



FEDERAL ELECTION COMMISSION

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

THIS IS THE END OF MUR # 1870

Date Filmed 6/21/85 Camera No. --- 4

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FEDERAL ELECTION COMMISSION

13 ~~Exempting slips~~ (5); ~~Name-Address form~~ (5); 2 Correspondence

~~Control slip~~ (5); 6 Twelve Day Reports + ~~Comment sheet~~ (with

~~Complaint attached~~; ⁽⁵⁾ 1 ~~Comment/Objec. or sheet~~ (5);

~~3 duplicate of Special Counsel's Report + Attachments~~

3 staff approved letters (5); 1 internal memo (5)

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

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

Signed Patty Ruiz
date 6/17/85

FEC 9-21-77

35040524519

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Congressman Waxman Campaign)
Committee and Ron Lederman,) MUR 1870
as treasurer)
24th Congressional District of)
California PAC and Irwin Levin,)
as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session of May 21, 1985, do hereby certify that the Commission took the following actions in MUR 1870:

1. Decided by a vote of 5-0 to find no reason to believe the Congressman Waxman Campaign Committee and Ron Lederman, as treasurer, nor the 24th Congressional District of California PAC and Irwin Levin, as treasurer, violated 2 U.S.C. §§ 441a(a) and 441a(f).

2. Decided by a vote of 5-0 to find no reason to believe the Congressman Waxman Campaign Committee and Ron Lederman, as treasurer, nor the 24th Congressional District of California PAC and Irwin Levin, as treasurer, violated 2 U.S.C. § 433(b)(2).

(continued)

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3. Decided by a vote of 5-0 to
- a) Find reason to believe the Congressman Waxman Campaign Committee and Ron Lederman, as treasurer, violated 2 U.S.C. § 433(c), but take no further action and close the file.
 - b) Direct the General Counsel to send appropriate letters pursuant to these decisions.

Commissioners Aikens, Elliott, Harris, McGarry, and Reiche voted affirmatively for each of the above decisions. Commissioner McDonald was not present at the time of the votes.

Attest:

5-22-85

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

35040524521

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of

Congressman Waxman Campaign)
 Committee and Ron Lederman,)
 as treasurer)
 24th Congressional District of)
 California PAC and Irwin Levin,)
 as treasurer)

MUR 1870 9 40:25

GENERAL COUNSEL'S REPORT

I. BACKGROUND

The Office of the General Counsel received a complaint on January 10, 1985, from Mr. Jerry Zerg and the Zerg for Congress Committee. The complaint alleges that the Congressman Waxman Campaign Committee ("the Committee") with Ron Lederman, as treasurer, and the 24th Congressional District of California PAC ("the PAC") with Irwin Levin, as treasurer, are affiliated political committees within the meaning of 11 C.F.R. § 100.5(g)(2).^{1/} Tied to this allegation is the allegedly dominant role played by the Waxman Congressional Office ("the Congressional Office") in relation to the Committee and the PAC.^{2/} Because affiliated committees share contribution

^{1/} This Office encountered difficulties notifying both respondents. The PAC indicates it was not notified until February 8, 1985, because of communications problems with the local post office. Because the Committee moved its office without notifying the Commission, it did not receive its initial notification. A second notification attempt was unsuccessful. The Committee was finally notified on approximately March 8, 1985.

^{2/} In AO 1978-12 the Commission approved the multicandidate status of the PAC, indicating the PAC was not an authorized committee of the candidate. Recognizing Congressman Waxman would "consult" with the PAC regarding its contributions, the advisory opinion specifically noted the issue of affiliation had not been presented to the Commission.

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limitations, both the Committee and the PAC are said to have made and received excessive contributions in violation of 2 U.S.C. § 441a(f). It is further alleged that these violations are of a repeated and intentional nature. Finally, the complaint requests an audit of the Committee and the PAC.

II. FACTUAL AND LEGAL ANALYSIS

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The Act and Regulations impose a single contribution limitation on affiliated committees. Such committees are defined as being established, financed, maintained or controlled by the same person or group of persons. 2 U.S.C. § 441a(a)(5). 11 C.F.R. § 100.5(g)(2). Even if this definition is not specifically met, the Regulations provide indicia of affiliation. 11 C.F.R. § 100.5(g)(2)(ii). Such indicia include the ability of one committee to influence the decisions of the members of the committee said to be affiliated, similar patterns of contributions, and the transfer of funds between committees representing a substantial portion of the funds of either the transferor or transferee. 11 C.F.R. § 100.5(g)(2)(ii)(C), (D) and (E). Committees are required to report on their Statements of Organization the name, address, relationship, and type of any connected organization or affiliated committee. 2 U.S.C. §433(b)(2).

