authorization.

5. State whether you made an oral agreement with Thomas E. Rubin that Focus Media, Inc. would receive a 15% fee for all services rendered in connection with the purchase of advertising/media time for CRGI.

6. In response to questions issued by the Commission on February 28, 1984, you state that you paid for the production and placement costs of advertisements against Senator Charles Percy of Illinois which aired on WMAQ-Chicago, beginning November 1, 1984. State whether a disclaimer appeared on these ads and, if so, state what the disclaimer read.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel Rd

DATE: October 2, 1985

SUBJECT: MUR 1842 - General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[X]	Compliance	[XX]
Sensitive	[X]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

SENSITIVE

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY
85 FEB 2 P4: 42

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens for Responsible Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, Treasurer	)	
Michael Goland	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter originated from a complaint brought by Senator Charles Percy and his principal campaign Committee, Citizens for Percy '84. The case relates to expenditures made in connection with anti-Percy television ads which aired on WMAQ-TV, Chicago, from November 1-5, 1984. The complaint attributed the ads to the Citizens for Responsible Government in Illinois, Inc, ("CRGI") and alleged that CRGI failed to report independent expenditures for the ads within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

The public record revealed that less than two hours after the complaint was filed, CRGI filed a report disclosing independent expenditures of $105,850 made to Tom Rubin and Associates (aka Focus Media Inc.) for anti-Percy ads aired on WMAQ-Chicago. In a subsequent statement to the public record, CRGI declared that the expenditures were erroneously reported and that, consequently, they were withdrawing their report. CRGI later explained that they had anticipated they would be able to raise contributions to make the expenditures but that the necessary funds were never raised.

Coincidental to CRGI's withdrawal of their report, the public record revealed that Michael Goland, a person registered as making independent expenditures, filed a report with the Commission disclosing independent expenditures of $150,000 to Focus Media for what appeared to be the same anti-Percy ads attributed to CRGI. The coincidence of the reporting raised questions concerning the relationship of Mr. Goland to CRGI. This information suggested the possibility that CRGI may have had a contract with Focus Media to pay for the ads, but that as it became apparent they would be unable to meet their financial obligation, they may have sought financial assistance from Michael Goland. Mr. Goland's expenditures to Focus Media to pay for CRGI's debts would constitute an in-kind contribution in excess of the contribution limits of 2 U.S.C. § 441a(a)(1)(c).

The Commission on February 20, 1985, found reason to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive in-kind contribution to CRGI, and that CRGI and Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b) by accepting an excessive contribution and failing to report the contribution in-kind from Michael Goland. Thereafter, the Commission initiated an investigation and issued questions to the Respondents, CRGI and Michael Goland, and Focus Media, Inc., as a witness.

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II. ANALYSIS

The answers received thus far provide insufficient facts upon which to reach any conclusions or make any recommendations.*/ A fundamental issue in this case is the relationship of Michael Goland to CRGI. Both respondents claim that there is no legal relationship between Michael Goland and CRGI, yet there is no explanation for the fact that Michael Goland paid the production and placement costs for ads attributed to CRGI. The response of Focus Media, the corporation responsible for the placement of ads, raises additional questions concerning the relationship of Mr. Goland to CRGI and points to the need for further investigation.

In response to the Commission's questions, Thomas Rubin, Chairman of the Board and President of Focus Media, Inc., states that he does not know Charles Brooks, the treasurer of CRGI, but that he knows of the organization called Citizens for Responsible Government in Illinois through Michael Goland. See Response to questions 14 and 15 at p. 11. Asked to state whether Focus Media entered into any business transactions with Charles Brooks and/or CRGI in 1984, Mr. Rubin repeats that he does not know Mr. Brooks, but adds "As to CRGI, we agreed to purchase time for CRGI in connection with the advertisements but later learned that CRGI had been unable to raise the necessary funds for the

*/ For copies of the responses received from CRGI and Michael Goland, as well as, a discussion of those responses, see the General Counsel's Report signed May 24, 1985. For copies of the questions issued to Focus Media and the answers thereto, see Attachments 1 and 2 appended to this report.

ads." See Response to question #16 at p. 11. Asked to state whether there were any oral or written agreements with Charles Brooks or CRGI concerning these transactions, Mr. Rubins refers to a discussion he had with Michael Goland wherein they negotiated the commissions which Focus Media would receive for purchasing the advertising time and agreed that Focus Media would receive a 15% fee for all services rendered. See Response to question #19 at p. 12. Mr. Rubin indicates that there was no written contract, but that there was an oral agreement. See Response to question #19 at p. 12. Based on documented evidence (deposit slip and copy of check) and the statements of Mr. Rubin, Focus Media received payment for the placement of the ads from Michael Goland. See Response to Questions #25 and #26 at p. 13.

The above-discussed response suggests that Michael Goland conducted business negotiations with Focus Media on behalf of CRGI when he arranged to have Focus Media provide services for the placement of the ads in question. That Focus Media understood that it was to place ads for CRGI, rather than for Mr. Goland, is apparent from the supplemental information submitted by the complainants on May 16, 1985. Program logs of station WMAQ-TV, copies of which were submitted with the supplemental complaint, show 30 second spots reserved for the airing of commercials sponsored by CRGI. As of this date, neither CRGI nor Michael Goland have responded to notice of the supplemental complaint to explain the significance of CRGI's name appearing on the program logs.

For purposes of developing the facts, this Office recommends that the Commission issue orders to submit written answers to Michael Goland, CRGI and Focus Media, Inc. The attached orders seek to clarify: (1) whether Focus Media, Inc. had an oral agreement with CRGI to purchase air-time for the ads; (2) whether Michael Goland negotiated the terms of the agreement on CRGI's behalf; (3) whether CRGI authorized Michael Goland to negotiate on its behalf; and (4) whether the oral agreement between Focus Media, Inc. and CRGI was recinded and/or modified.

In addition, the orders to Michael Goland and CRGI inquire as to whether a disclaimer, stating the name of the person who paid for the ads, appeared on the ads in question. For purposes of resolving this question, we are also recommending that the Commission issue a subpoena to WMAQ-TV, Chicago, the station that aired the ads, requesting video tapes of the ads in question. Questions concerning the disclaimer were previously addressed to Focus Media, Inc. Focus Media responded that the ads were not prepared by or shipped to WMAQ through their office hence they could not be certain of the existence of a disclaimer nor of what the disclaimer read. The question is pertinent to our understanding of how this matter arose. It appears that the complainants relied on the information in the disclaimer as basis for its contention that CRGI paid for the ads. If the responses reveal that the disclaimer read: "paid for by Citizens for Responsible Government in Illinois, Inc." this would lead to a finding that Michael Goland violated 2 U.S.C. § 441d.

III. RECOMMENDATIONS

1. Authorize the issuance of the attached order and cover letter to Thomas E. Rubin of Focus Media, Inc.

2. Authorize the issuance of the attached order and cover letter to Citizens for Responsible Government in Illinois, Inc.

3. Authorize the issuance of the attached order and cover letter to Michael Goland.

4. Authorize the issuance of the attached subpoena and cover letter to WMAQ-TV, Chicago.

Charles N. Steele
General Counsel

October 1, 1985
Date

BY: Kenneth A. Gross
Associate General Counsel

Attachments
1. Questions issued to Focus Media Inc. on June 3, 1985.
2. Response of Focus Media, Inc.
3. Proposed cover letter, order and questions to Thomas E. Rubin of Focus Media, Inc.
4. Proposed cover letter, order and questions to Citizens for Responsible Government in Illinois, Inc.
5. Proposed cover letter, order and questions to Michael Goland.
6. Proposed cover letter and subpoena to WMAQ-TV, Chicago.

3 7 0 4 7 5 2 3 7 8

SUBPOENA AND ORDER

Please respond to the following. If you claim that you are entitled to withhold from production any of the documents requested, please identify each document, describe the subject matter of the document and state the grounds for withholding it from production.

As used in the Subpoena and Order, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and any other documentation of telephone converations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper, and compilations in the possession or control of Tom Rubin, Tom Rubin and Associates, Focus Media, Inc.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request any documents or information which may be otherwise construed to be out of its scope.

1. State your name.

2a. State your present place of employment.

Attachment 1

b. State how long you have worked at your present place of employment.

3a. State your position at your present place of employment.

b. State how long you have held that position.

4. Describe your duties and responsibilities at your present place of employment.

5. State whether you know Michael Goland.

If so:

State how you know Michael Goland.

6. State whether you conducted any business with Michael Goland in 1984.

If so:

a. Describe the services you provided to Michael Goland.

b. Describe all business arrangements between your organization and Michael Goland.

7. State whether you had any conversations, communications or meetings with Michael Goland concerning anti-Percy television ads to air on WMAQ-Chicago in November of 1984. If so:

a. List the dates on which these discussions occurred.

b. Describe the services you agreed to perform in regard to these television advertisements.

8. State whether you made the initial contact with Michael Goland concerning the television advertisements.

If not, identify the person who made the initial contact and state when the initial contact was made.

9. State whether you had any conversations, communications or meetings with Michael Goland concerning payment for services performed in regard to these television advertisements.

   If so:

   a. list the dates on which the discussions occurred.

   b. Describe the content of the discussions.

   c. Provide copies of the communications.

10. State whether there was any oral or written contract, promise or agreement with Michael Goland concerning payment for the services you provided in connection with the television advertisements.

    If so:

    a. list the dates on which the contract, promise or agreement was entered into.

    b. Provide copies of all documents pertaining to the agreements and/or describe the terms of all oral agreements made.

11. List the dates on which all anti-Percy television advertisements were aired on WMAQ-Chicago.

12. State whether the advertisements carried disclaimers stating the name of the persons who paid for the advertisements.

    If so: State what the disclaimers read.

13. State whether you received payment(s) from Michael Goland in connection with anti-Percy television

advertisements aired on WMAQ-Chicago in November of 1984.

14. State whether you know Charles Brooks and how you know him.

15. State whether you know of an organization called Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI") and how you know CRGI.

16. State whether you entered into any business transactions with Charles Brooks and/or CRGI in 1984 and describe each such transaction.

17. Describe the services you provided to Charles Brooks and/or CRGI in 1984.

18. State whether you made the initial contact with Charles Brooks and/or CRGI concerning these transactions.

    If not: identify the person who made the initial contact and state when the initial contact was made.

19. State whether there was any oral or written agreements with Charles Brooks on CRGI concerning these transactions.

    If so: Submit copies of all documents pertaining to these agreements and/or describe the terms of oral agreements.

20. State whether you had any conversations, communications or meetings with Charles Brooks and/or CRGI concerning anti-Percy television advertisements to appear on WMAQ-Chicago.

If so:

a. List the dates on which those discussions occurred and identify the persons with whom you had the discussions.

b. Describe the content of the discussions.

c. Provide copies of all written communications

21. State what services you agreed to perform for Charles Brooks and/or CRGI in regard to these television advertisements.

22. State whether you had any conversations, communications or meetings with Charles Brooks and/or CRGI concerning payment for services to be provided in connection with the television advertisements.

a. List the dates on which the discussions occurred, identify the person with whom you had the discussions, and describe the content of the discussions.

b. Provide copies of the written communications.

23. State whether there was any written contract, promise or agreement with Charles Brooks and/or CRGI concerning payment for services provided in connection with the television advertisements.

If so:

a. List the dates on which the contract, promise or agreement was entered into.

b. Provide copies of all documents pertaining to the agreements and/or describe the terms of all oral agreements made.

24. State whether you had any conversation, communications or meeting with Charles Brooks and/or CRGI concerning the payment of $105,850 in connection with the television advertisements.

    If so:

    a. List the dates on which those discussions occurred, identify the person with whom you had these discussions, and describe the content of those discussions.

    b. Provide copies of the written communications.

25. State whether you communicated to anyone involved with CRGI that CRGI had expended $105,850 in connection with the anti-Percy television ads that aired on WMAQ Chicago.

    If so:

    a. List the dates on which you communicated this information and identify the persons to whom you communicated this information.

    b. State whether this information was erroneous.

    c. Explain why this information was erroneous.

    d. Explain the circumstances of this error.

26. State whether you received payments from Charles Brooks and/or CRGI in connection with anti-Percy television ads aired on WMAQ-Chicago in November of 1984.

27. State whether you had any conversations, communications or meetings with Michael Goland concerning Charles Brooks and/or CRGI.

If so:

a. List the dates on which these discussions occurred, and describe the content of the discussions.

b. Provide copies of all written communications from Michael Goland regarding Charles Brooks and/or CRGI.

28. State whether you had any conversations, communications, or meetings with Charles Brooks and/or CRGI concerning Michael Goland.

If so:

a. List the dates on which these discussions occurred, identify the persons with whom you had these discussions and describe the content of the discussions.

b. Provide copies of all written communications from Charles Brooks and/or CRGI concerning Michael Goland.

NEIMAN BILLET ALBALA & LEVINE
10960 WILSHIRE BOULEVARD, SUITE 1908
LOS ANGELES, CALIFORNIA 90024-3877
(213) 824-5100
ATTORNEYS FOR Thomas E. Rubin and Focus Media, Inc.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of SUBPOENA TO PRODUCE DOCUMENTS, ORDER TO SUBMIT WRITTEN ANSWERS SUBMITTED TO TOM RUBIN, PRESIDENT, FOCUS MEDIA, INC.	CASE NO.: MUR 1842 RESPONSE TO SUBPOENA

Pursuant to an extension of time granted by the Federal Election Commission in which to respond to Subpoena to Produce Documents and Order to Submit Written Answers, Tom Rubin, as president of Focus Media, Inc., hereby submits the following documents and responses to written questions:

RESPONSE TO QUESTION NO. 1:

Thomas E. Rubin.

RESPONSE TO QUESTION NO. 2:

A. Focus Media, Inc., 12345 Ventura Boulevard, Suite H, North Hollywood, California 91604.

B. Two years.

/ / / / /

/ / / / /

Attachment 2

8

RESPONSE TO QUESTION NO. 3:

A. Chairman of the board and president.

B. Two years.

RESPONSE TO QUESTION NO. 4:

General executive duties and responsibilities.

RESPONSE TO QUESTION NO. 5:

Yes. I met Michael Goland over the telephone and had a luncheon meeting with him.

RESPONSE TO QUESTION NO. 6:

Yes.

A. Media consulting and buying.

B. From time to time media consulting and the purchasing of media time for a fee.

RESPONSE TO QUESTION NO. 7:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it attempts to characterize the nature of certain advertisements. Without waiving said objection and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, the answer is yes.

A. I do not recall.

B. Media consulting and buying.

/ / / / /

9

EMAN BILLET
ALA & LEVINE
ORNEYS AT LAW

RESPONSE TO QUESTION NO. 8:

I do not recall.

RESPONSE TO QUESTION NO. 9:

Yes.

A. I do not recall the date(s) on which such discussions occurred.

B. We negotiated the commissions which Focus Media, Inc. would receive for purchasing the advertising time.

C. To my knowledge, no such copies exist.

RESPONSE TO QUESTION NO. 10:

Yes.

A. I do not recall.

B. To my knowledge, no such documents exist. It was agreed that Focus Media, Inc. would receive a 15% fee for all services rendered.

RESPONSE TO QUESTION NO. 11:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts to characterize the nature of certain advertisements. Without waiving said objection, and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, such advertisements were broadcast on November 1, 2, 3, 4 and 5 of 1984.

/ / / / /

10

MAN BILLET
ALA & LEVINE
ORNEYS AT LAW

RESPONSE TO QUESTION NO. 12:

We assume the advertisements carried disclaimers but cannot be certain because the advertisements were not prepared by, or shipped to WMAQ through, our office.

RESPONSE TO QUESTION NO. 13:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts to characterize the nature of certain advertisements. Without waiving said objection, and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, Focus Media, Inc. received payments in connection with the placement of such advertisements which I am informed were from Michael Goland. See attached checks.

RESPONSE TO QUESTION NO. 14:

I do not know Charles Brooks.

RESPONSE TO QUESTION NO. 15:

Yes. Through Michael Goland.

RESPONSE TO QUESTION NO. 16:

As to Charles Brooks, see No. 14. As to CRGI, we agreed to purchase time for CRGI in connection with the advertisements but later learned that CRGI had been unable to raise the necessary funds for those ads.

/ / / / /

11

...E MAN BILLET
...EALA & LEVINE
...ORNEYS AT LAW

RESPONSE TO QUESTION NO. 17:

See response to No. 16.

RESPONSE TO QUESTION NO. 18:

All initial contact was with Michael Goland. See response to No. 8.

RESPONSE TO QUESTION NO. 19:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 20:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 21:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 22:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 23:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 24:

I recall no such conversation.

RESPONSE TO QUESTION NO. 25:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts

MAN BILLET
ALA & LEVINE
ONEYS AT LAW

to characterize the nature of certain advertisements. Without waiving said objection, and assuming this question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, see information set forth below:

A. I am informed that an employee of Focus Media, Inc. informed Leslie J. Kerman of Epstein, Becker, Borsody & Green, Washington D.C., of the advertisements referred to above.

B. To the extent Focus Media, Inc. may have indicated to Ms. Kerman that the ads were paid for by CRGI, I am informed such information was erroneous.

C. I am informed the amount in question was paid by Michael Goland.

D. I am informed CRGI did not raise the requisite funds to place the ads and that the employee providing the information was therefore mistaken.

RESPONSE TO QUESTION NO. 26:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts to characterize the nature of certain advertisements. Without waiving said objection, and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, I am informed payment was not from Brooks or CRGI and our records do not so indicate.

/ / / / /

/ / / / /

13

KERMAN BILLET
LEALA & LEVINE
ATTORNEYS AT LAW

RESPONSE TO QUESTION NO. 27:

Yes, to the extent the advertisements in question may have had some connection with CRGI.

A. I cannot recall the dates, but they would have related to engaging our services as media consultants and buyers, negotiating our fees, and the prospect of CRGI placing the ads.

B. There were no written communications of which I am aware.

RESPONSE TO QUESTION NO. 28:

See responses to Nos. 9, 10, 16 and 26.

/ / / / /

/ / / / /

(14)

MAN BILLET
& LEVINE
NEYS AT LAW

CITY NATIONAL BANK 15579062

BEVERLY HILLS, CALIFORNIA

DATE OCTOBER 11, 1984

PAY TO THE ORDER OF ******* FOCUS MEDIA ********** $ **105,000.00****

CASHIER'S CHECK

⑈15579062⑈ ⑆122016066⑆ 001⑈000019⑈

RECEIVED
OCT 1984
Ans'd.....

RECEIVED
OCT 11 1984
Ans'd.....

WISC TV Check #1875 $11,793.75
WAND TV Check #1876 $ 8,967.50
WEEK TV Check #1877 $ 8,359.75
WTVO TV Check #1878 $4,815.25
WREX TV Check #1879 $3,961.00

7

MICHAEL GOLAND

15

Cleared: OM

CITY NATIONAL BANK 15579202
BEVERLY HILLS CALIFORNIA

16-1606
1220

DATE OCTOBER 23, 1984

PAY TO THE ORDER OF ***** FOCUS MEDIA ********** $**80,000.00*****

80

CASHIER'S CHECK

Judy Marlin

⑈15579202⑈ ⑆122016066⑆ 001⑈000019⑈

RECEIVED
OCT 29 1984
Ans'd.....

91

MICHAEL GOLAND
20221 PRAIRIE ST.
CHATSWORTH, CALIF 91311

5456

ENCINO OFFICE
CITY NATIONAL BANK
16133 VENTURA BLVD
ENCINO, CALIFORNIA 91436

16-1606
1220

Oct 26 19 84

PAY THE SUM OF 46000 00 DOLLARS $46,000.00

TO THE ORDER OF Focus Media

⑈005456⑈

MICHAEL GOLAND

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

DELUXE FORM WVC-3 V-2

DATE	DESCRIPTION	AMOUNT
10/26/84		$46,000.00

RECEIVED
OCT 26 1984
Ans'd.....

17

MICHAEL GOLAND
20221 PRAIRIE ST.
CHATSWORTH, CALIF. 91311

547

CITY NATIONAL BANK
BIXONO OFFICE
BIXONO, CALIFORNIA 91436

October 31 19 84

16-1
12.

PAY THE SUM OF $150,000.00 DOLLARS $150,000.

TO THE ORDER OF

Focus Media
12345 Ventura Blvd.
North Hollywood, CA

⑈005473⑈ ⑆

MICHAEL GOLAND

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

DELUXE FORM WVC-3 V-2

DATE	DESCRIPTION	AMOUNT
	RECEIVED OCT 31 1984 Acc'd.....	
10/31/84	A/C 9272	$150,000.00

(18)

VERIFICATION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I, the undersigned, say:

I have read the foregoing

RESPONSE TO SUBPOENA

and know its contents.

☒ CHECK APPLICABLE PARAGRAPH

☐ I am a party to this action. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am ☐ an officer ☐ a partner ☐ a (n) _____ of _____

_____

a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I am informed and believe and on that ground allege that the matters stated in it are true.

☐ I am one of the attorneys for _____, a party to this action. Such party is absent from the county of aforesaid where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in it are true.

I certify (or declare) under penalty of perjury under the laws of California that the foregoing is true and correct. Executed on July 22, _____, 19 85.

TOM RUBIN, President of Focus Media, Inc.

ACKNOWLEDGMENT OF RECEIPT OF DOCUMENT

I Received a copy of the document described as _____

_____

on _____ 19____.

_____

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Susan H. Green
Neiman Billet Albala & Levine
Suite 1908
10960 Wilshire Blvd.
Los Angeles, California 90024-3877

RE: MUR 1842
Thomas E. Rubin
Focus Media, Inc.

Dear Ms. Green:

This is to acknowledge receipt of your response to the Commission's subpoena/order issued to Thomas E. Rubin and Focus Media Inc. on June 3, 1985 in connection with an investigation being conducted by the Commission. On reviewing your response the Commission determined that clarification is necessary. Accordingly, the Commission has issued the attached order which requires your clients to provide certain information. The Commission does not consider your clients respondents in this matter; but rather witnesses only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You are required to submit the information under oath within ten days of your receipt of this order.