The complaint appears to allege a number of possible affiliated relationships. First, the Committee and the PAC are said to be affiliated because of common contributions made to them. Second, noting common vendors shared by the PAC, Committee, and Congressional Office, the Congressional Office is said to dominate the other two entities.

Additionally, these common vendors are cited as evidencing the interrelationship between the PAC and the Committee. Finally, a pattern of "common and concurrent contributions" made by the Committee and the PAC are said to indicate an affiliated relationship between the PAC and the Committee. Each of these relationships and the supporting evidence is discussed separately below.

1. Similar Patterns of Contributions Made by the Same Persons to Both the Committee and the PAC

Citing contributions by persons to both the PAC and the Committee, the complaint alleges a similar pattern of contributions exists, evidencing shared lists and fundraising efforts. Complaint at 4. It appears, however, that the complainant's assertion must fail for three reasons.

First, both the PAC and the Committee deny any concerted efforts in the operations of these entities. PAC Response at 2. Committee Response at 1. Second, as observed by the PAC, it is not surprising that some of the same people contributed to both the Committee and the PAC given the similarity of their political goals. PAC Response at 2. Finally, examining the contributions made by the same persons to both entities, there is no evidence supporting the allegation of a concerted fundraising effort. In fact, in many instances cited in the complaint there are gaps of months and even years between the time of the initial contribution to one entity and the subsequent contribution to the other. Accordingly, there does not appear to be any evidence of shared lists or fundraising efforts pointing to affiliation between the Committee and the PAC.

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2. Patterns of Common Vendors

The complaint further alleges that vendors appearing on the PAC and Committee reports also appear on the reports made by the Congressional Office, thus indicating the Congressional Office is the focal point of control of both these entities. As shown below, evidence of affiliation may be present.

a. Passive Corporate Vendors

The vendors used by the Committee the PAC and the Congressional Office can be divided into two categories; those vendors without any obvious relationship to any of these entities, and those vendors (individual receiving disbursements) said to have ties to the Congressional Office, the Committee, or the PAC. Each is examined separately.

Addressing disbursements made to the first group of vendors cited in the complaint, the complaint notes J&M Advertising has received payments from both the Committee and the PAC. A review of disclosure reports reveals the PAC disbursed \$547 to this vendor in September, 1983. The Committee's use of this vendor occurred in 1981, two years earlier. Other vendors in this category cited in the complaint are ones used by both the Congressional Office and the Committee. These include vendors providing computer services, printing expenses, and reception costs. The face of the complaint indicates these are small amounts of expenditures and there are significant gaps of times between their use by one entity and the subsequent use by the other. Complaint at 14. Considering the infrequency of these expenditures, and their passive natures, they do not present

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evidence of affiliation. As noted, many similarly ideologically situated entities rely on the same vendors for services. PAC Response at 2. Therefore, the use of these corporate vendors alone by the PAC, Committee, and Congressional Office does not appear to be indicia of affiliation.

b. Individual Vendors

Addressing the second group of vendors, the interchange of key personnel between the three entities raises the possibility of affiliated relationships. These include the possible affiliation of the Committee and the PAC without regard to the Congressional Office and the possible affiliation of the Committee and the PAC based on the Congressional Office's control.

i. Individuals Associated With the Congressional Office, the PAC, and the Committee

The complaint alleges that persons receiving disbursements from the Committee and the PAC also have received money from the Congressional office. For example, Mr. Don Perata, a paid Committee consultant received over \$22,000 from the Committee during March 1983 through June 1984. The PAC disbursed \$426 to this individual during December, 1983, noting the purpose of the expenditure as "finance office expenses." This description also appears on some of the Committee's disbursements to Mr. Perata. Additionally, the Congressional Office, an entity with which Mr. Perata has no apparent association, is said to have advanced him \$109 for airfare during this period.

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Ms. Keiko Shimabukuro, coordination of the Congressional Office from 1978 to 1980 and currently the district office coordinator, received disbursements from both the Committee and the PAC while on the Congressional payroll. During 1979, apparently serving in the Congressional Office, she received consulting fees from the PAC and was reimbursed by the PAC for expenses. In 1984, while apparently employed by the Congressional Office, the PAC reimbursed her \$630 for postage expenses. Furthermore, during 1984, Ms. Shimabukuro received \$762 from the Committee for "Reapportionment Expenses." Additionally, the Committee also reimbursed this individual \$240 for luncheon expenses. Ms. Shimabukuro's role in the Congressional Office, and the substantial expenses she incurred on behalf of both the PAC and the Committee, raise serious questions about the interchange of staff and resources of these three entities.

ii. Individuals Associated With the
Congressional Office and the
Committee

Further questions are raised regarding individuals receiving disbursements from both the Congressional Office and the Committee. For example, Michael Berman, a consultant to the Congressional Office from March 1978 to January 1979, received \$1,057 for "reapportionment expenses" from the Committee in March 1983, apparently after leaving the Congressional Office. Similarly, Ms. Lynette Jolly received a consulting fee from the Committee in July, 1981. In March 1982, she was receiving a salary from the Congressional Office.

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Mr. Burt Margolin also received disbursements from the Committee while on the Congressional Office payroll. During the four year period he served as a Congressional Office staff person, this individual received \$2,550 in disbursements from the Committee. The Committees noted the purposes of these disbursements as "consulting", "Fundraising Exp. and Postage" and "Travel Expenses." The complaint also alleges Ms. Thelma Neworth, the Committee's bookkeeper, also served as a "field deputy" for the Congressional office. Because her previous Committee salary was half of its usual amount during her field deputy tenure, and because she received the same one half sum from the Congressional Office for her services (thus totalling her prior salary), her services are alleged to have been split between the two entities.

iii. Individuals Associated with the Committee
and the PAC

Finally, Ms. Mary Ellen Padilla, the assistant treasurer, and an identified key decision maker of the PAC, is associated with the Committee and the PAC. See PAC Response at 1. While serving in this decision-making-capacity for the PAC, Ms. Padilla also performed consulting work for the Committee, receiving fees of \$5,500. The disclosure reports note a payment of \$500 to this individual in 1981, with a second \$5000 consulting fee noted in March, 1984. Although Ms. Padilla is the only identified PAC decision maker with ties to the Committee, as developed below, the coordinated nature of certain contributions further supports the possibility of an affiliated relationship between the PAC and the Committee.

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4. Common and Concurrent Contributions
to Federal Candidates

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Finally, the complaint isolates a group of committees receiving contributions from both the Committee and the PAC. See Complaint at 15-16. Listing these sets of contributions since 1978, the complaint correctly notes that every contribution made by one entity after March 15, 1982 was paralleled by a contribution by the other. In each instance, these parallel contributions were made on exactly the same day. Additionally, the complaint notes an in-kind contribution and subsequent refund of \$917 made by the Committee, which the PAC subsequently matched as in in-kind contribution for exactly the same amount. Although both the Committee and the PAC made other unrelated contributions during this period, in the opinion of this Office, the apparent coordination of contributions amounting to approximately \$52,000 in contributions by the PAC and \$17,000 by the Committee illustrates a pattern of contributions, an indicia of affiliation.

In sum, the complaint has raised a number of questions regarding possible affiliation between these three entities. The responses fail to address or explain specific allegations. In view of the foregoing, it appears that the Committee and the PAC are affiliated political committees within the meaning 2 U.S.C. § 441a(a)(5) and 11 C.F.R. § 100.5(g)(2).^{3/} Accordingly,

^{3/} This Office is preparing subpoenas for documents and orders for written answers to questions to determine the extent of the affiliation. Upon completion, those documents will be submitted for Commission review.

this Office recommends that the Commission find reason to believe that the Congressman Waxman Campaign Committee and its treasurer, and the 24th Congressional District of California PAC and its treasurer, violated 2 U.S.C. § 433(b)(2) by failing to list affiliated organizations on their respective Statements of Organization. Finally, in light of the apparent affiliation between the Committee and the PAC, this Office recommends that the Commission find reason to believe the Congressman Waxman Campaign Committee and its treasurer, and the 24th Congressional District of California PAC and its treasurer, violated 2 U.S.C. §§ 441a(a) and 441a(f) by making and receiving excessive campaign contributions.^{4/}

5. The Committee's Failure to Amend Its Statement of Organization

The Committee failed to amend its Statement of Organization to notify the Commission of its change of address. The Act requires that changes in information contained in Statements of Organization be reported no later than 10 days after the date of the change. 2 U.S.C. § 433(c). The Committee relocated prior to January 15, 1985. An amended Statement of Organization was not filed until March 4, 1985 (although the Committee's 1984 Year End Report filed with the Commission on February 4, 1985, noted that the Committee had a new address). Because the Committee did not amend its Statement of Organization within the statutory time period, this Office recommends that the Commission find reason to

^{4/} Six years of disclosure reports must be examined to determine the extent of the excessive contributions and the identities of the contributors and recipients of such.

believe the Congressman Waxman Campaign Committee and Ron Lederman, as treasurer, violated 2 U.S.C. § 433(c).