Attachment 3

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202)523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1842

ORDER TO SUBMIT WRITTEN ANSWERS

To: Thomas E. Rubin, President
Focus Media, Inc.
c/o Susan H. Green, Esquire
Neiman, Billet, Albala & Levine
Suite 1908
10906 Wilshire Blvd.
Los Angeles, CA 90024-3877

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 10 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1985.

John Warren McGarry
Chairman

ATTEST:

Majorie W. Emmons
Secretary to the Commission

Attachment
Questions

22

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QUESTIONS TO THOMAS E. RUBIN

The questions below seek clarification of your July 22, 1985 response to questions issued by the Commission on June 3, 1985. As used in the order, the term "identify" with repsect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

1. In response to the question: "state whether you entered into any business transactions with Charles Brooks and/or [Citizens for Responsible Government in Illinois ("CRGI")] in 1984," you state:

   "as to CRGI, we agreed to purchase time for CRGI in connection with the advertisements but later learned that CRGI had been unable to raise the necessary funds for those ads."

   a. Identify the persons referred to as "we" in your response.

   b. Identify the persons with whom you discussed the agreement referenced in your response.

   c. State whether you had discussions with Michael Goland concerning the agreement referenced in your response. If so, state whether Michael Goland made any representations to you regarding his authority to negotiate on behalf of CRGI and state the content of those representations.

2. In response to the question: "State whether there was any oral or written agreements with Charles Brooks and/or CRGI concerning payment for services provided in conection with the advertisements," you refer to your responses to questions 9 and 10.

   Question 9 read: "State whether you had any conversations, communications or meetings with Michael Goland concerning payment for services performed in regard to these television ads and, if so, describe the content of the discussions."

   In response to question #9 you stated that you had discussions with Michael Goland wherein you negotiated the commissions which Focus Media, Inc. would receive for purchasing the advertising time.

   a. Please clarify your response by stating whether these negotiations concerned the purchasing of advertising time for CRGI.

Question 10 read: "State whether there was any oral or written contract, promise or agreement with Michael Goland concerning payment for the services you provided in connection with the television advertisements and, if so, describe the terms of all oral agreements made.

In response to question #10 you stated that it was agreed Focus Media, Inc. would receive a 15% fee for all services rendered.

b. State whether the referenced agreement was between Focus Media, Inc. and CRGI.

c. If the answer to b. is yes, state whether the agreement was ever rescinded. State whether the agreement was ever modified and if so, describe any changes in the terms of the agreement.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 1842
Citizens for Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

On February 28, 1985, you were notified that the Commission found reason to believe your clients violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A), provisions of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your clients is necessary.

Consequently, the Federal Election Commission has issued the attached order which requires your clients to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

It is required that you submit the information under oath and that you do so within ten days of your receipt of this order.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202)523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

Attachment 4

25

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
	)	
Citizens for Responsible	)	
Government in Illinois, Inc.	)	
Charles Brooks, as treasurer	)	

ORDER TO SUBMIT WRITTEN ANSWERS

To: Charles Brooks, Treasurer
Citizens for Responsible Government in Illinois, Inc.
c/o William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 10 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1985.

John Warren McGarry
Chairman

ATTEST:

Majorie W. Emmons
Secretary to the Commission

Attachment
Questions

(26)

QUESTIONS TO CHARLES BROOKS AND CRGI

The questions below seek clarification of your response dated April 3, 1984 to the Commission's questions issued with its notice of its determination to find reason to believe that the Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI") and Charles Brooks, as treasurer, violated the Act. Questions regarding "the advertisements" refer to ads designed to defeat Senator Percy's re-election campaign which aired on WMAQ Chicago from November 1-5, 1984. As used in the order, the term "identify" with respect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

1. Your response states: "Charles Brooks, along with other individuals decided sometime in October of 1984 to establish a non-connected political action committee to make contributions and expenditures in support of and in opposition to Federal candidates."

   a. Identify the "other individuals" referenced in your response.

2. Your response states: "Discussions between the Committee and Tom Rubin & Associates regarding the purchase of air time also occurred."

   a. Clarify this statement by providing:

      - the identities of the persons participating in the discussions

      - the dates on which the discussions occurred

      - the substance of the discussions

   b. State whether any agreement was reached as a result of these discussions. If so, state the terms of the agreement. State whether the agreement was ever rescinded. State whether the agreement was ever modified and, if so, describe any changes in the terms of the agreement.

3. State whether CRGI made an oral agreement with Tom Rubin & Associates to pay a 15% fee for services to be rendered in connection with the purchase of air time for the advertisements.

4. State whether CRGI authorized Michael Goland to negotiate on its behalf with Tom Rubin & Associates for services to be rendered in connection with the purchase of air time for the advertisements. If so:

a. State whether the negotiations occurred.

b. List the dates on which the negotiations occurred.

c. Identify all persons participating in the negotiations.

d. State whether any agreement was reached as a result of these negotiations. If so, state the terms of the agreement. State whether the agreement was ever rescinded. State whether the agreement was ever modified and, if so, describe any changes in the terms of the agreement.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg & Tunney
1200 New Hampshire Avenue, N.W.
Suite 200
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

On February 28, 1985, your client was notified that the Commission found reason to believe your client violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended. An investigation of this matter is being conducted and it has been determined that additional information from your client is necessary.

Consequently, the Federal Election Commission has issued the attached order which requires your client to provide information which will assist the Commission in carrying out its statutory duty of supervising compliance with the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

It is required that you submit the information under oath and that you do so within ten days of your receipt of this order.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202)523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Order
Questions

attachment 5

29

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
	)	
Michael Goland	)	

ORDER TO SUBMIT WRITTEN ANSWERS

To: Michael Goland
c/o David M. Ifshin, Esquire
Manatt, Phelps, Rothenberg & Tunney
Suite 200
Washington, D.C. 20036

Pursuant to 2 U.S.C. § 437d(a)(1), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order.

Such answers must be submitted under oath and must be forwarded to the Commission within 10 days of your receipt of this Order.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this day of , 1985.

John Warren McGarry
Chairman

ATTEST:

Majorie W. Emmons
Secretary to the Commission

Attachment
Questions

QUESTIONS TO MICHAEL GOLAND

Please respond to the following. As used in the order, the terms listed below are defined as follows:

a. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

b. The terms "and" or "or" shall be construed disjuntively or conjunctively as necessary to bring within the scope of this request any information which may be otherwise construed to be out of its scope.

1. State whether you had any conversations, communications or meetings with Thomas E. Rubin of Focus Media, Inc. concerning the Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI"). If so:

   a. List the dates of those discussions.

   b. Describe the substance of those discussions.

   c. Explain how CRGI's name entered into these discussions.

   d. State whether you made the initial contact with Thomas E. Rubin concerning CRGI.

2. State whether you had discussions with Focus Media, Inc. concerning their purchase of advertising/media time for CRGI. If so:

   a. List the dates of those discussions.

   b. Identify the persons with whom you had those discussions.

   c. Describe the substance of those discussions.

3. State whether you had discussions with Focus Media, Inc. concerning the commission or fee they would receive for purchasing advertising/media time for CRGI. If so:

a. List the dates of those discussions.

b. Identify the persons with whom you had those discussions.

c. Describe the substance of those discussions.

4. State whether you negotiated with Focus Media, Inc. on behalf of CRGI concerning the commissions Focus Media, Inc. would receive for purchasing advertising/media time for CRGI. If so:

a. list the dates in which the negotiations occurred.

b. Identify all persons participating in the negotiations.

c. Describe the terms of any agreement that was reached.

d. State whether you were authorized by CRGI to negotiate on its behalf and, if so, identify the persons from whom you received authorization.

5. State whether you made an oral agreement with Thomas E. Rubin that Focus Media, Inc. would receive a 15% fee for all services rendered in connection with the purchase of advertising/media time for CRGI.

6. In response to questions issued by the Commission on February 28, 1984, you state that you paid for the production and placement costs of advertisements against Senator Charles Percy of Illinois which aired on WMAQ-Chicago, beginning November 1, 1984. State whether a disclaimer appeared on these ads and, if so, state what the disclaimer read.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

William Ramirez
WMAQ-TV
Merchandise Mart Plaza
Chicago, IL 60654

RE: MUR 1842

Dear Mr. Ramirez:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, Internal Revenue Code of 1954. In connection with an investigation being conducted by the Commission, the attached subpoena which requires you provide certain materials has been issued. The Commission does not consider you a respondent in this matter; but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena. However, you are required to submit the information within ten days of your receipt of this subpoena.

Attachment 6

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena

87114054412

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 1842

SUBPOENA

To: William Ramirez
WMAQ-TV
Merchandise Mart Plaza
Chicago, IL 60654

Pursuant to 2 U.S.C. § 437d(a)(3), and in furtherance of its investigation in the above-styled matter, the Federal Election Commission hereby subpoenas WMAQ-TV to produce for inspection and copying the materials identified below that are in the possession or control of WMAQ-TV or its officers, agents, staff members or employees. If the request for production of materials has not been fully complied with, please state the objection to such request for production of materials and the reasons for the objection in lieu of the production of materials.

1. Please submit copies of all video tapes pertaining to advertisements designed to defeat Senator Charles Percy's re-election campaign which aired on WMAQ-TV from November 1-5, 1984 and which were sponsored by either Michael Goland or Citizens for Responsible Government in Illinois, Inc..

Notice is given that these materials must be submitted to the Office of General Counsel, Federal Election Commission, 1325 K Street, N.W., Washington, D.C. within 10 days of your receipt of this subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this, ___ day of _____, 1985.

_____
John W. McGarry
Chairman

ATTEST:

_____
Marjorie W. Emmons
Secretary to the Commission

8 7 7 4 0 5 4 2 1 1 4

GUC#8010
RECEIVED AT THE FEC
HAND DELIVERED
85 JUL 23 AM 11:10

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

ALLAN ALBALA
JEROME L. LEVINE
ALLEN I. NEIMAN
JEROME S. BILLET
JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

TELEPHONE
(213) 824-5100
TELEX 910-342-6507

OF COUNSEL
DAVID WEISS

July 22, 1985

85 JUL 23 P 3:28

BY FEDERAL EXPRESS

Kenneth A. Gross, Esq.
FEDERAL ELECTION COMMISSION
1325 "K" Street, N.W.
Washington D.C. 20463

Re: Focus Media, Inc. - Federal Election Commission Subpoena
Your File No.: MUR 1842

Dear Mr. Gross:

Enclosed please find the responses of Focus Media, Inc. to the above described subpoena.

Thank you for your courtesy and cooperation in this matter.

Very truly yours,

NEIMAN BILLET ALBALA & LEVINE

Susan H. Green
SUSAN H. GREEN

SHG/gp
Enclosure

3 7 1 0 5 4 4 1 3

NEIMAN BILLET ALBALA & LEVINE
10960 WILSHIRE BOULEVARD, SUITE 1908
LOS ANGELES, CALIFORNIA 90024-3877
(213) 824-5100
ATTORNEYS FOR Thomas E. Rubin and Focus Media, Inc.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of SUBPOENA TO PRODUCE DOCUMENTS, ORDER TO SUBMIT WRITTEN ANSWERS SUBMITTED TO TOM RUBIN, PRESIDENT, FOCUS MEDIA, INC.	CASE NO.: MUR 1842 RESPONSE TO SUBPOENA

Pursuant to an extension of time granted by the Federal Election Commission in which to respond to Subpoena to Produce Documents and Order to Submit Written Answers, Tom Rubin, as president of Focus Media, Inc., hereby submits the following documents and responses to written questions:

RESPONSE TO QUESTION NO. 1:

Thomas E. Rubin.

RESPONSE TO QUESTION NO. 2:

A. Focus Media, Inc., 12345 Ventura Boulevard, Suite H, North Hollywood, California 91604.

B. Two years.

/ / / / /

/ / / / /

RESPONSE TO QUESTION NO. 3:

A. Chairman of the board and president.

B. Two years.

RESPONSE TO QUESTION NO. 4:

General executive duties and responsibilities.

RESPONSE TO QUESTION NO. 5:

Yes. I met Michael Goland over the telephone and had a luncheon meeting with him.

RESPONSE TO QUESTION NO. 6:

Yes.

A. Media consulting and buying.

B. From time to time media consulting and the purchasing of media time for a fee.

RESPONSE TO QUESTION NO. 7:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it attempts to characterize the nature of certain advertisements. Without waiving said objection and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, the answer is yes.

A. I do not recall.

B. Media consulting and buying.

/ / / / /

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

RESPONSE TO QUESTION NO. 8:

I do not recall.

RESPONSE TO QUESTION NO. 9:

Yes.

A. I do not recall the date(s) on which such discussions occurred.

B. We negotiated the commissions which Focus Media, Inc. would receive for purchasing the advertising time.

C. To my knowledge, no such copies exist.

RESPONSE TO QUESTION NO. 10:

Yes.

A. I do not recall.

B. To my knowledge, no such documents exist. It was agreed that Focus Media, Inc. would receive a 15% fee for all services rendered.

RESPONSE TO QUESTION NO. 11:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts to characterize the nature of certain advertisements. Without waiving said objection, and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, such advertisements were broadcast on November 1, 2, 3, 4 and 5 of 1984.

/ / / / /

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

RESPONSE TO QUESTION NO. 12:

We assume the advertisements carried disclaimers but cannot be certain because the advertisements were not prepared by, or shipped to WMAQ through, our office.

RESPONSE TO QUESTION NO. 13:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts to characterize the nature of certain advertisements. Without waiving said objection, and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, Focus Media, Inc. received payments in connection with the placement of such advertisements which I am informed were from Michael Goland. See attached checks.

RESPONSE TO QUESTION NO. 14:

I do not know Charles Brooks.

RESPONSE TO QUESTION NO. 15:

Yes. Through Michael Goland.

RESPONSE TO QUESTION NO. 16:

As to Charles Brooks, see No. 14. As to CRGI, we agreed to purchase time for CRGI in connection with the advertisements but later learned that CRGI had been unable to raise the necessary funds for those ads.

/ / / / /

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

RESPONSE TO QUESTION NO. 17:

See response to No. 16.

RESPONSE TO QUESTION NO. 18:

All initial contact was with Michael Goland. See response to No. 8.

RESPONSE TO QUESTION NO. 19:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 20:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 21:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 22:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 23:

See responses to Nos. 9, 10 and 16.

RESPONSE TO QUESTION NO. 24:

I recall no such conversation.

RESPONSE TO QUESTION NO. 25:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

to characterize the nature of certain advertisements. Without waiving said objection, and assuming this question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, see information set forth below:

A. I am informed that an employee of Focus Media, Inc. informed Leslie J. Kerman of Epstein, Becker, Borsody & Green, Washington D.C., of the advertisements referred to above.

B. To the extent Focus Media, Inc. may have indicated to Ms. Kerman that the ads were paid for by CRGI, I am informed such information was erroneous.

C. I am informed the amount in question was paid by Michael Goland.

D. I am informed CRGI did not raise the requisite funds to place the ads and that the employee providing the information was therefore mistaken.

RESPONSE TO QUESTION NO. 26:

Objection is made to this question on the grounds that it is vague, ambiguous and unintelligible in that it improperly attempts to characterize the nature of certain advertisements. Without waiving said objection, and assuming the question seeks information regarding the placement by Focus Media, Inc. with WMAQ of certain advertisements designed to defeat Senator Percy's reelection campaign, I am informed payment was not from Brooks or CRGI and our records do not so indicate.

/ / / / /

/ / / / /

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

RESPONSE TO QUESTION NO. 27:

Yes, to the extent the advertisements in question may have had some connection with CRGI.

A. I cannot recall the dates, but they would have related to engaging our services as media consultants and buyers, negotiating our fees, and the prospect of CRGI placing the ads.

B. There were no written communications of which I am aware.

RESPONSE TO QUESTION NO. 28:

See responses to Nos. 9, 10, 16 and 26.

/ / / / /

/ / / / /

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

CITY NATIONAL BANK 15579062

BEVERLY HILLS CALIFORNIA

DATE OCTOBER 11, 1984

PAY TO THE ORDER OF ******* FOCUS MEDIA ********** $ **105,000.00***

CASHIER'S CHECK

⑈15579062⑈ ⑆122016066⑆ 001⑈000019⑈

RECEIVED
OCT 12 1984
Ans'd.....

RECEIVED
OCT 11 1984
Ans'd.....

WISC TV Check #1875 $11,793.75
WAND TV Check #1876 $ 8,967.50
WEEK TV Check #1877 $ 8,359.75
WTVO TV Check #1878 $4,815.25
WREX TV Check #1879 $3,961.00

7

MICHAEL GOLAND

CITY NATIONAL BANK 15579202

BEVERLY HILLS, CALIFORNIA

OCTOBER 23, 1984

PAY TO THE ORDER OF ***** FOCUS MEDIA ********** $**80,000.00*****

8

CASHIER'S CHECK

⑈15579202⑈ ⑆122016066⑆ 001⑈000019⑈

RECEIVED
OCT 23 1984
Ans'd.....

MICHAEL GOLAND
20221 PRAIRIE ST.
CHATSWORTH, CALIF 91311

5456

BRANCH OFFICE
CITY NATIONAL BANK
16133 VENTURA BLVD
ENCINO CALIFORNIA 91436

16-1606
1220

Oct 26 19 84

PAY THE [illegible] CO. DOLLARS $46,000.00

TO THE ORDER OF Focus Media

⑈005456⑈ ⑆:

DELUXE CHECK PRINTERS

MICHAEL GOLAND

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

DELUXE FORM WVC-3 V-2

DATE	DESCRIPTION	AMOUNT
10/26/84		$46,000.00
	RECEIVED OCT 26 1984 Ans'd.....	

5 0 1 0 5 5 0 1 0 2 0

547

MICHAEL GOLAND
20221 PRAIRIE ST.
CHATSWORTH, CALIF. 91311

ENCINO OFFICE
CITY NATIONAL BANK
16133 VENTURA BLVD.
ENCINO, CALIFORNIA 91436

October 31 19 84

PAY THE SUM FOUR [illegible] DOLLARS $ [illegible]

TO THE ORDER OF

Focus Media
12345 Ventura Blvd.
North Hollywood, CA

⑈005473⑈ [illegible]

MICHAEL GOLAND

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

DELUXE FORM WVC-3 V-2

DATE	DESCRIPTION	AMOUNT
31/84	RECEIVED 1 31 '98 Ans'd..... A/C 9272	$150,000.00

VERIFICATION

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I, the undersigned, say:

I have read the foregoing

RESPONSE TO SUBPOENA

and know its contents.

☒ CHECK APPLICABLE PARAGRAPH

☐ I am a party to this action. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am ☐ an officer ☐ a partner ☐ a (n) _____ of _____

_____

a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I am informed and believe and on that ground allege that the matters stated in it are true.

☐ I am one of the attorneys for _____, a party to this action. Such party is absent from the county of aforesaid where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in it are true.

I certify (or declare) under penalty of perjury under the laws of California that the foregoing is true and correct.

Executed on July 22, 19 85.

TOM RUBIN, President of Focus Media, Inc.

ACKNOWLEDGMENT OF RECEIPT OF DOCUMENT

I Received a copy of the document described as _____

on _____ 19____

_____

NEIMAN BILLET
ALBALA & LEVINE
ATTORNEYS AT LAW

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Citizens for Responsible	)	
Government in Illinois, Inc.	)	
Charles Brooks, as treasurer	)	
Michael Goland	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 11, 1985, the Commission decided by a vote of 6-0 to take the following actions in MUR 1842:

1. Grant Focus Media, Inc. an extension until July 12, 1985 in which to respond to the Commission's subpoena and order.

2. Approve and send the letter attached to the General Counsel's Report signed July 8, 1985.

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

Attest:

7-11-85
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 7-8-85, 2:57
Circulated on 48 hour tally basis: 7-9-85, 11:00

8 7 0 1 0 5 4 1 1 2 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Susan H. Green, Esquire
Neiman, Billet, Albala & Levine
Suite 1908
10960 Wilshire Boulevard
Los Angeles, CA 90024-3877

RE: MUR 1842
Focus Media, Inc.

Dear Ms. Green:

This is in reference to your letter dated June 25, 1985, requesting an extension until July 5, 1985, in which to respond to the Commission's subpoena to produce documents and order to submit written answers in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on July 5, 1985.

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

9 7 7 1 7 5 4 2 2 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: July 8, 1985

SUBJECT: MUR 1842 - Memo to the Commission - Withdrawal

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[X]	Compliance	[X]
Sensitive	[X]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

3 7 7 1 7 5 4 2 1 3 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

85 JUL 8 P2:57

July 8, 1985

SENSITIVE

MEMORANDUM

TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: Withdrawal of General Counsel's Report
MUR 1842
Respondents: Citizens for Responsible Government in Illinois
Charles Brooks, as treasurer
Michael Goland

Please be advised that this Office hereby withdraws the General Counsel's Report which was originally circulated in MUR 1842 and submits the attached General Counsel's Report in its place. The original report is being withdrawn so as to inform the Commission of an additional correspondence received in the late afternoon of last Friday. The attached report includes a discussion of that correspondence.

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens for Responsible Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, as treasurer	)	
Michael Goland	)	

GENERAL COUNSEL'S REPORT

I. Background

On May 30, 1985, the Commission authorized a subpoena and order to Focus Media, Inc., as witness to the activities at issue in this matter. By letter of June 25, 1985, counsel for Focus Media, Inc. requested an extension of eight days (until July 5, 1985) in which to respond to the Commission's subpoena/order. See Attachment at 1. The letter explains that an extension is necessary for the reason that the subpoena contains 28 questions, excluding subparts, and seeks information concerning meetings with three different individuals and representatives of an organization and the placement of advertisements which occurred approximately eight months ago. The letter states taht as the information is not readily available and an extensive review of Focus Media's records is necessary, an extension until July 5, 1985 is requested.

On July 5, 1985, this Office received a letter dated July 3, 1985, from counsel for Focus Media, Inc., requesting an additional extension until July 12, 1985 to respond to the Commission's Subpoena/Order. See Attachment at 2. The letter explains that due to the intervening 4th of July weekend and the unexpected absence of several of its principals from the office, Focus Media will need the additional time to fully respond.