III. RECOMMENDATIONS

1. Find reason to believe the Congressman Waxman Campaign Committee and Ron Lederman, as treasurer, and the 24th Congressional District of California PAC and Irwin Levin, as treasurer, violated 2 U.S.C. §§ 441a (a) and 441 a(f).
2. Find reason to believe the Congressman Waxman Campaign Committee and Ron Lederman, as treasurer, and the 24th Congressional District of California PAC and Irwin Levin, as treasurer violated 2 U.S.C. § 433(b) (2).
3. Find reason to believe the Congressman Waxman Campaign Committee and Ron Lederman, as treasurer, violated 2 U.S.C. § 433(c).
4. Approve the attached letters.

Charles N. Steele
General Counsel

May 8, 1985
Date

BY:

Kenneth A. Gross
Associate General Counsel

Attachments

1. Waxman Campaign Committee Response
2. The 24th Congressional District of California PAC Response
3. Proposed letters (2)

35040524531



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 29, 1985

Jerry Zerg
The Zerg for Congress Committee
7424 Beverly Boulevard
Los Angeles, CA 90036

Re: MUR 1870

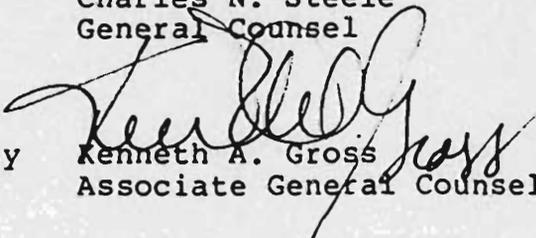
Dear Mr. Zerg:

The Federal Election Commission has reviewed the allegations of your complaint dated January 2, 1985 and on May 21, 1985 determined that on the basis of the information provided in your complaint and information provided by the Respondents, there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") has been committed. Accordingly, the Commission has decided to close the file in this matter. The Federal Election Campaign Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Should additional information come to your attention which you believe establishes a violation of the Act, you may file a complaint pursuant to the requirements set forth in 2 U.S.C. § 437g(a)(1) and 11 C.F.R. § 111.4.

Sincerely,

Charles N. Steele
General Counsel

By 
Kenneth A. Gross
Associate General Counsel

Enclosures
General Counsel's Report

85040524532



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 29, 1985

Irwin Levin, treasurer
The 24th District of California PAC
360 S. Kenmore Street, #306
Los Angeles, CA 90020

Re: MUR 1870
The 24th District of California PAC
and Irwin Levin, as treasurer

Dear Mr. Levin:

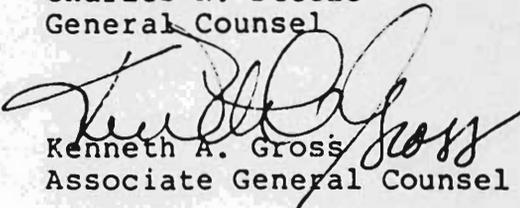
On January 15, 1985, the Commission notified The 24th District of California PAC, and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on May 21, 1985, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that a violation of any statute within its jurisdiction has been committed. Accordingly, the Commission closed its file in this matter. This matter will become a part of the public record within 30 days.

Sincerely,

Charles N. Steele
General Counsel

By


Kenneth A. Gross
Associate General Counsel

Enclosures
General Counsel's Report

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 29, 1985

Ron Lederman, treasurer
The Congressman Waxman Campaign
Committee
433 S. Beverly Drive
Beverly Hills, CA 90212

Re: MUR 1870
The Congressman Waxman Campaign
Committee
and Ron Lederman, as treasurer

Dear Mr. Lederman:

On January 15, 1985, the Commission notified The Congressman Waxman Campaign Committee and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended.

The Commission, on May 21, 1985, determined that on the basis of the information in the complaint, and information provided by you, there is no reason to believe that the complaint alleged violations of any statute within the Commission's jurisdiction.