The Office of the General Counsel recommends that the Commission approve the requested extension until July 12, 1985 based on the circumstances presented in Focus Media's letter of July 3, 1985 and for the reason that Focus Media is cooperating solely as a witness in this matter.

II. Recommendation

1. Grant Focus Media, Inc. an extension until July 12, 1985 in which to respond to the Commission's subpoena and order.

2. Approve and send the attached letter.

Charles N. Steele
General Counsel

July 8, 1985
Date

Kenneth A. Gross
Associate General Counsel

Attachments

1. Request for extension - dated June 25, 1985
2. Request for additional extension - dated July 3, 1985
3. Letter

9 7 3 1 3 6 4 1 7 3

GCC #784

85 JUN 26 A9:48

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

ALLAN ALBALA
JEROME L. LEVINE
ALLEN I. NEIMAN
JEROME S. BILLET
JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

TELEPHONE
(213) 824-5100
TELEX 910-342-6507

OF COUNSEL
DAVID WEISS

June 25, 1985

85 JUN 26 A10:46

BY FEDERAL EXPRESS

Kenneth A. Gross, Esq.
FEDERAL ELECTION COMMISSION
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Focus Media, Inc. - Federal Election Commission Subpoena
Your File No.: MUR 1842

Dear Mr. Gross:

This office represents Focus Media, Inc. in the above-referenced matter. Focus Media received a Federal Election Commission subpoena to produce documents and order to submit written answers dated June 3, 1985 on June 17, 1985.

Focus Media has exercised due diligence in preparing to respond but an additional week from the June 27, 1985 deadline (10 days from receipt of subpoena) is required. The subpoena contains 28 questions, excluding subparts, and seeks information concerning meetings with three different individuals and representatives of an organization and the placement of advertisements which occurred approximately eight months ago. As the information is not readily available and an extensive review of Focus Media's records is required, Focus Media respectfully requests that the Commission grant it until July 5, 1985 in which to respond to the subpoena to produce documents and order to submit written answers.

Your cooperation in this matter is appreciated.

Very truly yours,

NEIMAN BILLET ALBALA & LEVNE

Susan H. Green

SUSAN H. GREEN, ESQ.

SHG/bd

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
85 JUL 5 P2:57

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

TELEPHONE
(213) 824-5100
TELEX 910-342-6507

ALLAN ALBALA
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DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

OF COUNSEL
DAVID WEISS

July 3, 1985

Kramer

BY FEDERAL EXPRESS

Kenneth A. Gross, Esq.
FEDERAL ELECTION COMMISSION
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Focus Media, Inc. - Federal Election Commission Subpoena
Your File No.: MUR 1842

Dear Mr. Gross:

As indicated in previous correspondence sent to your attention this office represents Focus Media, Inc. in connection with the above described Federal Election Commission subpoena.

As previously indicated, Focus Media has exercised due diligence in preparing its response to the subpoena, but because of the intervening 4th of July weekend and the unexpected absence of several of its principals from the office, Focus Media will need additional time in order to fully respond. Focus Media consequently respectfully requests that the Commission grant it up to and including July 12, 1985 in which to respond to the subpoena and to produce documents and order to submit written answers.

We await for your reply and thank you for your anticipated cooperation.

Very truly yours,

NEIMAN BILLET ALBALA & LEVINE

Susan H. Green

SUSAN H. GREEN

SHG/bd

3 7 0 4 0 4 1 3 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Susan H. Green, Esquire
Neiman, Billet, Albala & Levine
Suite 1908
10960 Wilshire Boulevard
Los Angeles, CA 90024-3877

RE: MUR 1842
Focus Media, Inc.

Dear Ms. Green:

This is in reference to your letter dated July 3, 1985, requesting an extension until July 12, 1985, in which to respond to the Commission's subpoena to produce documents and order to submit written answers in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on July 12, 1985.

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

GCC 7937

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
85 JUL 5 P2:57

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

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SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

OF COUNSEL
DAVID WEISS

July 3, 1985

BY FEDERAL EXPRESS

Kenneth A. Gross, Esq.
FEDERAL ELECTION COMMISSION
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Focus Media, Inc. - Federal Election Commission Subpoena
Your File No.: MUR 1842

Dear Mr. Gross:

As indicated in previous correspondence sent to your attention this office represents Focus Media, Inc. in connection with the above described Federal Election Commission subpoena.

As previously indicated, Focus Media has exercised due diligence in preparing its response to the subpoena, but because of the intervening 4th of July weekend and the unexpected absence of several of its principals from the office, Focus Media will need additional time in order to fully respond. Focus Media consequently respectfully requests that the Commission grant it up to and including July 12, 1985 in which to respond to the subpoena and to produce documents and order to submit written answers.

We await for your reply and thank you for your anticipated cooperation.

Very truly yours,

NEIMAN BILLET ALBALA & LEVINE

Susan H. Green

SUSAN H. GREEN

SHG/bd

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3 7 0 4 0 1 4 2 4 7 8

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STANDARD AIR
SERVICE COMMITMENT

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2 ☒ DELIVER WEEKDAY
3 ☐ DELIVER SATURDAY
4 ☐ RESTRICTED ARTICLES SERVICE
5 ☐ SIGNATURE SECURITY SERVICE
6 ☐ DRY ICE
7 ☐ OTHER SPECIAL SERVICE
8 ☐
9 ☐ SATURDAY PICK-UP OR SATURDAY DROP-OFF

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Street Address
City | State | Zip
Received By: X
Date/Time Received | FedEx Employee Number

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: July 5, 1985

SUBJECT: MUR 1842 - General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[X]	Compliance	[XX]
Sensitive	[X]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

85 JUL 5 P3:22

In the Matter of	)	
	)	
Citizens for Responsible Government	)	MUR 1842
in Illinois, Inc.	)	
Charles Brooks, as treasurer	)	
Michael Goland	)	

GENERAL COUNSEL'S REPORT

SENSITIVE

I. Background

On May 30, 1985, the Commission authorized a subpoena and order to Focus Media, Inc., as witness to the activities at issue in this matter. By letter of June 25, 1985, counsel for Focus Media, Inc. requested an extension of eight days (until July 5, 1985) in which to respond to the Commission's subpoena/order. See Attachment. The letter explains that an extension is necessary for the reason that the subpoena contains 28 questions, excluding subparts, and seeks information concerning meetings with three different individuals and representatives of an organization and the placement of advertisements which occurred approximately eight months ago. The letter states that as the information is not readily available and an extensive review of Focus Media's records is necessary, an extension until July 5, 1985 is requested.

The Office of the General Counsel recommends that the Commission approve the requested extension based on the circumstances presented in Focus Media's letter and for the reason that Focus Media is cooperating solely as a witness in this matter.

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II. Recommendation

1. Grant Focus Media, Inc. an extension until July 5, 1985 in which to respond to the Commission's subpoena and order.

2. Approve and send the attached letter.

Charles N. Steele
General Counsel

July 2, 1985
Date

Kenneth A. Gross (RHT.
Kenneth A. Gross
Associate General Counsel

Attachments

1. Request for extension
2. Letter

3 7 7 4 7 6 4 1 1 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Susan H. Green, Esquire
Neiman, Billet, Albala & Levine
Suite 1908
10960 Wilshire Boulevard
Los Angeles, CA 90024-3877

RE: MUR 1842
Focus Media, Inc.

Dear Ms. Green:

This is in reference to your letter dated June 25, 1985, requesting an extension until July 5, 1985, in which to respond to the Commission's subpoena to produce documents and order to submit written answers in the above-captioned matter. After considering the circumstances presented in your letter, the Commission has determined to grant you your requested extension. Accordingly, your response will be due on July 5, 1985.

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

87074442

ECC #7841

85 JUN 26 A9:48

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

ALLAN ALBALA
JEROME L. LEVINE
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JEROME S. BILLET
JUDY A. SHERMAN
PATRICIA M. WOLFE
DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

TELEPHONE
(213) 824-8100
TELEX 910-342-6507

OF COUNSEL
DAVID WEISS

June 25, 1985

85 JUN 26 A10:46

BY FEDERAL EXPRESS

Kenneth A. Gross, Esq.
FEDERAL ELECTION COMMISSION
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Focus Media, Inc. - Federal Election Commission Subpoena
Your File No.: MUR 1842

Dear Mr. Gross:

This office represents Focus Media, Inc. in the above-referenced matter. Focus Media received a Federal Election Commission subpoena to produce documents and order to submit written answers dated June 3, 1985 on June 17, 1985.

Focus Media has exercised due diligence in preparing to respond but an additional week from the June 27, 1985 deadline (10 days from receipt of subpoena) is required. The subpoena contains 28 questions, excluding subparts, and seeks information concerning meetings with three different individuals and representatives of an organization and the placement of advertisements which occurred approximately eight months ago. As the information is not readily available and an extensive review of Focus Media's records is required, Focus Media respectfully requests that the Commission grant it until July 5, 1985 in which to respond to the subpoena to produce documents and order to submit written answers.

Your cooperation in this matter is appreciated.

Very truly yours,

NEIMAN BILLET ALBALA & LEVNE

Susan H. Green

SUSAN H. GREEN, ESQ.

SHG/bd

8 7 1 1 7 5 4 1 4 3

RECEIVED BY THE FEC
GCC #7844
85 JUN 26 A9:48

LAW OFFICES
NEIMAN BILLET ALBALA & LEVINE
SUITE 1908
10960 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024-3877

ALLAN ALBALA
JEROME L. LEVINE
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DAVID A. LASH
SUSAN H. GREEN
KENNETH W. BABCOCK
KELLY G. RICHARDSON

TELEPHONE
(213) 824-5100
TELEX 910-342-6507

OF COUNSEL
DAVID WEISS

June 25, 1985

85 JUN 26 A10:46
GENERAL COUNSEL

BY FEDERAL EXPRESS

Kenneth A. Gross, Esq.
FEDERAL ELECTION COMMISSION
1325 "K" Street, N.W.
Washington, D.C. 20463

Re: Focus Media, Inc. - Federal Election Commission Subpoena
Your File No.: MUR 1842

Dear Mr. Gross:

This office represents Focus Media, Inc. in the above-referenced matter. Focus Media received a Federal Election Commission subpoena to produce documents and order to submit written answers dated June 3, 1985 on June 17, 1985.

Focus Media has exercised due diligence in preparing to respond but an additional week from the June 27, 1985 deadline (10 days from receipt of subpoena) is required. The subpoena contains 28 questions, excluding subparts, and seeks information concerning meetings with three different individuals and representatives of an organization and the placement of advertisements which occurred approximately eight months ago. As the information is not readily available and an extensive review of Focus Media's records is required, Focus Media respectfully requests that the Commission grant it until July 5, 1985 in which to respond to the subpoena to produce documents and order to submit written answers.

Your cooperation in this matter is appreciated.

Very truly yours,

NEIMAN BILLET ALBALA & LEVNE

Susan H. Green

SUSAN H. GREEN, ESQ.

SHG/bd

8701044444

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Citizens for Responsible	)	
Government in Illinois, Inc.	)	
Charles Brooks, as treasurer	)	
Michael Goland	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 30, 1985, the Commission authorized by a vote of 4-0 the subpoena/order and cover letter to Focus Media, Inc., attached to the General Counsel's Report signed May 24, 1985.

Commissioners Elliott, Harris, McGarry and Reiche voted affirmatively in this matter; Commissioners Aikens and McDonald did not cast a vote.

Attest:

5/31/85
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary: 5-28-85, 10:32
Circulated on 48 hour tally basis: 5-28-85, 4:00

3 7 0 1 0 6 4 1 1 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

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

DATE: JUNE 4, 1985

SUBJECT: SUBPOENA/ORDER IN MUR 1842

The attached subpoena/order, which was Commission approved on May 30, 1985 by a vote of 4-0, was signed and sealed on June 3, 1985.

Attachment

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 10, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tom Rubin, President
Focus Media, Inc.
12345 Ventura Blvd.
Suite H
North Hollywood, CA 91604

RE: MUR 1842

Dear Mr. Rubin:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, Internal Revenue Code of 1954. In connection with an investigation being conducted by the Commission, the attached subpoena/order which requires Focus Media, Inc. and/or any of its agents to provide certain information and documentation has been issued. The Commission does not consider Focus Media, Inc. a respondent in this matter; but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena/order. However, you are required to submit the information under oath within ten days of your receipt of this subpoena and order.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena & Order

97110544418

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)
) MUR 1842

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Tom Rubin, President
Focus Media, Inc.
12345 Ventura Blvd.
Suite H
North Hollywood, CA 91604

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you, or any of your agents having knowledge of the information sought herein, to submit written answers to the questions attached to this Order and subpoenas you to produce requested documents.

Such answers must be submitted under oath and must be forwarded to the Commission within (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on June 3, 1985.

John Warren McGarry
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Subpoena/Order

3 7 7 4 0 5 4 1 4 9

SUBPOENA AND ORDER

Please respond to the following. If you claim that you are entitled to withhold from production any of the documents requested, please identify each document, describe the subject matter of the document and state the grounds for withholding it from production.

As used in the Subpoena and Order, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and any other documentation of telephone converations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper, and compilations in the possession or control of Tom Rubin, Tom Rubin and Associates, Focus Media, Inc.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request any documents or information which may be otherwise construed to be out of its scope.

1. State your name.

2a. State your present place of employment.

b. State how long you have worked at your present place of employment.

3a. State your position at your present place of employment.

b. State how long you have held that position.

4. Describe your duties and responsibilities at your present place of employment.

5. State whether you know Michael Goland.

If so:

State how you know Michael Goland.

6. State whether you conducted any business with Michael Goland in 1984.

If so:

a. Describe the services you provided to Michael Goland.

b. Describe all business arrangements between your organization and Michael Goland.

7. State whether you had any conversations, communications or meetings with Michael Goland concerning anti-Percy television ads to air on WMAQ-Chicago in November of 1984. If so:

a. List the dates on which these discussions occurred.

b. Describe the services you agreed to perform in regard to these television advertisements.

8. State whether you made the initial contact with Michael Goland concerning the television advertisements.

If not, identify the person who made the initial contact and state when the initial contact was made.

9. State whether you had any conversations, communications or meetings with Michael Goland concerning payment for services performed in regard to these television advertisements.

   If so:

   a. list the dates on which the discussions occurred.

   b. Describe the content of the discussions.

   c. Provide copies of the communications.

10. State whether there was any oral or written contract, promise or agreement with Michael Goland concerning payment for the services you provided in connection with the television advertisements.

    If so:

    a. list the dates on which the contract, promise or agreement was entered into.

    b. Provide copies of all documents pertaining to the agreements and/or describe the terms of all oral agreements made.

11. List the dates on which all anti-Percy television advertisements were aired on WMAQ-Chicago.

12. State whether the advertisements carried disclaimers stating the name of the persons who paid for the advertisements.

    If so: State what the disclaimers read.

13. State whether you received payment(s) from Michael Goland in connection with anti-Percy television

advertisements aired on WMAQ-Chicago in November of 1984.

14. State whether you know Charles Brooks and how you know him.

15. State whether you know of an organization called Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI") and how you know CRGI.

16. State whether you entered into any business transactions with Charles Brooks and/or CRGI in 1984 and describe each such transaction.

17. Describe the services you provided to Charles Brooks and/or CRGI in 1984.

18. State whether you made the initial contact with Charles Brooks and/or CRGI concerning these transactions.

    If not: identify the person who made the initial contact and state when the initial contact was made.

19. State whether there was any oral or written agreements with Charles Brooks on CRGI concerning these transactions.

    If so: Submit copies of all documents pertaining to these agreements and/or describe the terms of oral agreements.

20. State whether you had any conversations, communications or meetings with Charles Brooks and/or CRGI concerning anti-Percy television advertisements to appear on WMAQ-Chicago.

If so:

a. List the dates on which those discussions occurred and identify the persons with whom you had the discussions.

b. Describe the content of the discussions.

c. Provide copies of all written communications

21. State what services you agreed to perform for Charles Brooks and/or CRGI in regard to these television advertisements.

22. State whether you had any conversations, communications or meetings with Charles Brooks and/or CRGI concerning payment for services to be provided in connection with the television advertisements.

a. List the dates on which the discussions occurred, identify the person with whom you had the discussions, and describe the content of the discussions.

b. Provide copies of the written communications.

23. State whether there was any written contract, promise or agreement with Charles Brooks and/or CRGI concerning payment for services provided in connection with the television advertisements.

If so:

a. List the dates on which the contract, promise or agreement was entered into.

b. Provide copies of all documents pertaining to the agreements and/or describe the terms of all oral agreements made.

24. State whether you had any conversation, communications or meeting with Charles Brooks and/or CRGI concerning the payment of $105,850 in connection with the television advertisements.

    If so:

    a. List the dates on which those discussions occurred, identify the person with whom you had these discussions, and describe the content of those discussions.

    b. Provide copies of the written communications.

25. State whether you communicated to anyone involved with CRGI that CRGI had expended $105,850 in connection with the anti-Percy television ads that aired on WMAQ Chicago.

    If so:

    a. List the dates on which you communicated this information and identify the persons to whom you communicated this information.

    b. State whether this information was erroneous.

    c. Explain why this information was erroneous.

    d. Explain the circumstances of this error.

26. State whether you received payments from Charles Brooks and/or CRGI in connection with anti-Percy television ads aired on WMAQ-Chicago in November of 1984.

27. State whether you had any conversations, communications or meetings with Michael Goland concerning Charles Brooks and/or CRGI.

If so:

a. List the dates on which these discussions occurred, and describe the content of the discussions.

b. Provide copies of all written communications from Michael Goland regarding Charles Brooks and/or CRGI.

28. State whether you had any conversations, communications, or meetings with Charles Brooks and/or CRGI concerning Michael Goland.

If so:

a. List the dates on which these discussions occurred, identify the persons with whom you had these discussions and describe the content of the discussions.

b. Provide copies of all written communications from Charles Brooks and/or CRGI concerning Michael Goland.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: May 28, 1985

SUBJECT: MUR 1842 - General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[X]	Compliance	[X]
Sensitive	[X]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

3704045457

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens for Responsible Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, as treasurer	)	
Michael Goland	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter arose based on a complaint brought by Senator Charles Percy and his principal campaign committee, Citizens for Percy '84. The complaint alleged that the Citizens for Responsible Government in Illinois, Inc. ("Citizens Committee") and its treasurer, Charles Brooks, made independent expenditures for television ads in opposition to the candidacy of Senator Percy and failed to report the expenditures within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

A review of the public record revealed that the Citizens Committee filed the independent expenditure report and subsequently filed a statement on the public record declaring that the expenditures had been erroneously reported and that, consequently, they were withdrawing their report. The public record further disclosed that coincidental to the Citizens Committee's withdrawal of their report, Michael Goland, a person registered as making independent expenditures, filed a report with the Commission disclosing independent expenditures for what appeared to be the same anti-Percy ads attributed to the Citizens Committee. The coincidence of the reporting raised questions concerning the relationship of Mr. Goland to the Citizens

Committee and suggested the possibility that Mr. Goland may have made contributions in-kind to the Citizens Committee in excess of the contribution limits of 2 U.S.C. § 441a(a)(1)(C).

In determining whether violations of the Act may be involved, the Commission decided that such a determination would require an inquiry into such relevant factors as: (1) the relationship between Michael Goland the Citizens Committee; (2) the contractual arrangements made with respect to the production and placement of the ads; and (3) the communications between Michael Goland the Citizens Committee concerning the ads in question.

For the purpose of developing the facts, therefore, the Commission, on February 20, 1985 found reason to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive in-kind contribution to the Citizens Committee, and that the Citizens Committee and its treasurer violated 2 U.S.C. §§ 441a(f) and 434(b) by accepting the excessive contribution and by failing to report the contribution in-kind from Michael Goland.

Notice of the Commission's finding and questions in connection with this matter were sent to the respondents on February 28, 1984. The respondents requested extensions to respond to the Commission's questions. The General Counsel's Office granted the requested extensions.

By April 9, 1985, this Office received the respondents' written answers to the Commission's questions. See Attached Responses at 1-10.

Answers received in response to the Commission's questions reveal that the facts surrounding this matter are as follows: Sometime in October of 1984, Charles Brooks, along with other individuals, decided to establish a non-connected political committee to make contributions and expenditures in support of and in opposition to Federal candidates. Accordingly, a Statement of Organization for the Citizens Committee was filed on October 25, 1984. Charles Brooks was listed as treasurer.

According to their response, the Citizens Committee anticipated it would be able to raise contributions, and therefore, that it would be able to purchase copies of anti-Percy television advertisements from Michael Goland and buy air-time on WMAQ-Chicago through Tom Rubin and Associates (aka Focus Media, Inc.). The Citizen's Committee states that several discussions occurred between agents of the Citizens Committee and Michael Goland concerning the possible purchase of advertisements by the Citizens Committee from Michael Goland, however, there were no written communications nor was any written contract executed between the two parties. Mr. Goland's response states that in a telephone conversation with Charles Brooks in late October 1984, he informed Mr. Brooks that any questions regarding arrangements for use or placement of the ads should be directed to Focus Media, Inc. The respondents claim that there is no legal relationship between Michael Goland and the Citizens Committee and, that Mr. Goland is neither an officer of the Citizens

Committee nor does he serve on the Board of Directors.

The response of the Citizens Committee states that discussions concerning the purchase of air time by the Citizens Committee through Tom Rubin and Associates (aka Focus Media, Inc.) did occur. They claim, however, that the Citizens Committee was not able to raise funds as anticipated and, thus, no contract for the advertisements was ever executed and no expenditures by the Citizens Committee were ever made.

Mr. Goland's response states that he made expenditures for the advertisements in question. According to his response, the production of the ads was done by Subtle Communications Inc. and placement was done by Focus Media, Inc. Mr. Goland states that he did not have a written contract with either firm, but rather a continuing arrangement under which his account was charged for fees and costs. According to his response, the arrangement with Subtle Communications began in February, 1984; the arrangement with Focus Media began in May, 1984.

In his Year End report which was filed subsequent to the Commission's finding of reason to believe, Mr. Goland discloses expenditures of $30,000 to Subtle Communications on October 1, 1984. In addition, Mr. Goland reports that the following payments were made to Focus Media, Inc: $105,000 on 10/11/85; $46,000 on 10/26/84; $80,000 on 10/23/84; and $150,000 on 10/31/84.