Additionally, on May 21, 1985 the Commission did find reason to believe the Congressman Waxman Campaign Committee and you, as treasurer violated 2 U.S.C. § 433(c) by failing to amend your Statement of Organization within 10 days of a change of address. The Commission voted to take no further action on this violation and to close the file in the matter. This matter will become part of the public record within 30 days.

Sincerely,

John Warren McGarry
Chairman

Enclosures
General Counsel's Report

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Congressman Waxman Campaign)
Committee and)
Ron Lederman, as treasurer)
24th Congressional District of)
California PAC and)
Irwin Levin, as treasurer)

MUR 1870

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SENSITIVE

COMPREHENSIVE INVESTIGATIVE REPORT #1

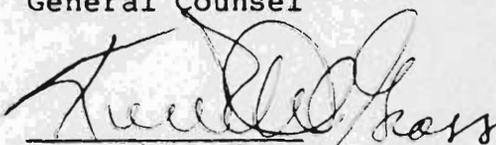
On February 25, 1985, the Office of the General Counsel informed the Commission of delays in notifying the Congressman Waxman Campaign Committee ("the Committee") and the 24th Congressional District of California PAC ("the PAC") of a complaint filed against them in the above captioned matter. Because the Committee failed to receive a second copy of the complaint, the Committee was finally formally notified on March 12, 1985. A response received in this Office on March 20, 1985 is currently being evaluated.

Reviewing the complaint in the context of the responses indicates the relationships of three complex entities (a congressional office, an authorized committee, and an unauthorized political committee) must be examined in the context of affiliation. This, in turn, demands a detailed review of six years of disclosure reports, and involves questions not previously addressed by this Office. Accordingly, after further research and review, this Office will make appropriate recommendations to the Commission.

Charles N. Steele
General Counsel

April 17, 1985
Date

By:



Kenneth A. Gross
Associate General Counsel

85040524535



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ron Lederman, Treasurer
Congressman Waxman Campaign Committee
433 South Beverly Drive
Beverly Hills, California 90212

Re: MUR 1870
Congressman Waxman Campaign
Committee and Ron Lederman, as
treasurer

Dear Mr. Lederman:

On January 15, 1985, the Commission notified the Congressman Waxman Campaign Committee ("the Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on , 1985, determined that there is reason to believe that the Congressman Waxman Campaign Committee and you, as treasurer, violated 2 U.S.C. §§ 441a(a), 441a(f), 433(b)(2) and 433(c) provisions of the Act. Specifically, it appears that the Committee and the 24th Congressional District of California PAC may be affiliated political committees within the meaning of 2 U.S.C. § 441a(a)(5), and, as such, may have accepted and made excessive contributions in violation of 2 U.S.C. §§ 441a(a) and 441a(f). Additionally, it appears the Committee and you, as treasurer, have failed to amend the Statement of Organization to indicate this affiliated relationship in violation of 2 U.S.C. § 433(b)(2) and have failed to amend your Statement of Organization within ten days of your change of address in violation of 2 U.S.C. § 433(c). You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of your receipt of this notification.

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

ATTACHMENT #3

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Letter to Ron Lederman
Page 2

that no further action should be taken against the Committee and you, as treasurer, 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 Patty Reilly the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Irwin Levin, Treasurer
The 24th Congressional District of
California Political Action Committee
360 South Kenmore, Suite 306
Los Angeles, California 90020

Re: MUR 1870
The 24th Congressional
District of California
Political Action Committee and
Irwin Levin, as treasurer

Dear Mr. Levin:

On January 15, 1985, the Commission notified the 24th Congressional District of California Political Action Committee ("the PAC") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on , 1985, determined that there is reason to believe that the the 24th Congressional District of California PAC and you, as treasurer, violated 2 U.S.C. §§ 441a(a), 441a(f) and 433(b)(2) provisions of the Act. Specifically, it appears that the PAC and the Congressman Waxman Campaign Committee may be affiliated political committees within the meaning of 2 U.S.C. § 441a(a)(5), and, as such, may have accepted and made excessive contributions in violation of 2 U.S.C. §§ 441a(a) and 441a(f). Additionally, it appears the PAC and you, as treasurer, have failed to amend the Statement of Organization to indicate this affiliated relationship. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Please submit any such response within ten days of your receipt of this notification.