In response to questions proffered by the Commission concerning the Citizens Committee's disclosure that expenditures of $105,850 were made to Tom Rubin and Associates in connection with anti-Percy advertisements aired on WMAQ-Chicago in early November of 1984, and the Citizens Committee's subsequent retraction of that statement, the Committee states that its agents were mistakenly informed by Tom Rubin and Associates on November 2, 1984 that the Committee had expended $105,850 the previous day for television ads aired on WMAQ-Chicago. The Committee states that based on this erroneous information, they filed a report with the Commission disclosing the expenditures. The Committee claims that, in fact, no expenditures were made and, accordingly, on November 13, 1984 the Committee filed a letter with the Commission stating that the expenditure report was being withdrawn.

On May 16, 1985, the Office of the General Counsel received a letter from the complainants providing supplemental information to their original complaint.*/ In their letter, the complainants state that they have reviewed the reports of the Citizens Committee stating that it made no expenditures or contributions during its brief "paper" existence and that it had "erroneously reported" an independent expenditure of $105,850 in opposition to Senator Percy's re-election. The complainants state that a

*/ The supplemental information was previously circulated to the Commission.

review of the political file and program logs of station WMAQ-TV in Chicago contradicts those statements. Specifically, the complainants state that a contract between WMAQ and Tom Rubin and ASsociates shows that the Citizens Committee "paid for 62 spots airing from November 1-54 (sic), 1984 at a cost of $105,850." According to the complainants, station logs, copies of which were attached to their supplemental materials, show that the spots did air, and that the Citizens Committee was the sponsor. Based on this information, the complainants charge that the information in the Committee's reports is false.

By letter of May 21, 1985, the Office of the General Counsel notified the Citizens Committee of the supplement to the complaint and provided them with a copy of the materials submitted by the complainants.

II. Legal Analysis

The direction of this case is dependent upon the resolution of factual issues arising out of contradictory information provided by the respondents and the complainants. The respondents claim that Michael Goland paid for the advertisements in question and that his expenditures were made independent of the Citizens Committee. The complainant's claim that the Citizens Committee paid for the ads at a cost of $105,850, an amount once disclosed by the Committee as having been paid to Tom Rubin and Associates and, subsequently disclosed by the Committee as having been reported in error.

These contradictory statements raise obvious questions concerning the issue of who paid for the ads in question. However, this Office's review of the responses raises additional questions. Only eight days had elapsed between the time the Citizens Committee registered and the time it filed its expenditures report disclosing expenditures of $105,850 to Tom Rubin and Associates. Certainly in this short period of time it would have been difficult, if not impossible, for the Committee to have raised such a substan ial sum of money. The Citizens Committee would have us believe that no questions were asked when Tom Rubin and Associates notified them that they had made expenditures of $105,850, but instead blindly reported having made the expenditures. At a minimum, it appears that it would have been reasonable, given the circumstances, to raise questions concerning the expenditures before filing a statement with the Commission disclosing that such expenditures had been made.

In this connection, it is also curious that Tom Rubin and Associates would have notified the Citizens Committee that they had made payments of $105,850 to this company when purportedly no such expenditures were made. The figure of $105,850 is, in and of itself, preplexing since the actual payment by Michael Goland for the advertisements was a much higher figure of $150,000. The figure of $105,850 corresponds however, to the amount that the complainants allege, in their May 16, 1985 letter was expended by the Citizens Committee for the ads.

Another curious factor is the relationship between the Committee and Mr. Goland. The Committee claims no legal relationship with Mr. Goland, but states that they had discussions with Mr. Goland concerning the possible purchase of anti-Percy televison ads. In statements filed with the Commission, Mr. Goland discloses his occupation as the owner/president of the Real Estate Development Corp. Although Mr. Goland has purchased ads from Subtle Communications, he is not, insofar as we are aware, in the business of selling advertisements. The responses do not indicate how or why the contact between the two parties was initiated.

Finally, a question requiring resolution is whether the television advertisements carried a disclaimer stating the name of the person who paid for the advertisements, and, if so, whose name appeared in the disclaimer. The complaint was filed the day after the ads had begun to run. As basis for their allegations, complainants appear to rely in part on their viewing of the ads on television. Although the complainants made no reference to any disclaimer appearing on the ads, it is conceivable that their conclusions as to who paid for the ads may have been reached based on the appearance of a disclaimer stating that the Citizens Committee paid for the ads.

For purposes of resolving these questions this Office recommends that the Commission authorize the attached subpoena for documents and order to submit written answers to Focus Media, Inc. (aka Tom Rubin and Associates). As a witness, Focus Media,

Inc. may be able to clarify the relationship between the parties involved and the circumstances of their purported error in notifying the Citizens Committee that they had made expenditures for the ads in question.

III: RECOMMENDATION

1. Authorize the attached subpoena/order and cover letter to Focus Media, Inc.

Charles N. Steele
General Counsel

May 24, 1985
Date

By: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

Attachments
1. Response of the Citizens Committee
2. Response of Michael Goland
3. Copy of Subpoena/Order
4. Copy of cover letter

2 7 1 4 7 5 4 2 4 5 5

GCC#9076

EIN BECKER BORSODY & G[illegible], P.C.
ATTORNEYS AT LAW
1140 19TH STREET N.W.
WASHINGTON, D.C. 20036-6601
(202) 861-0900

250 PARK AVENUE
NEW YORK, NEW YORK 10177-0077
(212) 370-9600

108 NORTH ST. ASAPH STREET
ALEXANDRIA, VIRGINIA 22314
(703) 684-1204

MALLICK TOWER
ONE SUMMIT AVENUE
FORT WORTH, TEXAS 76102-2666
(817) 334-0701

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111-5954
(415) 398-5565

1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-2501
(213) 556-8861

515 EAST PARK AVENUE
TALLAHASSEE, FLORIDA 32301-2524
(904) 681-0596

April 3, 1985

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Federal Election Commission MUR 1842 - Respondents, Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, Treasurer

Dear Mr. Steele:

Enclosed please find the response of Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, Treasurer, to the Commission's Questions and Request for Documents in the above-captioned matter.

The facts surrounding this complaint are as follows: Charles Brooks, along with other individuals, decided sometime in October of 1984 to establish a non-connected political action committee to make contributions and expenditures in support of and in opposition to Federal candidates. Accordingly, a Statement of Organization for Citizens for Responsible Government in Illinois, Inc., ("the Committee"), a non-connected political committee, was filed with the Commission on October 25, 1984. Charles Brooks was listed as the Treasurer of the Committee.

The Committee anticipated that it would be able to raise a significant amount of contributions, subject, of course, to the prohibitions and limitations of federal election law, and therefore that it would be able to purchase copies of anti-Percy television advertisements from Michael Goland and buy air-time on WMAQ-Chicago through Tom Rubin & Associates. Agents of the Committee had several conversations with Michael Goland concerning the possible purchase of advertisements by the

Committee from Mr. Goland. Discussions between the Committee and Tom Rubin & Associates regarding the purchase of air time also occurred.

On November 2, 1984, while these discussions were still taking place and amidst general pre-election confusion, agents of the Committee were mistakenly informed by Tom Rubin & Associates that the Committee had expended $105,850 the previous day for television ads to be aired on WMAQ-Chicago. Based on this erroneous information, the Committee immediately filed a notarized Independent Expenditure Report with the Commission in order to fully comply with federal election law.

In fact, the Committee was not able to raise funds, and, thus the Committee neither made the expenditures in question nor entered into any contracts to make such expenditures. Accordingly, on November 13, 1984, the Committee withdrew its Independent Expenditure Report of November 2, 1984.

As set forth herein, this complaint does not involve the receipt of excessive in-kind contributions from Michael Goland. Nor does it involve a failure to report independent expenditures to the Commission in a timely fashion. Instead, the complaint revolves around a case of over-zealous reporting amid pre-election confusion, and, accordingly, should be dismissed.

Very truly yours,

William C. Oldaker
Counsel for Citizens for
Responsible Government in Illinois,
Inc. and Charles Brooks, Treasurer

WCO/LJK:ses
Enclosure

Federal Election Commi[illegible]
Matter-Under-Review 1[illegible]42
Respondents, Citizens for Responsible
Government in Illinois, Inc., and Charles Brooks, Treasurer

Response to Commission's Questions
and Request for Documents

Question One: Explain how the Citizens Committee for Responsible Government in Illinois, Inc. determined to air the above-referenced advertisements.

In this connection, please provide the full name of the individuals and/or parties involved in the decision-making. In addition, please describe each step that was taken to execute the idea.

Answer:

The referenced advertisements were never aired by Citizens for Responsible Government in Illinois, Inc. ("the Committee").

Question Two:

State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. ever executed a contract for the production and/or placement of the above-referenced advertisements.

If so, please submit a copy of the written contract(s) or describe the terms of all oral agreement(s) made. In addition, please provide the full names of the individuals

and/or parties involved in the negotiations and provide the dates on which the negotiations took place.

Answer:

The Committee never executed a contract for the production and/or placement of the referenced advertisements.

Question Three: State whether the contract(s) described in question number 1 was ever formally withdrawn.

If so, please submit copies of all correspondence and describe all oral agreements made concerning the withdrawal of the contract(s). In addition, please provide the date on which the contract was formally withdrawn.

Answer: As set forth in Respondents' answer to Question No. 2, the Committee never executed a contract for the production and/or placement of the referenced advertisements.

Question Four: State how the Committee intended to pay for the expenditures in connection with the above-referenced advertisements.

Answer: The Committee did not make any expenditures in connection with the referenced advertisements. All expenditures which the Committee intended to make, however, were

to be made from funds raised in accordance with the prohibitions and limitations of the Federal Election Campaign Act of 1971, as amended, and the regulations promulgated thereunder.

Question Five: Explain why you filed with the Commission on November 2, 1984, a notarized statement disclosing that on November 1, 1984, the Citizens Committee for Responsible Government in Illinois, Inc. made independent expenditures of $105,850 to Tom Rubin and Associates of Studio City, California, for television ads aired on WMAQ-Chicago.

Answer: Agents of the Committee were mistakenly informed on November 2, 1984 by Tom Rubin & Associates that the Committee had expended $105,850 the previous day for television ads to be aired on WMAQ-Chicago. Based on this erroneous information, the Committee immediately filed the referenced independent expenditure statement with the Commission in order to fully comply with federal election law.

In fact, though discussions concerning the purchase of air time by the Committee through Tom Rubin & Associates did occur, the Committee was not able to raise funds as anticipated and, thus, no contract for these advertisements were ever executed and no expenditures by the Committee were

ever made. Accordingly, on November 13, 1984, the Committee withdrew its independent expenditure statement of November 2, 1984.

Question Six: State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. communicated with Mr. Michael Goland concerning the above-referenced television ads.

If so, describe the content of those communications and, if possible, provide the dates on which the communications took place. If the communications were in writing, please submit copies.

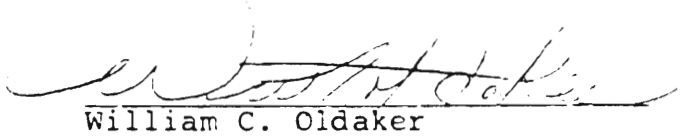
Answer: Agents of the Committee had several conversations with Michael Goland concerning the possible purchase of advertisements by the Committee from Mr. Goland. There were no written communications between the parties.

Question Seven: Describe Mr. Michael Goland's relationship to the Citizens Committee for Responsible Government in Illinois, Inc.

Answer: There is no legal relationship between Michael Goland and the Committee. Mr. Goland is neither an officer of the Committee nor does he serve on the Board of Directors.

Respondents reserve the right to supplement their answers to the Commission's Questions and Request for Documents if additional information comes into their possession.

Respectfully submitted,



William C. Oldaker
Counsel for Respondents,
Citizens for Responsible
Government in Illinois, Inc. and
Charles Brooks, Treasurer

GCC# 7116

MANATT, PHELPS, ROTHENBERG & TUNNEY
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.
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(213) 312-4000

SAN FRANCISCO OFFICE
FOUR EMBARCADERO CENTER
SAN FRANCISCO, CALIFORNIA 94111
(415) 981-7540

LOS ANGELES (DOWNTOWN)
811 WEST SEVENTH STREET
LOS ANGELES, CALIFORNIA 90017
(213) 486-5500

April 9, 1985

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1842

Dear Mr. Steele:

Enclosed please find for filing Response of Michael Goland to Questions and Request for Documents.

Sincerely,

David M. Ifshin
of Manatt, Phelps,
Rothenberg & Tunney

DMI:mp

cc: Beverly Kramer (w/enclosure)

APR 9 P4:54
GENERAL COUNSEL

9704374174

8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens for Responsible Government in Illinois, Inc. Charles Brooks, as treasurer	)	MUR 1842

RECEIVED
APR 9 P4:58
GENERAL COUNSEL

RESPONSE OF RESPONDENT MICHAEL GOLAND TO QUESTIONS AND REQUEST FOR DOCUMENTS

The questions below pertain to anti-Percy television ads which aired on WMAQ-TV, Chicago, beginning November 1, 1984.

1. In a mailgram addressed to the Commission on November 2, 1984, you stated "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Senator Charles Percy of Illinois." State whether the deposit was, either in whole or in part, intended for the above-referenced television ads.

ANSWER: Yes.

2. State whether you executed a contract for the production and/or placement of the above-referenced ads.

If so, provide a copy of the written contract. If arrangements were made through an oral agreement, name the parties involved, describe the arrangements that were made, and provide the date on which the arrangements were made.

ANSWER: The production of the ads was done by Subtle Communications Inc.; placement was done by Focus Media, Inc. I did not have a written contract with either firm, but rather a continuing arrangement under which my account was charged for fees and costs. The arrangement with Subtle Communications began in February 1984; the arrangement with Focus Media began in May, 1984.

3. State whether you, at any time, communicated with Mr. Charles Brooks and or agents of the Citizens for Responsible Government in Illinois, Inc. concerning the above-referenced advertisements.

If so, provide copies of all written communications and state the names of the persons with whom you had oral communications, the dates on which the oral communications occurred and the content of the oral communications.

ANSWER: I informed Mr. Brooks in a telephone conversation in late October, 1984 that any questions regarding arrangements for use or placement of the ads should be directed to Focus Media, Inc.

4. Describe your relationship with the Citizens Committee for Responsible Government in Illinois, Inc.

ANSWER: As noted in the previous answer, I discussed with a representative of the Committee use by them of certain advertisements. I have no formal relationship with or role in that or any other political committee.

Respectfully submitted,

David M. Ifshin
of Manatt, Phelps
Rothenberg & Tunney

Counsel for Michael Goland

Date: April 9, 1985

BEFORE THE FEDERAL ELECTION COMMISSION

In the matter of)
) MUR 1842

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Tom Rubin, President
Focus Media, Inc.
12345 Ventura Blvd.
Suite H
North Hollywood, CA 91604

Pursuant to 2 U.S.C. § 437d(a)(1) and (3) and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you, or any of your agents having knowledge of the information sought herein, to submit written answers to the questions attached to this Order and subpoenas you to produce requested documents.

Such answers must be submitted under oath and must be forwarded to the Commission within (10) days of your receipt of this Order/Subpoena.

WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand on , 1985.

John Warren McGarry
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Subpoena/Order

11

8704064477

SUBPOENA AND ORDER

Please respond to the following. If you claim that you are entitled to withhold from production any of the documents requested, please identify each document, describe the subject matter of the document and state the grounds for withholding it from production.

As used in the Subpoena and Order, the terms listed below are defined as follows:

a. The term "documents" or "records" shall mean, unless otherwise indicated, writings of any kind, including, but not limited to, correspondence, memoranda, reports, transcripts, minutes, pamphlets, leaflets, notes, letters, lists, telexes, telegrams, messages (including reports, notes, memoranda, and any other documentation of telephone converations and conferences), calendar and diary entries, contracts, data, agendas, printouts, account statements, ledgers, billing forms, receipts, checks and other negotiable paper, and compilations in the possession or control of Tom Rubin, Tom Rubin and Associates, Focus Media, Inc.

b. The term "identify" or "list" with respect to individuals shall mean to give the full name, last known residence address of such individual, the last known place of business where such individual is or was employed, the title of the job or position held.

c. The terms "and" and "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of this request any documents or information which may be otherwise construed to be out of its scope.

1. State your name.

2a. State your present place of employment.

b. State how long you have worked at your present place of employment.

3a. State your position at your present place of employment.

b. State how long you have held that position.

4. Describe your duties and responsibilities at your present place of employment.

5. State whether you know Michael Goland.

If so:

State how you know Michael Goland.

6. State whether you conducted any business with Michael Goland in 1984.

If so:

a. Describe the services you provided to Michael Goland.

b. Describe all business arrangements between your organization and Michael Goland.

7. State whether you had any conversations, communications or meetings with Michael Goland concerning anti-Percy television ads to air on WMAQ-Chicago in November of 1984. If so:

a. List the dates on which these discussions occurred.

b. Describe the services you agreed to perform in regard to these television advertisements.

8. State whether you made the initial contact with Michael Goland concerning the television advertisements.

If not, identify the person who made the initial contact and state when the initial contact was made.

9. State whether you had any conversations, communications or meetings with Michael Goland concerning payment for services performed in regard to these television advertisements.

   If so:

   a. list the dates on which the discussions occurred.

   b. Describe the content of the discussions.

   c. Provide copies of the communications.

10. State whether there was any oral or written contract, promise or agreement with Michael Goland concerning payment for the services you provided in connection with the television advertisements.

    If so:

    a. list the dates on which the contract, promise or agreement was entered into.

    b. Provide copies of all documents pertaining to the agreements and/or describe the terms of all oral agreements made.

11. List the dates on which all anti-Percy television advertisements were aired on WMAQ-Chicago.

12. State whether the advertisements carried disclaimers stating the name of the persons who paid for the advertisements.

    If so: State what the disclaimers read.

13. State whether you received payment(s) from Michael Goland in connection with anti-Percy television

advertisements aired on WMAQ-Chicago in November of 1984.

14. State whether you know Charles Brooks and how you know him.

15. State whether you know of an organization called Citizens for Responsible Government in Illinois, Inc. (hereinafter "CRGI") and how you know CRGI.

16. State whether you entered into any business transactions with Charles Brooks and/or CRGI in 1984 and describe each such transaction.

17. Describe the services you provided to Charles Brooks and/or CRGI in 1984.

18. State whether you made the initial contact with Charles Brooks and/or CRGI concerning these transactions.

    If not: identify the person who made the initial contact and state when the initial contact was made.

19. State whether there was any oral or written agreements with Charles Brooks on CRGI concerning these transactions.

    If so: Submit copies of all documents pertaining to these agreements and/or describe the terms of oral agreements.

20. State whether you had any conversations, communications or meetings with Charles Brooks and/or CRGI concerning anti-Percy television advertisements to appear on WMAQ-Chicago.

If so:

a. List the dates on which those discussions occurred and identify the persons with whom you had the discussions.

b. Describe the content of the discussions.

c. Provide copies of all written communications

21. State what services you agreed to perform for Charles Brooks and/or CRGI in regard to these television advertisements.

22. State whether you had any conversations, communications or meetings with Charles Brooks and/or CRGT concerning payment for services to be provided in connection with the television advertisements.

a. List the dates on which the discussions occurred, identify the person with whom you had the discussions, and describe the content of the discussions.

b. Provide copies of the written communications.

23. State whether there was any written contract, promise or agreement with Charles Brooks and/or CRGI concerning payment for services provided in connection with the television advertisements.

If so:

a. List the dates on which the contract, promise or agreement was entered into.

b. Provide copies of all documents pertaining to the agreements and/or describe the terms of all oral agreements made.

24. State whether you had any conversation, communications or meeting with Charles Brooks and/or CRGI concerning the payment of $105,850 in connection with the television advertisements.

    If so:

    a. List the dates on which those discussions occurred, identify the person with whom you had these discussions, and describe the content of those discussions.

    b. Provide copies of the written communications.

25. State whether you communicated to anyone involved with CRGI that CRGI had expended $105,850 in connection with the anti-Percy television ads that aired on WMAQ Chicago.

    If so:

    a. List the dates on which you communicated this information and identify the persons to whom you communicated this information.

    b. State whether this information was erroneous.

    c. Explain why this information was erroneous.

    d. Explain the circumstances of this error.

26. State whether you received payments from Charles Brooks and/or CRGI in connection with anti-Percy television ads aired on WMAQ-Chicago in November of 1984.

27. State whether you had any conversations, communications or meetings with Michael Goland concerning Charles Brooks and/or CRGI.

If so:

a. List the dates on which these discussions occurred, and describe the content of the discussions.

b. Provide copies of all written communications from Michael Goland regarding Charles Brooks and/or CRGI.

28. State whether you had any conversations, communications, or meetings with Charles Brooks and/or CRGI concerning Michael Goland.

If so:

a. List the dates on which these discussions occurred, identify the persons with whom you had these discussions and describe the content of the discussions.

b. Provide copies of all written communications from Charles Brooks and/or CRGI concerning Michael Goland.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tom Rubin, President
Focus Media, Inc.
12345 Ventura Blvd.
Suite H
North Hollywood, CA 91604

RE: MUR 1842

Dear Mr. Rubin:

The Federal Election Commission, established in April, 1975, has the statutory duty of enforcing the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, Internal Revenue Code of 1954. In connection with an investigation being conducted by the Commission, the attached subpoena/order which requires Focus Media, Inc. and/or any of its agents to provide certain information and documentation has been issued. The Commission does not consider Focus Media, Inc. a respondent in this matter; but rather a witness only.

Since this information is being sought as part of an investigation being conducted by the Commission, the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) apply. That section of the Act prohibits the making public of any investigation conducted by the Commission without the express written consent of the person with respect to whom the investigation is made. You are advised that no such consent has been given in this case.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this subpoena/order. However, you are required to submit the information under oath within ten days of your receipt of this subpoena and order.

If you have any questions, please direct them to Beverly Kramer, the staff member handling this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure
Subpoena & Order

9 7 0 1 0 4 4 1 1 8 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 23, 1985

Daniel J. Swillinger
Davis and Gooch
920 Pennsylvania Avenue, S.E.
Washington, D.C. 20003

RE: MUR 1842
Citizens for Responsible
Government in Illinois

Dear Mr. Swillinger:

This letter is to acknowledge receipt of your letter dated May 15, 1985, providing supplemental information to the complaint filed on November 7, 1984 on behalf of Senator Charles Percy and Citizens for Percy '84 in the above-referenced matter. The respondent will be notified of this supplemental information within 24 hours. You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this office.

Please be advised that this matter shall remain confidential in accordance with 2 U.S.C. § 437g(a)(B) and § 437g(a)(12)(A) unless the respondents notify the Commission in writing that they wish the matter to be made public.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

3 7 7 4 0 5 4 2 4 3 7

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 23, 1985

William C. Oldaker
Epstein, Becker, Borsody & Green, P.C.
1140 19th Street, N.W.
Washington, D.C. 20036-6601

RE: MUR 1842
Citizens for Responsible
Government in Illinois, Inc.
Charles Brooks, as Treasurer

Dear Mr. Oldaker:

On November 7, 1984, your clients were notified of a complaint in the above-captioned matter that alleged they violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Office of the General Counsel received additional information from the complaintant on May 16, 1985. Enclosed is a copy of the additional information. Because this information is considered a supplement to the complaint rather than an amendment, you are not afforded any additional response time.

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter, at 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

Enclosure

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: THE COMMISSION

FROM: MARJORIE W. EMMONS/ CHERYL A. FLEMING

DATE: May 21, 1985

SUBJECT: MUR 1842 - Supplement to Complaint

The attached has been circulated for your information.

Attachment

3 7 0 4 0 5 4 1 8 7

LAW OFFICES OF
DAVIS AND GOOCH
920 PENNSYLVANIA AVENUE, S.E.
WASHINGTON, D.C. 20003
(202) 543-3600

RAYMOND L. GOOCH*
WILLIAM E. DAVIS•

*ALSO MEMBER VIRGINIA BAR
•ALSO MEMBER MARYLAND & NORTH CAROLINA BAR

DANIEL J. SWILLINGER
OF COUNSEL

85 MAY 16 P2:14
GCC #7476
85 MAY 20 P12:28

May 15, 1985

SENSITIVE

Kenneth A. Gross, Esquire
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Citizens for Responsible Government in Illinois

Dear Mr. Gross:

Sen. Charles Percy and Citizens for Percy '84, his principal campaign committee, filed a complaint against the above-named political committee on November 2, 1984.

The purpose of this letter is to provide additional information about this committee (hereinafter CRGI).

In reviewing CRGI's reports, I noted that it filed a "termination report" by letter on November 13, 1984, stating that it made no expenditures or contributions during its "brief existance," and by separate letter on the same date stated that it had "erroneously reported" an independent expenditure of $105,850 in opposition to Sen. Percy's re-election.

A review of the political file and program logs of station WMAQ-TV in Chicago contradicts those statements. A contract between WMAQ and Tom Rubin Asso. of Studio City, California, an advertising agency, shows that CRGI paid for 62 spots airing from November 1-34, 1984, at a cost of $105,850. Station logs (examples attached) show that the spots did air, and that CRGI was the sponsor.

85 MAY 17 A9:45

This documentary evidence clearly demonstrates the falsity of CRGI's reports.

On behalf of Sen. Percy and his committee, I request that you thoroughly investigate this matter. If CRGI did not pay for these spots, it must be determined who did.

Please call me if I can be of assistance.

Sincerely,

Daniel J. Swillinger

DJS/pl
Enclosures - (3)
cc: Hon. Charles H. Percy
Carter Hendren

8 7 0 4 0 5 4 4 2 1

TIME	SCHEDL-ASS	VID	AUD	DUR	SEQ	TITLE SPONSOR PRODUCT	MATERIAL-ID	AL/PN	ST	SRC	TYPE	AAS	?
06:00:00		VT	VT			TODAY IN CHICAGO (WMAQ: STOP ABOUT FRATERNAL----				L	P		
		VT	VT			PART 1 (5:53)	PP0345-TK1						
6.0552A		AL	AL			(COMMCL ISLAND #1)							
6.0652A		VC	VC	:30		PSA: NEWS:PORIAMTY G	PL-F0007	00007				APR	
6.0652A		VC	VC	:00		PSA: UNITED BLOOD SERVICE	PSA-0011	00011				PSA	
		VC	VC	1:00		PSA: AIR FORCE	PSA-0001	00001				PSA	
		VT	VT			PART 2 (6:05)	PP0345-TK2						
		AL	AL			(COMMCL ISLAND #2) PAID FOR BY CTT RESPONSIBLE GOVT.IN ILL INC							
6.1358A		VC	VC	:30		CTT RESP GOVT CTT R GVT ILL	WMAI-1	01358				COM	X
6.1428A		VC	VC	:30		PSA: CHGO POLICE NON EMG	PSA-0402	00402				PSA	
6.1458A		VC	VC	1:00		PSA: ALZHEIMERS DISEASE	PSA-0107	00107				PSA	
		VT	VT			PART 3 (6:53)	PP0345-TK3						

TIME	MACHINE-ASS	VID 1	AUD 0	DUR	SEG	TITLE	SPONSOR	PRODUCT	MATERIAL-ID	AL/EN	ST	SRC	TYPE	AAS	?
5:00:00A		VT	VT			TODAY IN CHICAGO (NEWS:) STOP W PEQUE EDITORIAL----					S	L	P		
		VT	VT			PART 1 (3:16)			PP46-TR1						
		VC	L			(COUNCIL ISLAND #1)									
5:03:11		VC	VC	:30		[illegible] DIS	MUFFLERS		VC-130-P2L-[illegible]V1	[illegible]			COM		
5:03:41		VC	VC	:[illegible]		PAN: STAT [illegible] OF ELECTION			SA-1[illegible]	[illegible]			[illegible]		
[illegible]		VC	VC	:[illegible]	:05	CUT [illegible] GOVT CUT & GOVT [illegible]			[illegible]-1	[illegible]			[illegible]		
[illegible]		SGD1	SGD		:03				NDO1-VLM						
[illegible]		VC	VC	:[illegible]	:22	PP: [illegible]: COLD [illegible] 4:30			[illegible]-1[illegible]	[illegible]			[illegible]		
		VT	VT			PART 2 (7:03)			[illegible]-T1						
5:2[illegible]		L	L			(COUNCIL ISLAND #2)									
		VC	VC	:[illegible]	:01	[illegible] TV [illegible] TV RENTAL			[illegible]				COM		
		L	[illegible]		:[illegible]				[illegible]1-[illegible]						
		[illegible]	[illegible]		:[illegible]				VIDEOMAT-[illegible]						
5:2[illegible]		VC	VC	:[illegible]		PP: TOWN:LANDS [illegible]			[illegible]-[illegible]	[illegible]			APP		
5:3[illegible]		VC	VC	1:00		PP: [illegible] TURPS			[illegible]-2024	[illegible]			APP		
		VT	VT			PART 3 (:)			PP46-TR3						

TIME	PROGRAM-ABC	VID	AUD	C	DUR	SOF	TITLE OR PROGRAM	MATERIAL-ID	RL/PN	ST	SRC	TYPE	AAS	?
										E	L	P		
5:00:00A		VT	VT				TODAY IN CHICAGO (NEWS:)							
							STOP & REWIND ENTIRE PGM							
		VT	VT				PART 1 (7:03)	[illegible]						
7:03A		L VT	L VC		:30		(CONTROL ISLAND A1) CUT [illegible]	[illegible]	[illegible]			COM	X	
7:33A		VT	VC		:30		PR: [illegible]	[illegible]	[illegible]			VTR		
		VT	VT				PART 2 (5:00)	[illegible]						
8:33A		L VT	L VC		1:00		(CONTROL ISLAND A1) PR: [illegible]	[illegible]	[illegible]			[illegible]		
		VT	VT				PART 3 (4:42)	[illegible]						

RECEIVED AT THE FEC
85 MAY 16 P2:14
GCC #7476

LAW OFFICES OF
DAVIS AND GOOCH
920 PENNSYLVANIA AVENUE, S.E.
WASHINGTON, D.C. 20003
(202) 543-3600

RAYMOND L. GOOCH *
WILLIAM E. DAVIS •

* ALSO MEMBER VIRGINIA BAR
• ALSO MEMBER MARYLAND & NORTH CAROLINA BAR

DANIEL J. SWILLINGER
OF COUNSEL

May 15, 1985

Kenneth A. Gross, Esquire
Associate General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Citizens for Responsible Government in Illinois

Dear Mr. Gross:

Sen. Charles Percy and Citizens for Percy '84, his principal campaign committee, filed a complaint against the above-named political committee on November 2, 1984.

The purpose of this letter is to provide additional information about this committee (hereinafter CRGI).

In reviewing CRGI's reports, I noted that it filed a "termination report" by letter on November 13, 1984, stating that it made no expenditures or contributions during its "brief existance," and by separate letter on the same date stated that it had "erroneously reported" an independent expenditure of $105,850 in opposition to Sen. Percy's re-election.

A review of the political file and program logs of station WMAQ-TV in Chicago contradicts those statements. A contract between WMAQ and Tom Rubin Asso. of Studio City, California, an advertising agency, shows that CRGI paid for 62 spots airing from November 1-54, 1984, at a cost of $105,850. Station logs (examples attached) show that the spots did air, and that CRGI was the sponsor.

MAY 17 A9:45

This documentary evidence clearly demonstrates the falsity of CRGI's reports.

On behalf of Sen. Percy and his committee, I request that you thoroughly investigate this matter. If CRGI did not pay for these spots, it must be determined who did.

Please call me if I can be of assistance.

Sincerely,

Daniel J. Swillinger

DJS/pl
Enclosures - (3)
cc: Hon. Charles H. Percy
Carter Hendren

TIME	MACHINE-ASS	VID G	AUD O	DUR	SEQ	TITLE	SPONSOR	PRODUCT	MATERIAL-ID	RL/EN	ST	SRC	TYPE	AAS	?
06:00:00A		VT	VT			TODAY IN CHICAGO (WARM:) STOP 1 REPORT FRATERNAL----					P	L	P		
		VT	VT			PART 1 (5:53)			XP0345-TK1						
6:00:52A		CL	CL			(COMMCL ISLAND #1)									
		VC	VC	:30		PSA: NEW:MORIARTY G			PSA-03037	03037			APR		
6:00:52A		VC	VC	:30		PSA: UNITED BLOOD SERVICE			PSA-2211	02211			PSA		
6:00:52A		VC	VC	1:00		PSA: AIR FORCE			PSA-2201	02201			PSA		
		VT	VT			PART 2 (6:05)			XP0345-TK2						
		CL	CL			(COMMCL ISLAND #2) PAID FOR BY CIT RESPONSIBLE GOVT.IN ILL INC									
6:13:58A		VC	VC	:30		CIT RESP GOVT CIT R GVT ILL			CRGI-1	01354			COM	X	
6:14:38A		VC	VC	:01		PSA: CHGO POLICE NON EMG			PSA-T42	02206			PSA		
6:14:58A		VC	VC	1:00		PSA: ALTER INGRN DISEASE			PSA-1107	00107			PSA		
		VT	VT			PART 3 (4:53)			XP0345-TK3						

TIME	MACHINE-ASS	VID 1	AUD 0	DUR	SEG	TITLE	SPONSOR	PRODUCT	MATERIAL-ID	RL/EN	ST	SRC	TYPE	AAS	?
03:00A		VT	VT			TODAY IN CHICAGO (NEWS:) STOP & REQUE EDITORIAL----					S	L	P		
		VT	VT			PART 1 (3:16			P154A-TV1						
		L	L			(COMMCL ISLAND #1)									
3:11		VC	VC	:30		BUSINESS DIS	MUFFLERS		VC-130-P30-BBV1	01039			COM		
3:14		VC	VC	:		PGM: STATE OF ELECTION			SA-1	0B1			PSA		
		VC	VC	:40	:05	CIT REP CONVT CIT R CVT			-1	1					
		SGD1	SGD		.03				ADO1-YL4						
		VC	VC	:	.22	PR: SPORTS: CBL 9 TO 4:30			- 1	1					
		VT	VT			PART 2 (7:03			P154A-TV2						
		L	L			(COMMCL ISLAND #2)									
7:18		VC	VC	:30	:01	BRANDATV PRNT TV RENTAL			BTT-[illegible]	07007			COM		
		L	L		:04				VSLT1-[illegible]						
		VC	VC		:30				VSBRAT-[illegible]						
12:42		VC	VC	:30		PR: TONE:LANGE ON S+			PS-L1[illegible]4	01[illegible]4			APP		
13:00		VC	VC	1:00		PR: HE THERE			[illegible]-[illegible]4	[illegible]4			APP		
		VT	VT			PART 3 (:)			P154A-TV3						

14

P.32 missing

TIME	MACHINE-ASG	VID	AUD	DUR	SEG	TITLE	SPONSOR	PRODUCT	MATERIAL-ID	RL/RN	ST	SRC	TYPE	AAS	?
5:00:00A		VT	VT			TODAY IN CHICAGO (NEWS:)					E	L	P		
						STOP & REDUE SATIRE PGM									
		VT	VT			PART 1 (7:03)			[illegible]-TK1						
7:03A		L VO	L VO	:30		(COMMOL ISLAND A1) CUT [illegible] CUT 2 CUT [illegible]			[illegible]-2-RL	C1604			COM	X	
7:33A		[illegible]	[illegible]	:30		PR: [illegible]			[illegible]	[illegible]			[illegible]		
		VT	VT			PART 2 (5:00)			[illegible]						
3:33A		L VO	L VO	1:[illegible]		(COMMOL ISLAND [illegible]) PR: [illegible]			[illegible]	[illegible]			[illegible]		
		VT	VT			PART 3 (4:42)			[illegible]-TK[illegible]						

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

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

DATE: MAY 8, 1985

SUBJECT: MUR 1842 - Comprehensive Investigative Report #1 signed May 1, 1985

The above-captioned matter was circulated to the Commission on a 24 hour no-objection basis at 11:00, May 6, 1985.

There were no objections to the Comprehensive Investigative Report at the time of the deadline.

3 7 0 4 0 4 2 5 2 0

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: May 3, 1985

SUBJECT: MUR 1842 - Comprehensive Investigative Report #1

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[ ]	Compliance	[X]
Sensitive	[ ]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[X]	Litigation	[ ]
Sensitive	[X]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

9701024 5521

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens for Responsible	)	
Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, as treasurer	)	
Michael Goland	)	

SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #1

This matter arose based on a complaint brought by Senator Charles Percy and his principal campaign committee, Citizens for Percy '84. The complaint alleged that the Citizens for Responsible Government in Illionis, Inc. ("Citizens Committee") and its treasurer, Charles Brooks, made independent expenditures for television ads in opposition the candidacy of Senator Percy and failed to report the expenditures within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

A review of the public record revealed that the Citizens Committee filed the independent expenditure report and subsequently filed a statement on the public record declaring that the expenditures had been erroneously reported and that, consequently, they were withdrawing their report. The public record further disclosed that coincidental to the Citizens Committee's withdrawal of their report, Michael Goland, a person registered as making independent expenditures, filed a report with the Commission disclosing independent expenditures for what appeared to be the same anti-Percy ads attributed to the Citizens Committee. The coincidence of the reporting raised questions concerning the relationship of Mr. Goland to the Citizens

Committee and suggested the possibility that Mr. Goland may have made contribitions in-kind to the Citizens Committee in excess of the contribution limits of 2 U.S.C. § 441a(a)(1)(C).

In determining whether violations of the Act may be involved, the Commission decided that such a determination would require an inquiry into such relevant factors as: (1) the relationship between Michael Goland and the Citizens Committee; (2) the contractual arrangements made with respect to the production and placement of the ads; and (3) the communications between Michael Goland and the Citizens Committee concerning the ads in question.

For the purposes of developing the facts, therefore, the Commission, on February 20, 1985 found reason to believe that Michael Goland violated 2 U.S.C. § 441a(a)(1)(C) by making an excessive in-kind contribution to the Citizens Committee, and that the Citizens Committee and its treasurer violated 2 U.S.C. §§ 441a(f) and 434(b) by accepting the excessive contribution and by failing to report the contribution in-kind from Michael Goland.

Notice of the Commission's finding and questions in connection with this matter were sent to the respondents on February 28, 1984. The respondents requested extensions to respond to the Commission's questions. The General Counsel's Office granted the requested extensions.

By April 9, 1985, this Office received the respondents' written anwsers to the Commission's questions. The answers are

general in nature and appear to circumvent the issues. Consequently, this Office is preparing a report discussing the responses and recommending approval of orders to answer questions and subpoenas for documents.

Charles N. Steele
General Counsel

May 1, 1985
Date

By Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

87074054

GCC# 7116
Kramer

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LOS ANGELES (DOWNTOWN)
811 WEST SEVENTH STREET
LOS ANGELES, CALIFORNIA 90017
(213) 486-5500

April 9, 1985

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: MUR 1842

Dear Mr. Steele:

Enclosed please find for filing Response of Michael Goland to Questions and Request for Documents.

Sincerely,

David M. Ifshin
of Manatt, Phelps,
Rothenberg & Tunney

DMI:mp

cc: Beverly Kramer (w/enclosure)

APR 9 P4:54
GENERAL COUNSEL

87040425 05

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens for Responsible Government in Illinois, Inc. Charles Brooks, as treasurer	)	MUR 1842

RESPONSE OF RESPONDENT MICHAEL GOLAND TO QUESTIONS AND REQUEST FOR DOCUMENTS

The questions below pertain to anti-Percy television ads which aired on WMAQ-TV, Chicago, beginning November 1, 1984.

1. In a mailgram addressed to the Commission on November 2, 1984, you stated "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Senator Charles Percy of Illinois." State whether the deposit was, either in whole or in part, intended for the above-referenced television ads.

ANSWER: Yes.

2. State whether you executed a contract for the production and/or placement of the above-referenced ads.

If so, provide a copy of the written contract. If arrangements were made through an oral agreement, name the parties involved, describe the arrangements that were made, and provide the date on which the arrangements were made.

ANSWER: The production of the ads was done by Subtle Communications Inc.; placement was done by Focus Media, Inc. I did not have a written contract with either firm, but rather a continuing arrangement under which my account was charged for fees and costs. The arrangement with Subtle Communications began in February 1984; the arrangement with Focus Media began in May, 1984.

RECEIVED GENERAL COUNSEL 1985 APR 9 P4:58

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3. State whether you, at any time, communicated with Mr. Charles Brooks and or agents of the Citizens for Responsible Government in Illinois, Inc. concerning the above-referenced advertisements.

If so, provide copies of all written communications and state the names of the persons with whom you had oral communications, the dates on which the oral communications occurred and the content of the oral communications.

ANSWER: I informed Mr. Brooks in a telephone conversation in late October, 1984 that any questions regarding arrangements for use or placement of the ads should be directed to Focus Media, Inc.

4. Describe your relationship with the Citizens Committee for Responsible Government in Illinois, Inc.

ANSWER: As noted in the previous answer, I discussed with a representative of the Committee use by them of certain advertisements. I have no formal relationship with or role in that or any other political committee.

Respectfully submitted,

David Ifshin

David M. Ifshin
of Manatt, Phelps
Rothenberg & Tunney

Counsel for Michael Goland

Date: April 9, 1985

87040542507

GCC#7076
Hamer

EPSTEIN BECKER BORSODY & GREEN, P.C.
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(202) 861-0900

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NEW YORK, NEW YORK 10177-0077
(212) 370-9800

108 NORTH ST. ASAPH STREET
ALEXANDRIA, VIRGINIA 22314
(703) 684-1204

MALLICK TOWER
ONE SUMMIT AVENUE
FORT WORTH, TEXAS 76102-2666
(817) 334-0701

NEW YORK, WASHINGTON, D.C.
AND VIRGINIA ONLY

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111-5954
(415) 398-5565

1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-2501
(213) 556-8861

515 EAST PARK AVENUE
TALLAHASSEE, FLORIDA 32301-2524
(904) 681-0596

April 3, 1985

Charles N. Steele, Esquire
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Federal Election Commission MUR 1842 - Respondents, Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, Treasurer

Dear Mr. Steele:

Enclosed please find the response of Citizens for Responsible Government in Illinois, Inc. and Charles Brooks, Treasurer, to the Commission's Questions and Request for Documents in the above-captioned matter.

The facts surrounding this complaint are as follows: Charles Brooks, along with other individuals, decided sometime in October of 1984 to establish a non-connected political action committee to make contributions and expenditures in support of and in opposition to Federal candidates. Accordingly, a Statement of Organization for Citizens for Responsible Government in Illinois, Inc., ("the Committee"), a non-connected political committee, was filed with the Commission on October 25, 1984. Charles Brooks was listed as the Treasurer of the Committee.

The Committee anticipated that it would be able to raise a significant amount of contributions, subject, of course, to the prohibitions and limitations of federal election law, and therefore that it would be able to purchase copies of anti-Percy television advertisements from Michael Goland and buy air-time on WMAQ-Chicago through Tom Rubin & Associates. Agents of the Committee had several conversations with Michael Goland concerning the possible purchase of advertisements by the

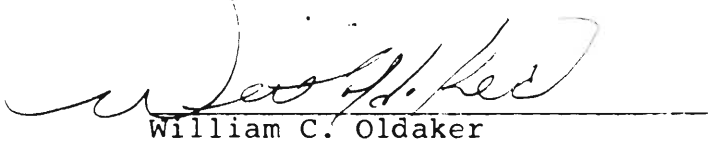
Committee from Mr. Goland. Discussions between the Committee and Tom Rubin & Associates regarding the purchase of air time also occurred.

On November 2, 1984, while these discussions were still taking place and amidst general pre-election confusion, agents of the Committee were mistakenly informed by Tom Rubin & Associates that the Committee had expended $105,850 the previous day for television ads to be aired on WMAQ-Chicago. Based on this erroneous information, the Committee immediately filed a notarized Independent Expenditure Report with the Commission in order to fully comply with federal election law.

In fact, the Committee was not able to raise funds, and, thus the Committee neither made the expenditures in question nor entered into any contracts to make such expenditures. Accordingly, on November 13, 1984, the Committee withdrew its Independent Expenditure Report of November 2, 1984.