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 the Committee, and you

ATTACHMENT #3(2)

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Irwin Levin
Page 2

you, as treasurer, 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 Patty Reilly the attorney assigned to this matter, at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel

BY: Kenneth A. Gross
Associate General Counsel

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HAND DELIVERED
05 11 85 12:15

February 13, 1985

Patty Reilly
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1870

Dear Ms. Reilly:

In his letter dated January 15, 1985, Kenneth A. Gross indicated that we could respond to the complaint filed by Jerry Zerg and the Zerg for Congress Committee. This letter is to follow up on that invitation.

Frankly, Mr. Zerg's letter, and particularly the attachment, is so obscurely written that I am not sure I understand the nature of the accusation. But his charges seem to be based entirely on the supposition that two campaign committees, namely the Congressman Waxman Campaign Committee ("Waxman Committee") and the 24th Congressional District of California Political Action Committee ("PAC") are both controlled by Henry Waxman and are therefore to be treated as one and the same under the federal election law.

Since this premise is wrong, the obscurities in the Zerg accusation are probably unimportant. The fact is that the two committees were carefully set up so that they would be separate, and there is no basis for treating them as the same.

The Waxman Committee is of course a "controlled committee" for Congressman Waxman serving as his "principal campaign committee" devoted primarily to his reelection efforts, and is therefore controlled by Mr. Waxman in every sense. But the PAC is not controlled by Mr. Waxman. It is true that the officers of the PAC, and probably most of its contributors, are people who support Congressman Waxman. It is also true that Congressman Waxman assists us in our fundraising efforts and consults with us on which candidates he believes our PAC should support.

(Congressman Waxman's role in the PAC was clearly explained to the FEC in a correspondence dated February 9, 1978 and in a request for an advisory opinion dated February 21, 1978. The FEC responded with an advisory opinion authorizing the formation of the PAC along these lines. Copies of these correspondence are enclosed with this letter.)

In fact, the PAC has the following officers: Lenore Wax, Irwin Levin, Sanford Weiner, Karen Weiner, Ross G. Bates, Mary Ellen Padilla, and Charles Manfred. Only these people have the authority to decide what contributions will be made by the PAC, and only these people can make other decisions concerning the PAC. Congressman Waxman has no legal authority whatsoever to

ATTACHMENT #2

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control or even have a voice in the PAC's activities. Only the officers and directors have such authority.

Mr. Zerg seems to think that simply because in some cases the two committees either contributed to the same candidates or purchased goods and services from the same vendors, this means the two committees are "affiliated" or controlled by Mr. Waxman. This is ludicrous. Since the two committees have similar political orientations, it is not surprising that they sometimes contributed to the same candidates. The same would be true of any political committee with a liberal democratic leaning. Furthermore, Mr. Zerg has listed only those candidates who received contributions from both committees. A check of the campaign reports will show a great many candidates who received a contribution from one committee but not the other.

With respect to the vendors, again the fact that there were some in common is neither surprising nor meaningful. The PAC is made up of Waxman friends and supporters. By what law is the PAC required to turn for technical services to people or firms that have never provided services to the Waxman Committee? Indeed, if you check the campaign statements of almost any liberal democratic political group in West Los Angeles, you will probably find many of the same vendors. The important point is not who provided services to the PAC, but who was authorized to make key decisions, especially on making contributions. This authority resided and still resides in the directors and officers only.

Mr. Zerg also has a chart showing that some people contributed to both committees. Again, this is hardly surprising, given the similar political goals of the committees. Mr. Zerg forgot to mention the much larger number of contributors who contributed to one committee but not the other. Also, since Mr. Zerg is apparently unaware that these are actually separate organizations, he seems to think that they were set up to permit contributors to evade the \$5,000 contribution limit to PACs. But his own chart shows that most of the contributors to both committees gave a total that did not exceed \$5,000. How could this be, if the only purpose for contributing to two committees was to evade the law? The truth is that each committee raised money on its own. Some contributors gave to one committee only, but some gave to both. Of the latter group, over a seven-year period only two gave a total of over \$5,000 in one election cycle and the rest gave less.

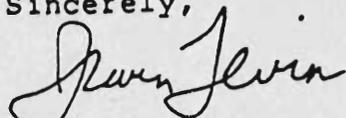
Except for his meaningless charts, Mr. Zerg has presented no evidence at all that Congressman Waxman controls the PAC or that the PAC and the Waxman Committee are "affiliated." This is for an excellent reason, namely, these things are not true.

This is nothing more than a groundless effort by an unsuccessful candidate to harrass his victorious opponent. In the unlikely event Mr. Zerg can come forth with some real evidence, let him do so. Until then, neither the FEC nor the two committees should be

put to the expense of an investigation that can be no more than a fishing expedition that will produce no results.

Please let me know if I can be of further assistance.

Sincerely,



Irwin Levin
Treasurer,
24th Congressional District of California
Political Action Committee
360 S. Kenmore, Ste. 306
Los Angeles, CA 90020

enclosures

85040524542

222 Washington Avenue, Apt. 12
Santa Monica, CA 90403

February 9, 1978

Mr. N. Bradley Litchfield
General Counsel's Office
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

Dear Mr. Litchfield:

On February 7, 1978 I had a phone conversation with Mr. Jonathan Tyson of the Federal Election Commission Public Information Office in which I posed a question pertaining to the formation of a multicandidate committee. After providing me with his response, Mr. Tyson recommended that, for the sake of complete thoroughness, I put my inquiry in writing for review by the FEC General Counsel's Office.

A group of political activists in Los Angeles intend to form a multicandidate committee which will participate in the 1978 elections. We would like to have your assurance that our specific proposal for a multicandidate committee is in full compliance with all existing federal laws and regulations.

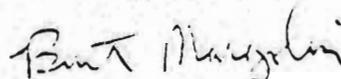
The committee will be named, FRIENDS OF CONGRESSMAN HENRY A. WAXMAN. After our committee has been registered with the FEC for the requisite 6 months, has received contributions from at least 51 persons, and has made contributions to at least 5 federal candidates, our committee would then proceed to make campaign contributions to candidates in amounts up to the \$5,000 per election limitation placed on multicandidate committees. Congressman Waxman will be assisting us in our fundraising efforts. The Congressman will also consult with us on which candidates should receive our committee's contributions.

It is my understanding from Mr. Tyson that our proposed multicandidate committee, involving as it does the use of the name of a member of the House of Representatives, as well as the member's active participation in both fundraising and the decision-making as to how money is spent, is clearly and totally in compliance with all relevant federal laws and regulations affecting multicandidate committees.

We would appreciate receiving your written confirmation of this FEC Public Information Office judgment at your earliest possible convenience. If you require any additional information, please feel free to contact me at either (213)394-2181 or (213) 393-3868.

Thank you for your attention to this matter.

Sincerely,



BURT MARGOLIN

35040524543

222 Washington Avenue, Apt. 12
Santa Monica, CA 90403

February 21, 1978

Mr. N. Bradley Litchfield
General Counsel's Office
Federal Election Commission
1325 K Street, N.W.
Washington, DC 20463

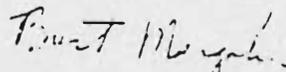
Dear Mr. Litchfield:

On February 9, 1978, I wrote a letter to your office raising certain questions pertaining to the formation of a multicandidate committee. I have since been informed by Mr. Tyson in the FEC Public Information Office that the issues I raised will require a Commission Advisory Opinion.

Accordingly, Congressman Henry A. Waxman (D-California) has authorized me to request, on his behalf, that the Commission resolve the issues raised in the letter of February 9th by the issuance of an Advisory Opinion.

Thank you for your attention to this matter.

Sincerely,



BURT MARGOLIN

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FEDERAL ELECTION COMMISSION

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

April 7, 1978

AO 1978-12

Mr. Burt Margolin
222 Washington Avenue, Apt. 12
Santa Monica, California 90403

Dear Mr. Margolin:

This refers to your letter of February 9, 1978, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the proposed formation of a multicandidate committee to be named Friends of Congressman Henry A. Waxman ("the Committee").

You explain that a group of "political activists in Los Angeles intend to form" the Committee to "participate in the 1978 elections." Congressman Waxman will assist in the fundraising efforts of the Committee and will "consult with us on which candidates should receive our committee's contributions." After the Committee qualifies under the Act as a multicandidate committee, you say that it will make contributions to candidates for Federal office in amounts up to the \$5,000 limit per candidate, per election. 2 U.S.C. §441a(a)(2). You ask whether your proposal is "in full compliance with all existing Federal laws and regulations."

The advisory opinion procedure, as set forth in the Act (2 U.S.C. §437f) and the Commission's regulations at 11 CFR 112 (et seq.), is available for applying a general rule of law stated in the Act, or in a prescribed regulation, to a "specific factual situation." It may not be used to give blanket approval to a general proposal such as

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you describe. Your letter does, however raise a specific issue which may be treated in an advisory opinion: namely, whether the contribution limit applicable to persons contributing to the Committee is \$5,000 per year under 2 U.S.C. §441a(a)(1)(C) and (a)(2)(C) or \$1,000 per election (\$5,000 if the contributor is a multicandidate committee) under 2 U.S.C. §441a(a)(1)(A) and (a)(2)(A).