As set forth herein, this complaint does not involve the receipt of excessive in-kind contributions from Michael Goland. Nor does it involve a failure to report independent expenditures to the Commission in a timely fashion. Instead, the complaint revolves around a case of over-zealous reporting amid pre-election confusion, and, accordingly, should be dismissed.

Very truly yours,



William C. Oldaker
Counsel for Citizens for
Responsible Government in Illinois,
Inc. and Charles Brooks, Treasurer

WCO/LJK:ses
Enclosure

Federal Election Commission
Matter-Under-Review 1842
Respondents, Citizens for Responsible
Government in Illinois, Inc., and Charles Brooks, Treasurer

Response to Commission's Questions
and Request for Documents

Question One: Explain how the Citizens Committee for Responsible Government in Illinois, Inc. determined to air the above-referenced advertisements.

In this connection, please provide the full name of the individuals and/or parties involved in the decision-making. In addition, please describe each step that was taken to execute the idea.

Answer:

The referenced advertisements were never aired by Citizens for Responsible Government in Illinois, Inc. ("the Committee").

Question Two:

State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. ever executed a contract for the production and/or placement of the above-referenced advertisements.

If so, please submit a copy of the written contract(s) or describe the terms of all oral agreement(s) made. In addition, please provide the full names of the individuals

and/or parties involved in the negotiations and provide the dates on which the negotiations took place.

Answer:

The Committee never executed a contract for the production and/or placement of the referenced advertisements.

Question Three: State whether the contract(s) described in question number 1 was ever formally withdrawn.

If so, please submit copies of all correspondence and describe all oral agreements made concerning the withdrawal of the contract(s). In addition, please provide the date on which the contract was formally withdrawn.

Answer: As set forth in Respondents' answer to Question No. 2, the Committee never executed a contract for the production and/or placement of the referenced advertisements.

Question Four: State how the Committee intended to pay for the expenditures in connection with the above-referenced advertisements.

Answer: The Committee did not make any expenditures in connection with the referenced advertisements. All expenditures which the Committee intended to make, however, were

to be made from funds raised in accordance with the prohibitions and limitations of the Federal Election Campaign Act of 1971, as amended, and the regulations promulgated thereunder.

Question Five: Explain why you filed with the Commission on November 2, 1984, a notarized statement disclosing that on November 1, 1984, the Citizens Committee for Responsible Government in Illinois, Inc. made independent expenditures of $105,850 to Tom Rubin and Associates of Studio City, California, for television ads aired on WMAQ-Chicago.

Answer: Agents of the Committee were mistakenly informed on November 2, 1984 by Tom Rubin & Associates that the Committee had expended $105,850 the previous day for television ads to be aired on WMAQ-Chicago. Based on this erroneous information, the Committee immediately filed the referenced independent expenditure statement with the Commission in order to fully comply with federal election law.

In fact, though discussions concerning the purchase of air time by the Committee through Tom Rubin & Associates did occur, the Committee was not able to raise funds as anticipated and, thus, no contract for these advertisements were ever executed and no expenditures by the Committee were

ever made. Accordingly, on November 13, 1984, the Committee withdrew its independent expenditure statement of November 2, 1984.

Question Six: State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. communicated with Mr. Michael Goland concerning the above-referenced television ads.

If so, describe the content of those communications and, if possible, provide the dates on which the communications took place. If the communications were in writing, please submit copies.

Answer: Agents of the Committee had several conversations with Michael Goland concerning the possible purchase of advertisements by the Committee from Mr. Goland. There were no written communications between the parties.

Question Seven: Describe Mr. Michael Goland's relationship to the Citizens Committee for Responsible Government in Illinois, Inc.

Answer: There is no legal relationship between Michael Goland and the Committee. Mr. Goland is neither an officer of the Committee nor does he serve on the Board of Directors.

Respondents reserve the right to supplement their answers to the Commission's Questions and Request for Documents if additional information comes into their possession.

Respectfully submitted,

William C. Oldaker
Counsel for Respondents,
Citizens for Responsible
Government in Illinois, Inc. and
Charles Brooks, Treasurer

GCC 7095

STATEMENT OF DESIGNATION OF COUNSEL

85 APR 8 P2:01

MUR 1842

NAME OF COUNSEL: David M. Ifshin

ADDRESS: Manatt, Phelps Rothenberg & Tunney
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 463-4320

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

3/26/85
Date

Signature

RESPONDENT'S NAME: Michael Goland

ADDRESS: Balboa Construction Co.
20221 Prarie Street
Chatsworth, CA 91311

HOME PHONE: (213) 208-3127

BUSINESS PHONE: (818).888-0355

9704245315

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 21, 1985

David M. Ifshin
Mannatt, Phelps, Rothenberg & Tunney
1200 New Hampshire Ave., N.W.
Washington, D.C. 20036

RE: MUR 1842
Michael Goland

Dear Mr. Ifshin:

This is in reference to your letters dated March 15 and March 18, 1985, requesting an extension of 15 days (or until April 8, 1985) to respond to the Commission's questions and request for documents in connection with its notice that it has reason to believe that your client violated the Act. After considering the circumstances presented in your letter, the Office of the General Counsel has determined to grant you your requested extension. Accordingly, your response will be due on April 8, 1985.

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter at 523-4143.

Sincerley,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

87040425 16

ACC# 6931

MANATT, PHELPS, ROTHENBERG & TUNNEY
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(213) 486-5500

March 18, 1985

Ms. Beverly Kramer
Paralegal Specialist
Federal Election Commission
Office of the General Counsel
7th Floor
1325 K Street, N.W.
Washington, D.C. 20463

Dear Ms. Kramer:

As we discussed in our telephone conversation this afternoon, I have requested a 15-day extension in MUR 1842 in order to provide sufficient time to interview witnesses and consult with my clients. Additional time will be necessary to permit the proper assembly and analysis of the facts involved in this matter prior to submitting responses to the Commission's interrogatories.

I appreciate your cooperation with this matter.

Very truly yours,

David M, Ifshin
of Manatt, Phelps,
Rothenberg & Tunney

DMI:mp

85 MAR 18 P5:55

9 7 1 1 0 0 4 5 1 7

GCC #6908

MANATT, PHELPS, ROTHENBERG & TUNNEY

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LOS ANGELES, CALIFORNIA 90017
(213) 486-5500

March 15, 1985

85 MAR 17 P4:21
FEDERAL ELECTION COMMISSION
GENERAL COUNSEL

HAND DELIVERED

Ms. Beverly Kramer
Federal Election Commission
1325 "K" Street, N.W.
7th Floor
Washington, D. C.

Re: MUR 1842

Dear Ms. Kramer:

As we discussed yesterday my client, Michael Goland, received the Commission's letter of February 28, 1985, on March 12, 1985. The materials were received by me yesterday morning. It is my understanding from our telephone conversation that the due date to the response is Friday, March 22, 1985. As I requested yesterday, we would like an extension of fifteen (15) days to prepare our response.. If granted, this extension would require the answers to be filed on or before Monday, April 8, 1985.

Thank you for your consideration.

Very truly yours,

David M. Ifshin
of Manatt, Phelps,
Rothenberg & Tunney

DMI:jw

cc: Michael Goland

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

March 6, 1985

William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 - 19th Street, N.W.
Washington, D.C. 20036-6601

Re: MUR 1842
Citizens for Responsible Government
In Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

This is in reference to your letter dated March 4, 1985, requesting a two-week extension to respond to the Commission's Questions and Request for Documents in the above-captioned matter. After considering the circumstances presented in your letter, the Office of General Counsel has determined to grant you your requested extension. Accordingly, your response will be due on March 28, 1985.

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter, at 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

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MCC# 6811

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March 4, 1985

Ms. Beverly Kramer
Office of the General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20036

Re: Federal Election Commission - MUR 1842

Dear Ms. Kramer:

As we discussed, our office received Questions and Request for Documents ("Questions") in the above-captioned matter from the Commission by mail on Friday, March 1, 1985. A response to the Questions is currently due to be filed with the Commission on March 14, 1985. See 11 C.F.R. § 111.2(a) and (c).

We hereby request a two-week extension of time, from March 14, 1985 to March 28, 1985, in which to respond to the Commission's Question in this complaint. Due to the extensiveness of the Commission's Questions as well as the fact that our client appears to be presently away from home, this extension of time is necessary for us to be able to fully and adequately respond to the Commission's Questions.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

William C. Oldaker

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Citizens for Responsible	)	
Government in Illinois, Inc.	)	
Charles Brooks, Treasurer		

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of February 20, 1985, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1842:

1. Find reason to believe that the Citizens for Responsible Government in Illinois and Mr. Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A).

2. Find reason to believe that Mr. Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

3. Approve and send the attached letters with questions and the General Counsel's Factual and Legal Analysis, as recommended in the General Counsel's report dated February 7, 1985, subject to amendment of the questions as agreed upon during the meeting.

Commissioners Elliott, Harris, McDonald, McGarry, and Reiche voted affirmatively for the decision; Commissioner Aikens was not present during consideration of this matter.

Attest:

2-21-85
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: February 27, 1985

SUBJECT: MUR 1842 - Memorandum to The Commission

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[ ]	Compliance	[X]
Sensitive	[ ]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[X]	Status Sheets	[ ]
Sensitive	[X]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 27, 1985

MEMORANDUM TO: The Commission

SENSITIVE

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: MUR 1842

Attached for your information, are questions being issued to respondents in MUR 1842. The questions have been amended as agreed upon in the Executive Session of February 20, 1985.

QUESTIONS AND REQUEST FOR DOCUMENTS TO:
Charles Brooks, Treasurer
Citizens Committee for Responsible Government in Illinois, Inc.

The questions below pertain to anti-Percy television advertisements that aired on WMAQ-TV, Chicago, beginning November 1, 1984.

1. Explain how the Citizens Committee for Responsible Government in Illinois, Inc. determined to air the above-referenced advertisements.

In this connection, please provide the full names of the individuals and/or parties involved in the decision-making. In addition, please describe each step that was taken to execute the idea.

2. State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. ever executed a contract for the production and/or placement of the above-referenced advertisements.

If so, please submit a copy of the written contract(s) or describe the terms of all oral agreement(s) made. In addition, please provide the full names of the individuals and/or parties involved in the negotiations and provide the dates on which the negotiations took place.

3. State whether the contract(s) described in question number 1 was ever formally withdrawn.

If so, please submit copies of all correspondence and describe all oral agreements made concerning the withdrawal of the contract(s). In addition, please provide the date on which the contract was formally withdrawn.

4. State how the Committee intended to pay for the expenditures in connection with the above-referenced advertisements.

5. Explain why you filed with the Commission on November 2, 1984, a notarized statement disclosing that on November 1, 1984, the Citizens Committee for Responsible Government in Illinois, Inc. made independent expenditures of $105,850 to Tom Rubin and Associates of Studio City, California, for television ads aired on WMAQ-Chicago.

6. State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. communicated with Mr. Michael Goland concerning the above-referenced television ads.

If so, describe the content of those communications and, if possible, provide the dates on which the communications took place. If the communications were in writing, please submit copies.

7. Describe Mr. Michael Goland's relationship to the Citizens Committee for Responsible Government in Illinois, Inc.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 28, 1985

William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 - 19th Street, N.W.
Washington, D.C. 20036

Re: MUR 1842
Citizens For Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

The Federal Election Commission notified your clients on November 7, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on February 20, 1985, determined that there is reason to believe that your clients have violated 2 U.S.C. § 441a(f) and 434(b)(3)(A), provisions of the Act. Specifically, it appears that your clients violated 2 U.S.C. § 441a(f) by accepting an excessive in-kind contribution in the form of television ads from Mr. Michael Goland. In addition, it appears that your clients failed to report the receipt of the referenced in-kind contribution in violation of 2 U.S.C. § 434(b)(3)(A).

Your clients' response to the Commission's initial notification of this complaint did not provide complete information regarding the matters in question. Please submit answers to the enclosed questions and request for documents within 10 days of receipt of this letter. Statements should be submitted under oath.

The Office of General Counsel would like to settle this matter through conciliation prior to a finding of probable cause. However, in the absence of any information which demonstrates that no further action should be taken against your clients, the Office of General Counsel must proceed to the next compliance stage as noted on page 2, paragraph 2, of the enclosed procedures.

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

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
Procedures
Questions and Request for Documents

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QUESTIONS AND REQUEST FOR DOCUMENTS TO:
Charles Brooks, Treasurer
Citizens Committee for Responsible Government in Illinois, Inc.

The questions below pertain to anti-Percy television advertisements that aired on WMAQ-TV, Chicago, beginning November 1, 1984.

1. Explain how the Citizens Committee for Responsible Government in Illinois, Inc. determined to air the above-referenced advertisements.

In this connection, please provide the full names of the individuals and/or parties involved in the decision-making. In addition, please describe each step that was taken to execute the idea.

2. State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. ever executed a contract for the production and/or placement of the above-referenced advertisements.

If so, please submit a copy of the written contract(s) or describe the terms of all oral agreement(s) made. In addition, please provide the full names of the individuals and/or parties involved in the negotiations and provide the dates on which the negotiations took place.

3. State whether the contract(s) described in question number 1 was ever formally withdrawn.

If so, please submit copies of all correspondence and describe all oral agreements made concerning the withdrawal of the contract(s). In addition, please provide the date on which the contract was formally withdrawn.

4. State how the Committee intended to pay for the expenditures in connection with the above-referenced advertisements.

5. Explain why you filed with the Commission on November 2, 1984, a notarized statement disclosing that on November 1, 1984, the Citizens Committee for Responsible Government in Illinois, Inc. made independent expenditures of $105,850 to Tom Rubin and Associates of Studio City, California, for television ads aired on WMAQ-Chicago.

6. State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. communicated with Mr. Michael Goland concerning the above-referenced television ads.

If so, describe the content of those communications and, if possible, provide the dates on which the communications took place. If the communications were in writing, please submit copies.

7. Describe Mr. Michael Goland's relationship to the Citizens Committee for Responsible Government in Illinois, Inc.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 28, 1985

Michael Goland
505 North Lakeshore Drive
Chicago, Illinois 60611

Re: MUR 1842

Dear Mr. Goland:

On February 20, 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions and request for documents, within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

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

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.

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 Beverly Kramer, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Questions and Request for Documents
Procedures
Designation of Counsel Statement

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR 1842
STAFF MEMBER(S)
Beverly Kramer

RESPONDENT: Michael Goland

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

Information ascertained in the normal course of review indicates that Mr. Michael Goland made expenditures of $150,000 for television advertisements aired on WMAQ-TV, Chicago, beginning November 1, 1984, in opposition to the candidacy of Senator Charles Percy and that such expenditures constituted an in-kind contribution to the Citizens For Responsible Government in Illinois, Inc. Because the amount of the contribution exceeded the statutory $5,000 limit to an unqualified political committee, it appears that Mr. Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

FACTUAL BASIS AND LEGAL ANALYSIS

On November 2, 1984, Senator Charles Percy and his principal campaign committee, Citizens for Percy '84, filed a complaint with the Commission against the Citizens for Responsible Government in Illinois, Inc. ("Citizens Committee") and its treasurer, Mr. Charles Brooks. The complainants allege that the Citizens Committee made independent expenditures in

opposition to the candidacy of Senator Charles Percy and failed to report the expenditures within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b). Specifically, the complainants allege that the Citizens Committee failed to report expenditures for television ads on WMAQ-TV, Chicago, which began running on November 1, 1984, at a cost of $105,000.

The public record reveals that less than two hours after the instant complaint was filed, the Citizens for Responsible Government in Illinois, Inc., a registered non-connected political committee, filed a notorized statement disclosing that on November 1, 1984, the Citizens Committee made independent expenditures of $105,850 in opposition to the candidacy of Senator Charles Percy. The statement disclosed that the expenditures were made to Tom Rubin and Associates of Studio City, California, for Television ads aired on WMAQ, Chicago.

In a letter hand-delivered to the Commission on November 13, 1984, the Citizens Committee informed the Commission that it was withdrawing its November 2, 1984, independent expenditure report. The only explanation provided was that the Citizens Committee had "erroneously reported that it had made independent expenditures of $105,850 in opposition to the candidacy of Senator Charles Percy."

On the same date, November 13, 1984, the Citizens Committee filed a letter constituting its termination report. The letter read as follows:

> The Committee filed a Statement of Organization with the Commission on October 25, 1984. However, the committee neither incurred any expenses nor made any expenditures or contributions during its brief "paper" existence.

The response of the Citizens Committee sheds a little more light on the situation. The response states that the Citizens Committee filed the November 2, 1984, expenditure statement based on its belief that it could purchase an anti-Percy television commercial and air-time on WMAQ-Chicago. The response further states that it became apparent that the Citizens Committee would not be able to raise the funds necessary to make the expenditures. According to the response, no expenditures were made by the Citizens Committee and, hence, its expenditure report was withdrawn. On the basis that no expenditures were made by the Citizens Committee, the respondents assert that the complaint is without merit and should be dismissed.

Assuming, arguendo, that the respondents made no expenditures in connection with the television ads, the fact remains that the complainants were witness to the ads which began to run one day prior to the filing of their complaint. Accordingly, expenditures were made and, if these expenditures constitute "independent expenditures" under 2 U.S.C. § 431(17), whomever made the expenditures would be required to disclose them in accordance with 2 U.S.C. § 434(c).

The only other information provided by the complainants is the following statement:

> In addition, we are informed by Mr. Al Devaney of WFLD-TV, Chicago, that Mr. Tom Rubin of Focus Communications attempted to purchase time on WFLD for Citizens for Responsible Government. When Mr. Devaney informed Mr. Rubin that WFLD was not accepting any more ads paid for by committees, Mr. Rubin said that Michael Goland would pay for the ads as an individual.
>
> Mr. Goland, against whom Citizens for Percy has a pending complaint with the FEC arising out of the 1984 primary, is in collusion with Citizens for Responsible Government. Such affiliation was not disclosed by Mr. Goland.

A review of the public record reveals that on November 2, 1984, Mr. Michael Goland, registered as a person making independent expenditures, filed a 24 hour report with the Commission in which he stated "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Charles Percy of Illinois." The fact that this report was filed one day after the subject ads had begun to air and that the expenditures were made to Focus Media, an organization having some link to Tom Rubin --possibly the same Tom Rubin and Associates to whom the Citizens Committee originally reported having made expenditures -- suggests the possibility that Mr. Goland may have made the expenditures for the ads in question.

If Mr. Goland paid for the ads at issue in this case, there remain numerous questions concerning the transactions that transpired between the various parties involved. As it stands we

have no information concerning whether a contract for the ads was executed, and if so whether the contract was between Focus Media and the Citizens Committee or whether it was between Focus Media and Mr. Goland, or whether the contract with the Citizens Committee was ever formally withdrawn. Responses to these questions are necessary to clarify whether a violation of the Act was committed.

The most troublesome scenario that can be drawn from the information available thus far suggests the possibility that violations of the Act may be involved. It appears that the Citizens Committee may have executed a contract with Focus Media to pay for the ads. As it became apparent that the Citizens Committee would not be able to raise the funds necessary to pay for the ads, they may have sought the financial assistance of Mr. Goland who made payments to Focus Media, thus extinguishing the debts of the Citizens Committee. Such payments by Mr. Goland would constitute an in-kind contribution to the Citizens Committee which, through its acceptance of the contribution, would qualify as a political committee under the Act. The amount of contribution, i.e., $150,000, exceeding the statutory limits would result in a violation of 2 U.S.C. § 441a(a)(1)(C) by Mr. Goland. If, however, the original contract with the Citizens Committee was formally withdrawn and a new contract was executed by Mr. Goland, independent of the Committee, it would appear that no violation of the Act occurred. Mr. Goland would have

been required to disclose the expenditures in accordance with 2 U.S.C. § 434(c) and 11 C.F.R. § 109.2(b), just as it appears he has already done.

For purposes of developing the facts and for disposing of the confusion on the public record, the General Counsel's Office recommends that the Commission find reason to believe that Mr. Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

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QUESTIONS AND REQUEST FOR DOCUMENTS
TO: Mr. Michael Goland

The questions below pertain to anti-Percy television ads which aired on WMAQ-TV, Chicago, beginning November 1, 1984.

1. In a mailgram addressed to the Commission on November 2, 1984, you state "Yesterday I deposited $150,000 with Focus Media for my electionic media account against Senator Charles Percy of Illinois." State whether the deposit was, either in whole or in part, intended for the above-referenced television ads.

2. State whether you executed a contract for the production and/or placement of the above-referenced ads.

If so, provide a copy of the written contract. If arrangements were made through an oral agreement, name the parties involved, describe the arrangements that were made, and provide the date on which the arrangements were made.

3. State whether you, at any time, communicated with Mr. Charles Brooks and or agents of the Citizens for Responsible Government in Illinois, Inc. concerning the above-referenced advertisements.

If so, provide copies of all written communications and state the names of the persons with whom you had oral communications, the dates on which the oral communications occurred and the content of the oral communications.

4. Describe your relationship with the Citizens Committee for Responsible Government in Illinois, Inc.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE, GENERAL COUNSEL

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

DATE: FEBRUARY 11, 1985

SUBJECT: OBJECTION - MUR 1842 General Counsel's Report signed February 7, 1985

The above-named document was circulated to the Commission on Tuesday, February 12, 1985 at 2:00.

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

Commissioner Aikens	_____
Commissioner Elliott	_____
Commissioner Harris	_____
Commissioner McDonald	_____
Commissioner McGarry	_____
Commissioner Reiche	X (comments attached)

This matter will be placed on the Executive Session agenda for Wednesday, February 20, 1985.

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SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Citizens for Responsible Government in Illinois, Inc.	)	MUR 1842
Charles Brooks, Treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On November 2, 1984, Senator Charles Percy and his principal campaign committee, Citizens for Percy '84, filed a complaint with the Commission against the Citizens for Responsible Government in Illinois, Inc. ("Citizens Committee") and its treasurer, Mr. Charles Brooks. 1/ The complainants allege that the Citizens Committee made independent expenditures in opposition to the candidacy of Senator Charles Percy and failed to report the expenditures within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b). Specifically, the complainants allege that the Citizens Committee failed to report expenditures for television ads on WMAQ-TV, Chicago, which began running on November 1, 1984, at a cost of $105,000.

Notice of the complaint was sent to the respondents on November 7, 1984. 2/ The respondents responded through counsel on December 19, 1984. See attached response at 4-5.

1/ A copy of the complaint was circulated to the Commission on November 5, 1984.

2/ Due to an apparent error in the Committee's reporting of its address on a Statement of Organization, the Commission's notice of the complaint was not received by the respondents until November 19, 1984.

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II. FACTUAL AND LEGAL ANALYSIS

The public record reveals that less than two hours after the instant complaint was filed, the Citizens for Responsible Government in Illinois, Inc., a registered non-connected political committee, filed a notorized statement signed by its designated assistant treasurer, Leslie J. Kerman, disclosing that on November 1, 1984, the Citizens Committee made independent expenditures of $105,850 in opposition to the candidacy of Senator Charles Percy. The statement disclosed that the expenditures were made to Tom Rubin and Associates of Studio City, California, for Television ads aired on WMAQ, Chicago. See Attachments at 1.

In a letter hand-delivered to the Commission on November 13, 1984, the Citizens Committee informed the Commission that it was withdrawing its November 2, 1984, independent expenditure report. The only explanation provided was that the Citizens Committee had "erroneously reported that it had made independent expenditures of $105,850 in opposition to the candidacy of Senator Charles Percy." See Attachment at 2. The letter was signed by Leslie J. Kerman as counsel for the Citizens Committee.

On the same date, November 13, 1984, the Citizens Committee filed a letter constituting its termination report. The letter read as follows:

> The Committee filed a Statement of Organization with the Commission on October 25, 1984. However, the committee neither incurred any expenses nor made any expenditures or contributions during its brief "paper" existence.

See Attachment at 3.

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The response of the Citizens Committee sheds a little more light on the situation. The response states that the Citizens Committee filed the November 2, 1984, expenditure statement based on its belief that it could purchase an anti-Percy television commercial and air-time on WMAQ-Chicago. The response further states that it became apparent that the Citizens Committee would not be able to raise the funds necessary to make the expenditures. According to the response, no expenditures were made by the Citizens Committee and, hence, its expenditure report was withdrawn. On the basis that no expenditures were made by the Citizens Committee, the respondents assert that the complaint is without merit and should be dismissed. See response at 4-5.

Assuming, arguendo, that the respondents made no expenditures in connection with the television ads, the fact remains that the complainants were witness to the ads which began to run one day prior to the filing of their complaint. Accordingly, expenditures were made and, if these expenditures constitute "independent expenditures" under 2 U.S.C. § 431(17), whomever made the expenditures would be required to disclose them in accordance with 2 U.S.C. § 434(c).

The only other information provided by the complainants is the following statement:

> In addition, we are informed by Mr. Al Devaney of WFLD-TV, Chicago, that Mr. Tom Rubin of Focus Communications attempted to purchase time on WFLD for Citizens for Responsible Government. When Mr. Devaney informed Mr. Rubin that WFLD was not accepting any more ads paid for by committees, Mr. Rubin said that Michael Goland would pay for the ads as an individual.

> Mr. Goland, against whom Citizens for Percy has a pending complaint with the FEC arising out of the 1984 primary, is in collusion with Citizens for Responsible Government. Such affiliation was not disclosed by Mr. Goland.

See Complaint at 2.

A review of the public record reveals that on November 2, 1984, Mr. Michael Goland, registered as a person making independent expenditures, filed a 24 hour report with the Commission in which he stated "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Charles Percy of Illinois." See Attachments at 6. The fact that this report was filed one day after the subject ads had begun to air and that the expenditures were made to Focus Media, an organization having some link to Tom Rubin --possibly the same Tom Rubin and Associates to whom the Citizens Committee originally reported having made expenditures -- suggests the possibility that Mr. Goland may have made the expenditures for the ads in question.

If Mr. Goland paid for the ads at issue in this case, there remain numerous questions concerning the transactions that transpired between the various parties involved. As it stands we have no information concerning whether a contract for the ads was executed, and if so whether the contract was between Focus Media and the Citizens Committee or whether it was between Focus Media and Mr. Goland, or whether the contract with the Citizens Committee was ever formally withdrawn. Responses to these questions are necessary to clarify whether a violation of

the Act was committed.

The most troublesome scenario that can be drawn from the information available thus far suggests the possibility that violations of the Act may be involved. It appears that the Citizens Committee may have executed a contract with Focus Media to pay for the ads. As it became apparent that the Citizens Committee would not be able to raise the funds necessary to pay for the ads, they may have sought the financial assistance of Mr. Goland who made payments to Focus Media, thus extinguishing the debts of the Citizens Committee. Such payments by Mr. Goland would constitute an in-kind contribution to the Citizens Committee which, through its acceptance of the contribution, would qualify as a political committee under the Act. The amount of contribution, i.e., $150,000, exceeding the statutory limits would result in a violation of 2 U.S.C. § 441a(a)(1)(C) by Mr. Goland and a violation of 2 U.S.C. § 441a(f) by the Citizens Committee and its treasurer Mr. Charles Brooks. Moreover, the failure of the Citizens Committee to report the in-kind contributions would be a violation of 2 U.S.C. § 434(b)(3)(A). If, however, the original contract with the Citizens Committee was formally withdrawn and a new contract was executed by Mr. Goland, independent of the Committee, it would appear that no violation of the Act occurred. Mr. Goland would have been required to disclose the expenditures in accordance with 2 U.S.C. § 434(c) and 11 C.F.R. § 109.2(b), just as it appears he has already done.

For purposes of developing the facts and for disposing of the confusion on the public record, the General Counsel's Office recommends that the Commission find reason to believe the Citizens Committee and its treasurer, Mr. Charles Brooks, violated 2 U.S.C. § 441a(f) and 2 U.S.C. § 434(b)(3)(A). In addition, we recommend that the Commission find reason to believe that Mr. Michael Goland violated 2 U.S.C. § 441a(a)(1)(C). 3/

RECOMMENDATIONS

1. Find reason to believe that the Citizens for Responsible Government in Illinois and Mr. Charles Brooks, as treasurer, violated 2 U.S.C. § 441a(f) and § 434(b)(3)(A).

2. Find reason to believe that Mr. Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

3. Approve and send the attached letters with questions and the General Counsel's Factual and Legal Analysis.

Charles N. Steele
General Counsel

February 7, 1985
Date

By: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

3/ Mr. Goland was not sent a copy of the complaint as there was no clear indication that he was a potential respondent. Accordingly, the allegations against Mr. Goland will be treated as if internally generated.

Attachments

Public record documents pertaining to the Citizens Committee (pp. 1-3)
Response of the Citizens Committee (pp. 4-5)
24 Hour Report filed by Michael Goland (p. 6)
Letters with questions an requests for documents to respondents (pp. 7-13)
General Counsel's Factual and Legal Analysis (pp.14-19)

9 7 1 1 7 0 4 4 5 5 1 5

SCHEDULE B

ITEMIZED INDEPENDENT EXPENDITURES

(Use Reverse Side for Instructions)

Page 1 of 1 Pages

RECEIVED AT THE FEC

84 NOV 2 P 8:03

Name of Committee (in Full)	FEC Id. No.
Citizens for Responsible Government in Illinois, Inc.	Statement of organization filed on October 25, 1984

Full Name, Mailing Address & ZIP Code of Each Payee	Purpose of Expenditure	Date (month, day, year)	Amount	Name of Federal Candidate supported or opposed by the expenditure & office sought
Tom Rubin & Associates 12345 Ventura Boulevard Suite H Studio City, CA 91604	Television ads aired on WMAQ-Chicago	Nov. 1, 1984	$105,850.00	Charles Percy-Senate Candidate-Illinois ☐ Support ■ Oppose
				☐ Support ☐ Oppose
				☐ Support ☐ Oppose
				☐ Support ☐ Oppose
				☐ Support ☐ Oppose
				☐ Support ☐ Oppose

(a) SUBTOTAL of Itemized Independent Expenditures $105,850

(b) SUBTOTAL of Unitemized Independent Expenditures $ - 0 -

(c) TOTAL Independent Expenditures $105,850.00

Under penalty of perjury I certify that the independent expenditures reported herein were not made in cooperation, consultation, concert with, or at the request or suggestion of any candidate or any authorized committee or agent of such candidate or authorized committee. Furthermore, these expenditures did not involve the financing of dissemination, distribution, or republication in whole or in part of any campaign materials prepared by the candidate, his campaign committee, or their agent.

Leslie J Heinrich — Nov 2, 1984
Signature — Date

Leslie J Heinrich,
Assistant Treasurer

Subscribed and sworn to before me this 2nd day of November 1984

My Commission expires 1/1/89

Karen Green Arnold
NOTARY PUBLIC

(1)

R40331085317

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84 NOV 13 P4:18

EPSTEIN BECKER BORSODY & GREEN, P.C.
ATTORNEYS AT LAW
1140 19TH STREET, N.W.
WASHINGTON, D.C. 20036
(202) 861-0900

250 PARK AVENUE
NEW YORK, NEW YORK 10177
(212) 370-0800

HALLICK TOWER
ONE SUMMIT AVENUE
FORT WORTH, TEXAS 76102*
(817) 334-0701

1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067*
(213) 556-8361

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111*
(415) 398-5666

*NOT IN NEW YORK AND WASHINGTON D.C. ONLY

November 13, 1984

Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Citizens for Responsible Government in Illinois, Inc. - F.E.C. Id. No. C00152982

Dear Sir/Madam:

This letter is to inform the Commission that Citizens for Responsible Government in Illinois, Inc. ("the Committee") erroneously reported that it had made an independent expenditure on November 1, 1984 of $105,850.00 in opposition to the candidacy of Senator Charles Percy. Accordingly, we withdraw the Schedule E - Independent Expenditure Report filed with the Commission on November 2, 1984 by the Committee.

If you have any questions concerning this matter, please do not hesitate to contact me at (202) 861-0900.

Sincerely,

Leslie J. Kerman

Counsel for Citizens for Responsible Government in Illinois, Inc.

LJK:ses

2

8403318417

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EPSTEIN BECKER BORSODY & GREEN, P.C.
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FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111
(415) 398-8888

P.C. IN NEW YORK AND WASHINGTON D.C. ONLY

November 13, 1984

Reports Analysis Division
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Re: Citizens for Responsible Government in Illinois, Inc. - F.E.C. Id. No. C00191382 - Termination Report

Dear Sir/Madam:

This letter constitutes the Termination Report of Citizens for Responsible Government in Illinois, Inc. ("the Committee").

The Committee filed a Statement of Organization with the Commission on October 25, 1984. However, the Committee neither incurred any expenses nor made any expenditures or contributions during its brief "paper" existence.

If you have any questions concerning the matter, please do not hesitate to contact me at (202) 861-0900.

Sincerely,

Leslie J. Kerman

Leslie J. Kerman

Counsel for Citizens for Responsible Government in Illinois, Inc.

LJK:ses

3

87044031814549

GCC#6040

EPSTEIN BECKER BORSODY & GREEN, P.C.
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1140 19TH STREET, N.W.
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JEFFREY H. BECKER
ROBERT P. BORSODY
WILLIAM A. CARNELL*
STEVEN M. CARSEY**
STEVEN B. EPSTEIN
STUART M. GERSON
GILBERT J. GINSBURG
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MALCOLM MASON***
STUART ORSHER, M.D.*
DONALD PARTLAND*
FREDERICK E. SMITHLINE*
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[1] P.C. NEW YORK AND WASHINGTON, D.C. ONLY

MUR 1842
Kramer

December 19, 1984

Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

This letter constitutes the response of Citizens for Responsible Government in Illinois Inc. ("the Committee") and Charles Brooks, in his capacity as treasurer of the Committee (collectively referred to as "the Respondents"), to a complaint, MUR 1842, which alleges that Respondents may have violated 2 U.S.C. § 434(c)(2). Specifically, the complaint alleges that the Committee failed to report to the Commission in a timely fashion that it had made independent expeditures.

As set forth herein, the complaint is meritless. The Committee did not make any expenditures during its brief existence. In addition, the Committee neither received any contributions, nor made any contributions. Accordingly, the Committee did not incur any reporting obligations to the Commission pursuant to 2 U.S.C. § 434(c)(2).

The Committee did contemplate making independent expenditures in opposition to the candidacy of Senator Charles Percy. Moreover, the Committee filed an independent expenditure report with Commission on November 2, 1984 based on its

belief that it could purchase an anti-Percy television commercial and air-time on WMAQ-Chicago. However, it quickly became apparent that the Committee would not be able to raise the funds necessary to make such an expenditure. Accordingly, the expenditure was not made, and the Committee's November 2nd independent expenditure report was subsequently withdrawn.

As set forth above, the complaint is meritless and should be dismissed forthwith.

William C. Oldaker
Counsel for
Citizens for Responsible
Government in Illinois, Inc.
and Charles Brooks, Treasurer

WCO:LJK/mbp

MICHAEL GOLAND
505 NORTH LAKESHORE DR
CHICAGO IL 60611 02AM

Western Union **Mailgram**

4-0021108307 11/02/84 ICS IPMRNCZ CSP WMSB
2137777777 MGMB TDRN LOS ANGELES CA 45 11-02 0247A EST

FEDERAL ELECTION COMMISSION
1325 K ST NORTHWEST
WASHINGTON DC 20463

RECEIVED
SECRETARY OF THE SENATE
1984 NOV -2 PM 4:04
HAND DELIVERED ☐

YESTERDAY I DEPOSITED $150,000 WITH FOCUS MEDIA FOR MY ELECTRONIC MEDIA ACCOUNT AGAINST SENATOR CHARLES PERCY OF ILLINOIS.

YESTERDAY I SPENT $27,000 WITH CLCO FOR DIRECT MAIL AGAINST SENATOR CHARLES PERCY OF ILLINOIS
MICHAEL GOLAND

02:47 EST

MGMCOMP

(6)

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

William C. Oldaker, Esquire
Epstein, Becker, Borsody & Green, P.C.
1140 - 19th Street, N.W.
Washington, D.C. 20036

Re: MUR 1842
Citizens For Responsible
Government in Illinois, Inc.
Charles Brooks, as treasurer

Dear Mr. Oldaker:

The Federal Election Commission notified your clients on November 7, 1984, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on February , 1985, determined that there is reason to believe that your clients have violated 2 U.S.C. § 441a(f) and 434(b)(3)(A), provisions of the Act. Specifically, it appears that your clients violated 2 U.S.C. § 441a(f) by accepting an excessive in-kind contribution in the form of television ads from Mr. Michael Goland. In addition, it appears that your clients failed to report the receipt of the referenced in-kind contribution in violation of 2 U.S.C. § 434(b)(3)(A).

Your clients' response to the Commission's initial notification of this complaint did not provide complete information regarding the matters in question. Please submit answers to the enclosed questions and request for documents within 10 days of receipt of this letter. Statements should be submitted under oath.

The Office of General Counsel would like to settle this matter through conciliation prior to a finding of probable cause. However, in the absence of any information which demonstrates that no further action should be taken against your clients, the Office of General Counsel must proceed to the next compliance stage as noted on page 2, paragraph 2, of the enclosed procedures.

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

If you have any questions, please contact Beverly Kramer, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
Procedures

QUESTIONS AND REQUEST FOR DOCUMENTS TO:
Charles Brooks, Treasurer
Citizens Committee for Responsible Government in Illinois, Inc.

The questions below pertain to anti-Percy television advertisements that aired on WMAQ-TV, Chicago, beginning November 1, 1984.

1. State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. ever executed a contract for the production and/or placement of the above-referenced advertisements.

If so, please submit a copy of the written contract(s) or describe the terms of all oral agreement(s) made.

2. State whether the contract(s) described in question number 1 was ever formally withdrawn.

If so, please submit copies of all correspondence and describe all oral agreements made concerning the withdrawal of the contract(s).

3. State how the Committee intended to pay for the expenditures in connection with the above-referenced advertisements.

4. Explain why you filed with the Commission on November 2, 1984, a notarized statement disclosing that on November 1, 1984, the Citizens Committee for Responsible Government in Illinois, Inc. made independent expenditures of $105,850 to Tom Rubin and Associates of Studio City, California, for television ads aired on WMAQ-Chicago.

5. State whether you or any agents of the Citizens Committee for Responsible Government in Illinois, Inc. communicated with Mr. Michael Goland concerning the above-referenced television ads.

If so, describe the content of those communications and, if possible, provide the dates on which the communications took place. If the communications were in writing, please submit copies.

6. Describe Mr. Michael Goland's relationship to the Citizens Committee for Responsible Government in Illinois, Inc.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Michael Goland
505 North Lakeshore Drive
Chicago, Illinois 60611

Re: MUR 1842

Dear Mr. Goland:

On February , 1985, the Federal Election Commission determined that there is reason to believe you violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). 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. You may submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter. Please submit any such materials, along with your answers to the enclosed questions and request for documents, within ten days of your receipt of this letter. Statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

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

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.

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 Beverly Kramer, the staff member assigned to this matter, at (202)523-4143.

Sincerely,

John Warren McGarry
Chairman

Enclosures
General Counsel's Factual and Legal Analysis
Questions and Request for Documents
Procedures
Designation of Counsel Statement

QUESTIONS AND REQUEST FOR DOCUMENTS
TO: Mr. Michael Goland

The questions below pertain to anti-Percy television ads which aired on WMAQ-TV, Chicago, beginning November 1, 1984.

1. In a mailgram addressed to the Commission on November 2, 1984, you state "Yesterday I deposited $150,000 with Focus Media for my electionic media account against Senator Charles Percy of Illinois." State whether the deposit was, either in whole or in part, intended for the above-referenced television ads.

2. State whether you executed a contract for the production and/or placement of the above-rerenced ads.

If so, provide a copy of the written contract. If arrangements were made through an oral agreement, name the parties involved, describe the arrangements that were made, and provide the date on which the arrangements were made.

3. State whether you, at any time, communicated with Mr. Charles Brooks and or agents of the Citizens for Responsible Government in Illinois, Inc. concerning the above-referenced advertisements.

If so, provide copies of all written communications and state the names of the persons with whom you had oral communications, the dates on which the oral communications occurred and the content of the oral communications.

4. Describe your relationship with the Citizens Committee for Responsible Government in Illinois, Inc.

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

DATE _____

MUR 1842
STAFF MEMBER(S)
Beverly Kramer

RESPONDENT: Michael Goland

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

Information ascertained in the normal course of review indicates that Mr. Michael Goland made expenditures of $150,000 for television advertisements aired on WMAQ-TV, Chicago, beginning November 1, 1984, in opposition to the candidacy of Senator Charles Percy and that such expenditures constituted an in-kind contribution to the Citizens For Responsible Government in Illinois, Inc. Because the amount of the contribution exceeded the statutory $5,000 limit to an unqualified political committee, it appears that Mr. Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

FACTUAL BASIS AND LEGAL ANALYSIS

On November 2, 1984, Senator Charles Percy and his principal campaign committee, Citizens for Percy '84, filed a complaint with the Commission against the Citizens for Responsible Government in Illinois, Inc. ("Citizens Committee") and its treasurer, Mr. Charles Brooks. The complainants allege that the Citizens Committee made independent expenditures in

opposition to the candidacy of Senator Charles Percy and failed to report the expenditures within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b). Specifically, the complainants allege that the Citizens Committee failed to report expenditures for television ads on WMAQ-TV, Chicago, which began running on November 1, 1984, at a cost of $105,000.

The public record reveals that less than two hours after the instant complaint was filed, the Citizens for Responsible Government in Illinois, Inc., a registered non-connected political committee, filed a notorized statement disclosing that on November 1, 1984, the Citizens Committee made independent expenditures of $105,850 in opposition to the candidacy of Senator Charles Percy. The statement disclosed that the expenditures were made to Tom Rubin and Associates of Studio City, California, for Television ads aired on WMAQ, Chicago.

In a letter hand-delivered to the Commission on November 13, 1984, the Citizens Committee informed the Commission that it was withdrawing its November 2, 1984, independent expenditure report. The only explanation provided was that the Citizens Committee had "erroneously reported that it had made independent expenditures of $105,850 in opposition to the candidacy of Senator Charles Percy."

On the same date, November 13, 1984, the Citizens Committee filed a letter constituting its termination report. The letter read as follows:

> The Committee filed a Statement of Organization with the Commission on October 25, 1984. However, the committee neither incurred any expenses nor made any expenditures or contributions during its brief "paper" existence.

The response of the Citizens Committee sheds a little more light on the situation. The response states that the Citizens Committee filed the November 2, 1984, expenditure statement based on its belief that it could purchase an anti-Percy television commercial and air-time on WMAQ-Chicago. The response further states that it became apparent that the Citizens Committee would not be able to raise the funds necessary to make the expenditures. According to the response, no expenditures were made by the Citizens Committee and, hence, its expenditure report was withdrawn. On the basis that no expenditures were made by the Citizens Committee, the respondents assert that the complaint is without merit and should be dismissed.

Assuming, arguendo, that the respondents made no expenditures in connection with the television ads, the fact remains that the complainants were witness to the ads which began to run one day prior to the filing of their complaint. Accordingly, expenditures were made and, if these expenditures constitute "independent expenditures" under 2 U.S.C. § 431(17), whomever made the expenditures would be required to disclose them in accordance with 2 U.S.C. § 434(c).

The only other information provided by the complainants is the following statement:

> In addition, we are informed by Mr. Al Devaney of WFLD-TV, Chicago, that Mr. Tom Rubin of Focus Communications attempted to purchase time on WFLD for Citizens for Responsible Government. When Mr. Devaney informed Mr. Rubin that WFLD was not accepting any more ads paid for by committees, Mr. Rubin said that Michael Goland would pay for the ads as an individual.
>
> Mr. Goland, against whom Citizens for Percy has a pending complaint with the FEC arising out of the 1984 primary, is in collusion with Citizens for Responsible Government. Such affiliation was not disclosed by Mr. Goland.

A review of the public record reveals that on November 2, 1984, Mr. Michael Goland, registered as a person making independent expenditures, filed a 24 hour report with the Commission in which he stated "Yesterday I deposited $150,000 with Focus Media for my electronic media account against Charles Percy of Illinois." The fact that this report was filed one day after the subject ads had begun to air and that the expenditures were made to Focus Media, an organization having some link to Tom Rubin --possibly the same Tom Rubin and Associates to whom the Citizens Committee originally reported having made expenditures -- suggests the possibility that Mr. Goland may have made the expenditures for the ads in question.

If Mr. Goland paid for the ads at issue in this case, there remain numerous questions concerning the transactions that transpired between the various parties involved. As it stands we

have no information concerning whether a contract for the ads was executed, and if so whether the contract was between Focus Media and the Citizens Committee or whether it was between Focus Media and Mr. Goland, or whether the contract with the Citizens Committee was ever formally withdrawn. Responses to these questions are necessary to clarify whether a violation of the Act was committed.

The most troublesome scenario that can be drawn from the information available thus far suggests the possibility that violations of the Act may be involved. It appears that the Citizens Committee may have executed a contract with Focus Media to pay for the ads. As it became apparent that the Citizens Committee would not be able to raise the funds necessary to pay for the ads, they may have sought the financial assistance of Mr. Goland who made payments to Focus Media, thus extinguishing the debts of the Citizens Committee. Such payments by Mr. Goland would constitute an in-kind contribution to the Citizens Committee which, through its acceptance of the contribution, would qualify as a political committee under the Act. The amount of contribution, i.e., $150,000, exceeding the statutory limits would result in a violation of 2 U.S.C. § 441a(a)(1)(C) by Mr. Goland. If, however, the original contract with the Citizens Committee was formally withdrawn and a new contract was executed by Mr. Goland, independent of the Committee, it would appear that no violation of the Act occurred. Mr. Goland would have

been required to disclose the expenditures in accordance with 2 U.S.C. § 434(c) and 11 C.F.R. § 109.2(b), just as it appears he has already done.

For purposes of developing the facts and for disposing of the confusion on the public record, the General Counsel's Office recommends that the Commission find reason to believe that Mr. Michael Goland violated 2 U.S.C. § 441a(a)(1)(C).

GCC#6100

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1842

NAME OF COUNSEL: William C. Oldaker, Esq.
Leslie J. Kerman, Esq.

ADDRESS: Epstein Becker Borsody & Green, PC
1140 19th Street, N.W.
Washington, D.C. 20036

TELEPHONE: (202) 861-0900

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

Date

Charles D. Brooks
Signature

RESPONDENT'S NAME: Citizens for Responsible Government in Illinois Inc. and Charles D. Brooks, Treasurer

ADDRESS: P.O. Box 7051
Deerfield, Illinois 60015

HOME PHONE: (301) 831-4177

BUSINESS PHONE:

GCC 6040

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SIDNEY TODRES*

*NOT ADMITTED WASHINGTON
**ADMITTED TEXAS ONLY
***ADMITTED IN ENGLAND AND WALES ALSO

†P.C. NEW YORK AND WASHINGTON, D.C. ONLY

MUR 1842
Kramer

December 19, 1984

Charles N. Steele
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

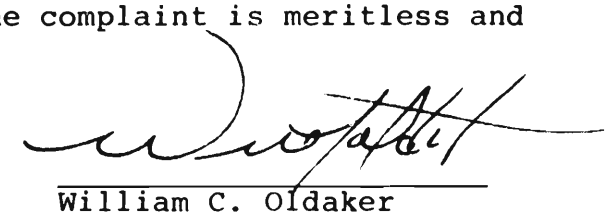
This letter constitutes the response of Citizens for Responsible Government in Illinois Inc. ("the Committee") and Charles Brooks, in his capacity as treasurer of the Committee (collectively referred to as "the Respondents"), to a complaint, MUR 1842, which alleges that Respondents may have violated 2 U.S.C. § 434(c)(2). Specifically, the complaint alleges that the Committee failed to report to the Commission in a timely fashion that it had made independent expeditures.

As set forth herein, the complaint is meritless. The Committee did not make any expenditures during its brief existence. In addition, the Committee neither received any contributions, nor made any contributions. Accordingly, the Committee did not incur any reporting obligations to the Commission pursuant to 2 U.S.C. § 434(c)(2).

The Committee did contemplate making independent expenditures in opposition to the candidacy of Senator Charles Percy. Moreover, the Committee filed an independent expenditure report with Commission on November 2, 1984 based on its

belief that it could purchase an anti-Percy television commercial and air-time on WMAQ-Chicago. However, it quickly became apparent that the Committee would not be able to raise the funds necessary to make such an expenditure. Accordingly, the expenditure was not made, and the Committee's November 2nd independent expenditure report was subsequently withdrawn.

As set forth above, the complaint is meritless and should be dismissed forthwith.



William C. Oldaker
Counsel for
Citizens for Responsible
Government in Illinois, Inc.
and Charles Brooks, Treasurer

WCO:LJK/mbp

8 7 7 4 0 5 4 1 7 5 8

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES N. STEELE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/JODY C. RANSOM

DATE: DECEMBER 10, 1984

SUBJECT: MUR 1842 - First General Counsel's Report signed December 6, 1984

The above-captioned matter was circulated to the Commission on a 24 hour no-objection basis at 2:00, December 7, 1984.

There were no objections to the First General Counsel's Report at the time of the deadline.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: December 6, 1984

SUBJECT: MUR 1842 - First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[ ]	Compliance	[x]
Sensitive	[ ]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[x]	Litigation	[ ]
Sensitive	[x]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[ ]	Other (see distribution below)	[ ]

3 7 7 0 4 4 1 7 0

SENSITIVE

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

RECEIVED
BY OGC THE FEC
SECRETARY

FIRST GENERAL COUNSEL'S REPORT

84 DEC 6 P1:54

DATE AND TIME OF TRANSMITTAL BY OGC TO THE COMMISSION 12/6/84 - 1:50

MUR 1842
DATE COMPLAINT RECEIVED BY OGC November 2, 1984
DATE OF NOTIFICATION TO RESPONDENT November 7, 1984
STAFF MEMBER B. Kramer

COMPLAINANTS' NAMES: Senator Charles Percy
Citizens for Percy '84

RESPONDENTS' NAMES: Citizens for Responsible Government In Illinois, Inc.
Charles Brooks, Treasurer

RELEVANT STATUTE: 2 U.S.C. § 434(c)(2)
11 C.F.R. § 104.4(b)

INTERNAL REPORTS CHECKED: Public Records

FEDERAL AGENCIES CHECKED: None

STATEMENT OF THE CASE

On November 2, 1984, Senator Charles Percy and his principal campaign committee, Citizens for Percy '84, filed a complaint with the Commission against the Citizens for Responsible Government in Illinois, Inc. ("Citizens Committee") and its treasurer, Mr. Charles Brooks. 1/ The complainants allege that the Citizens Committee made independent expenditures in opposition to the candidacy of Senator Charles Percy and failed to report the expenditures within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b). Specifically, the complainants allege that the Citizens Committee

---

1/ A copy of the complaint was circulated to the Commission on November 5, 1984.

failed to report expenditures for television ads on WMAQ-TV, Chicago, which began running on November 1, 1984, at a cost of $105,000.

Notice of the complaint was sent to the respondents on November 7, 1984. Due to an apparent error in the Committee's reporting of its address on a Statement of Organization, the Commission's notice of the complaint was not received by the respondents until November 19, 1984. 2/ Consequently, the respondents have until December 7, 1984, before their statutory 15 day response period expires. See 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.2(c). Upon receipt of a response, or upon the expiration of the 15 day response period, whichever occurs first, we will forward a report containing appropriate recommendations to the Commission.

Charles N. Steele
General Counsel

Dec 6, 1984
Date

By: Kenneth A. Gross
Kenneth A. Gross
Associate General Counsel

2/ The Citizens Committee has filed an amended Statement of Organization to correct the reporting of its address.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel

DATE: November 6, 1984

SUBJECT: MUR 1842 - Memorandum to The Commission

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS		DISTRIBUTION	
48 Hour Tally Vote	[ ]	Compliance	[X]
Sensitive	[ ]		
Non-Sensitive	[ ]	Audit Matters	[ ]
24 Hour No Objection	[ ]	Litigation	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Closed MUR Letters	[ ]
Information	[ ]	Status Sheets	[ ]
Sensitive	[ ]		
Non-Sensitive	[ ]	Advisory Opinions	[ ]
Other	[X]	Other (see distribution below)	[ ]

CIRCULATE ON PINK PAPER

INFORMATION - EXPEDITED

COMPLAINT

9 7 0 1 0 5 4 1 5 7 3

SENSITIVE

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

84 NOV 6 A10:02

November 6, 1984

MEMORANDUM TO: The Commission

FROM: Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

SUBJECT: Complaint filed in MUR 1842
Respondent: Citizens for Responsible Government in Illinois

The above-referenced complaint, brought on behalf of Senator Charles H. Percy and Citizens for Percy '84, is an expedited compliance matter. The complaint alleges that the Citizens for Responsible Government in Illinois has failed to report independent expenditures in opposition to the candidacy of Senator Charles Percy within 24 hours of making them, in violation of 2 U.S.C. § 434(c)(2) and 11 C.F.R. § 104.4(b).

A review of the public record reveals that the only document filed by the respondent committee is its statement of organization which was filed on October 25, 1984. Therefore, there may be reason to believe a violation has occurred. Upon receipt of a response to the Commission's notice of a complaint or, upon the expiration of the 15 day response period, whichever occurs first, we will forward a report containing appropriate recommendations to the Commission.

87140374

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

November 7, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Daniel J. Swillinger, Esquire
Davis and Gooch
920 Pennsylvania Avenue, S.E.
Washington, D.C 20003

Dear Mr. Swillinger:

This letter is to acknowledge receipt of the complaint of your clients, Senator Charles H. Percy and Citizens for Percy '84, which we received on November 2, 1984, against Charles Brooks and Citizens for Responsible Government in Illinois, which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondent(s) will be notified of this complaint within 24 hours. You will be notified as soon as the Commission takes final action on your complaint. Should you have or receive any additional information in this matter, please forward it to this Office. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Please be advised that this matter shall remain confidential in accordance with 2 U.S.C. § 437g(a)(B) and § 437g(a)(12)(A) unless the respondent notifies the Commission in writing that they wish the matter to be made public.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosure

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 7, 1984

SPECIAL DELIVERY
RETURN RECEIPT REQUESTED

Charles Brooks
Treasurer
Citizens for Responsible
Government in Illinois
P.O. Box 7152
Deerfield, Illinois 60015

RE: MUR 1842

Dear Mr. Brooks:

This letter is to notify you that on November 2, 1984, the Federal Election Commission received a complaint which alleges that Citizens for Responsible Government in Illinois and you, as treasurer violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 1842. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing, that no action should be taken against Citizens for Responsible Government in Illinois and you, as treasurer in connection with this matter. You may respond to the allegations made against you within 15 days of receipt of this letter. The complaint may be dismissed by the Commission prior to receipt of the response if the alleged violations are not under the jurisdiction of the Commission or if the evidence submitted does not indicate that a violation of the Act has been committed. Should the Commission dismiss the complaint, Citizens for Responsible Government in Illinois and you, as treasurer will be notified by mailgram. If no response is filed within the 15 day statutory requirement, the Commission may take further action based on available information.

You are encouraged to respond to this notification promptly. In order to facilitate an expeditious response to this notification, we have enclosed a pre-addressed, postage paid, special delivery envelope.

Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath.

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

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

If you have any questions, please contact Beverly Kramer, the staff person assigned to this matter at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures
Complaint
Procedures
Envelope

37104247

GCC#5476

LAW OFFICES OF
DAVIS AND GOOCH
920 PENNSYLVANIA AVENUE, S. E.
WASHINGTON, D. C. 20003
(202) 543-3600

WILLIAM E. DAVIS *
RAYMOND L. GOOCH △

* ALSO MEMBER NORTH CAROLINA BAR
△ ALSO MEMBER VIRGINIA BAR

DANIEL J. SWILLINGER
OF COUNSEL

November 2, 1984

MUR 1842

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

Dear Mr. Steele:

This complaint is brought on behalf of Sen. Charles H. Percy and Citizens for Percy '84, his principal campaign committee. The statements herein are made upon information and belief.

This complaint is filed against Citizens for Responsible Government in Illinois. This political committee registered with the Commission through the Secretary of the Senate on October 24, 1984 as an unaffiliated political committee. It listed its treasurer as Charles Brooks, P.O. Box 7152, Deerfield, Illinois, and its assistant treasurer as Leslie Kerman, Suite 900, 1140 19th Street, N.W., Washington, D.C.

The Activities

Promptly after its registration (and perhaps earlier) this committee began making what apparently are independent expenditures in opposition to Sen. Percy.

The Percy campaign is aware of at least one major anti-Percy expenditure being made: television ads on WMAQ-TV, Chicago, which began running on November 1, 1984, at a cost of $105,000.

In addition, we are informed by Mr. Al Devaney of WFLD-TV, Chicago, that Mr. Tom Rubin of Focus Communications attempted to purchase time on WFLD for Citizens for Responsible Government. When Mr. Devaney informed Mr. Rubin that WFLD was not accepting any more ads paid for by committees, Mr. Rubin said that Michael Goland would pay for the ads as an individual.

Mr. Goland, against whom Citizens for Percy has a pending complaint with the FEC arising out of the 1984 primary, is in collusion with Citizens for Responsible Government. Such affiliation was not disclosed by Mr. Goland.

The Violation

This committee has failed to report these expenditures within 24 hours of making them, in violation of 2 U.S.C. §434(c)(2) and 11 CFR §104.4(b). These sections require a political committee making independent expenditures after the 20th day before an election to report them within 24 hours. A check with the office of the Secretary of the Senate revealed that no such report has been filed as of the close of business on November 1, 1984. This failure to disclose its activities subverts the disclosure provisions of the Federal Election Campaign Act.

Sen. Percy and Citizens for Percy '84 request that the Commission expedite action on this complaint and, in addition, direct the Citizens for Responsible Government in Illinois to immediately file its required reports with the appropriate repository.

Respectfully submitted,

Daniel J. Swillinger
Counsel for Sen. Percy
and Citizens for Percy '84

DISTRICT OF COLUMBIA, ss:

SUBSCRIBED and SWORN TO before me this 2nd day of November, 1984.

Patricia J. Lisabeth
Notary Public

My Commission Expires January 1 1987

9 7 1 1 0 4 9 1 7 7 9

FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

THIS IS THE BEGINNING OF MUR # 1842

DATE FILMED 2/24/87 CAMERA NO. 3

CAMERAMAN AS

9 7 0 4 0 6 4 1 5 9 0

3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THE FOLLOWING MATERIAL IS BEING ADDED TO THE

PUBLIC FILE OF CLOSED MUR 1842 .

8 7 4 4 1 1 7 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Michael Goland	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of November 18, 1986, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1842:

1.

2.

3.

4.

Commissioners Aikens, Elliott, Josefiak, McDonald, and Thomas voted affirmatively for the decision; Commissioner McGarry was not present at the time this matter was considered.

Attest:

11-19-86
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

9 7 1 1 1 4 7 7 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

R 3.5.87

THE FOLLOWING MATERIAL IS BEING ADDED TO THE PUBLIC FILE OF CLOSED MUR 1842 .

87040420

PS Form 3811, Jan 1979

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

● SENDER: Complete items 1, 2, and 3.
Add your address in the "RETURN TO" space on reverse.

1 The following service is requested (check one.)

X Show to whom and date delivered ..... ___¢

Show to whom, date and address of delivery ..... ___¢

RESTRICTED DELIVERY

Show to whom and date delivered ..... ___¢

RESTRICTED DELIVERY

Show to whom, date, and address of delivery $ ____

(CONSULT POSTMASTER FOR FEES)

2 ARTICLE ADDRESSED TO

Daniel J. Swillinger
Davis & Gooch
920 Pennsylvania Ave. S.E.
Washington, D.C. 20003

3 ARTICLE DESCRIPTION

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
—	P43892	—

(Always obtain signature of addressee or agent)

I have received the article described above

SIGNATURE ● Addressee ☒ Authorized agent

Carmen Cantorea

4 DATE OF DELIVERY

2-19-87

POSTMARK

5 ADDRESS (Complete only if requested)

316 Pa. Ave SE #400
Wd. D.C. 20003

6 UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

☆GPO 1979 288-848

MUR 1942 Kramer

Mid Baker

CCC#2447

MANATT, PHELPS, ROTHENBERG, TUNNEY & EVANS
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW

1200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

TELEPHONE (202) 463-4300

LOS ANGELES
11355 WEST OLYMPIC BOULEVARD
LOS ANGELES, CALIFORNIA 90064
(213) 312-4000

January 9, 1987

Beverly Kramer
Federal Election Commission
999 E Street, N.W.
Room #657
Washington, D.C.

Re: MUR 1842
Michael Goland

Dear Ms. Kramer:

Enclosed is a proposed counteroffer in the above captioned matter pursuant to our discussion yesterday. As you will note, our proposal is for a civil penalty of $5,000 as requested by the Office of General Counsel, rather than the lower civil penalty we felt appropriate.

We hope your acceptance of this proposal will expedite final resolution of this matter.

Yours truly,

David M. Ifshin
MANATT, PHELPS, ROTHENBERG,
& EVANS

DMI:clc

JAN 9 P 8:30
87

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1842
Michael Goland	)	

CONCILIATION AGREEMENT

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. The Commission found probable cause to believe that Michael Goland ("Respondent") violated 2 U.S.C. § 441d.

NOW, THEREFORE, the Commission and Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Respondent, Michael Goland, is a person registered with the Commission as making independent expenditures in support of or in opposition to candidates seeking election to Federal office.

2. Respondent paid for the production and placement costs of a television advertisement which expressly advocated the defeat of Senator Charles H. Percy in his bid for re-election to the United States Senate in 1984.

JAN 9 P5:30

3. Section 441d of Title 2, United States Code, requires that whenever any person makes and expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, such communication must bear a disclaimer stating the name of the person who paid for the communication and whether the communication was authorized by any candidate or candidate's committee.

4. Respondent contends that he instructed the media firm placing the advertisement to include a disclaimer stating that Respondent paid for the advertisement, but that his instructions were not carried out.

5. Respondent did not instruct the media firm placing the ad to include in the disclaimer a statement that the advertisement was not authorized by any candidate or candidate's committee.

6. The advertisement was broadcast 62 times on WMAQ-TV, Chicago, during the five days preceding the November 6, 1984 general election. The advertisement, which was paid for by an organization call "Citizens for Responsible Government in Illinois." The ad's disclaimer did not state whether the communication was authorized by any candidate or candidate's committee.

7. Respondent contends that for personal reasons he was not in Chicago for the time period immediately preceding the 1984 general election and that, therefore, he never saw the advertisement when it was aired and was unable to take any action to correct the disclaimer.

V. Respondent failed to place a full and accurate disclaimer on an advertisement which expressly advocated the defeat of Senator Charles H. Percy, in violation of 2 U.S.C. § 437g(a)(5)(A).

VI. Respondent will pay a civil penalty to the Treasurer of the United States in the amount of Five Thousand Dollars ($5,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. 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 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.

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

IX. Respondent 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.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

oral, made by either party or by agents of either party, that is not contained in this written agreement shall be valid.

FOR THE COMMISSION:

Charles N. Steele
General

BY: _____ _____
Lawrence M. Nobel Date
Deputy General Counsel

FOR THE RESPONDENT:

_____ _____
David M. Ifshin
Attorney

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

9-21-87

THE FOLLOWING MATERIAL IS BEING ADDED TO THE
PUBLIC FILE OF CLOSED MUR 1842

87040654062

2851

MANATT, PHELPS, ROTHENBERG, TUNNEY & EVANS
A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW
1200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 100
WASHINGTON, D.C. 20036
TELEPHONE (202) 463-4300

LOS ANGELES
11355 WEST OLYMPIC BOULEVARD
LOS ANGELES, CALIFORNIA 90064
(213) 312-4000

March 2, 1987

RECEIVED
OFFICE OF THE
GENERAL COUNSEL
87 MAR 5 A11:06
87 MAR 10 A10:16
RECEIVED
OFFICE OF THE
GENERAL COUNSEL

Lois Lerner
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

RE: MUR 1842

Dear Ms. Lerner:

Enclosed is a certified check from Michael Goland pursuant to the Conciliation Agreement in MUR 1842.

Thank you for your assistance and a prompt resolution of this matter.

Sincerely,

David M. Ifshin
MANATT, PHELPS, ROTHENBERG,
& EVANS

87040054063

16-4
1220

SECURITY PACIFIC NATIONAL BANK
LOS ANGELES, CA

BALBOA DISBURSING ACCOUNT
5311 TOPANGA CANYON BLVD., SUITE 300
P.O. BOX 4000
WOODLAND HILLS, CA 91364

No. 019659

THE SUM 5000 DOLLARS 00 CTS

DATE 2/24/87

CONTROL NO.

AMOUNT $ 5,000.00

PAY TO THE ORDER OF
Federal Election Commission

BALBOA DISBURSING ACCOUNT
ACCOUNTS PAYABLE

⑧ 0 4 0 6 5 4 0 6 4

⑈019659⑈ ⑆122000043⑆928⑈926035⑈

QCC#2857

MEMORANDUM

TO: Debra A. ~~Reed~~ Trimiew

FROM: ~~Judy Smith~~ Cecilia Lieber

TO: ~~Judy Smith~~ Cecilia Lieber

FROM: Debra A. ~~Reed~~ Trimiew

CHECK NO. 019659 (a copy of which is attached) RELATING TO MUR 1842 (Kramer) AND NAME Michael Goland WAS RECEIVED ON 3/5/87. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ / BUDGET CLEARING ACCOUNT (#95F3875.16)

/ ✓ / CIVIL PENALTIES ACCOUNT (#95-1099.160)

/ / OTHER _____

SIGNATURE Debra A. Trimiew DATE 3/10/87

RECEIVED
MAR 10 A10:16
GENERAL COUNSEL

MANATT, PHELPS, ROTHENBERG, TUNNEY & EVANS
ATTORNEYS AT LAW
1200 NEW HAMPSHIRE AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036

Lois Lerner
Associate General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463