By their terms the \$1,000 or \$5,000 per candidate contribution limits of §441a(a)(1) and (2) apply to contributions "to any candidate and his authorized political committees with respect to any election..." The regulations of the Commission describe an authorized committee as:

a political committee which is empowered in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate
... 11 CFR 100.14(b)(1)

Thus as long as Congressman Waxman does not give written authorization to the Committee, it will not be considered one of his authorized committees, and contributors to the Committee will not be regarded as making contributions with respect to Congressman Waxman's 1978 House campaign. But see the regulations at 11 CFR 110.1(h) and 110.6. Assuming the Committee is not affiliated with Mr. Waxman's principal campaign committee, (See 2 U.S.C. §441a(a)(5) and the Commission's regulations at 11 CFR 110.3(a), copy enclosed.) persons may contribute up to \$5000 per calendar year to the Committee although contributions from individuals would be counted against their \$25,000 aggregate individual limit in 2 U.S.C. §441a(a)(3) and 11 CFR 110.5. The Committee, in turn, may contribute \$5,000 per election to any candidate for Federal office (including his or her authorized campaign committees) after it qualifies as a multi-

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candidate committee. See 2 U.S.C. §441a(a)(4) and 11 CFR 100.14(a)(3).

This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. §437f.

Sincerely yours,

Thomas E. Harris

Thomas E. Harris
Chairman for the
Federal Election Commission

Enclosure

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6296
AT THE FEC

Ronald E Associates Certified Public Accountants
Lederman

RONALD LEDERMAN, C.P.A.
MARK FIENBERG, C.P.A.

March 22, 1985

Ms. Pat Riley
Office of the General Council
Federal Election Commission
Washington, D.C. 20463

RE: MUR 1870

Dear Ms. Riley:

I have just been notified that a complaint has been filed by Mr. Jerry Zerg and the Zerg for Congress Committee against the Congressman Waxman Campaign Committee and against me as its treasurer. There are several things I'd like to point out:

1. The Congressman Waxman Campaign Committee has been in continuous operation since 1974.
2. This committee is now and always has been the principal and sole committee handling funds pertaining to Rep. Waxman's campaign expenditures.
3. The 24th Congressional District Political Action Committee is a separate and autonomous organization. I am not personally involved in its activities.
4. I do not coordinate the activities of the Congressman Waxman Campaign Committee with those of the 24th CD PAC. Mr. Irwin Levin (Treasurer of the 24th CD PAC) and I do not have and have never conferred regularly or closely in an effort to coordinate the activities of the two committees.
5. Mr. Jerry Zerg, a perennial candidate for Congress, has previously filed frivolous complaints with the FEC. One such complaint was MUR 1799 (filed by Donald R. Bourassa on behalf of Jerry Zerg). His complaints are invariably accompanied by efforts to gain media attention.
6. In a recent issue of the respected periodical on California politics, the California Journal, Mr. Zerg states flatly that he intends to oppose Rep. Waxman again in 1986. He further states that he assumes a challenger must wage repeated and ongoing campaigns to diminish the strength of a popular incumbent (see enclosure).

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ATTACHMENT #1

I believe that the FEC ought to bear in mind the possibility that Mr. Zerg is abusing the purposes and processes of the Commission merely to harass a member of Congress whom he has decided to designate as a permanent political opponent.

Please contact me should you require any additional information on the management of the Congressman Waxman Campaign Committee. Our committee is run in a simple straight-forward manner, we have few fund-raising events, we maintain meticulous records of both contributions and expenditures. We are not improperly involved in any other campaign committee or political action committee.

Sincerely,



RONALD LEDERMAN
Treasurer, Congressman Waxman
Campaign Committee

RL: eh
Enclosure

cc: Keiko Shimabukuro
Mary Ellen Padilla

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ATTACHMENT # 1

SENSITIVE

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

RECEIVED
OFFICE OF THE SEC
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT 25 FEB 22 P 4: 07

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION 2/22/85-4:00

MUR #1870
DATE RECEIVED
1/10/85
DATE NOTIFIED:
1/15/85
STAFF MEMBER:
REILLY

SOURCE OF MUR: Complaint of Jerry Zerg and the Jerry Zerg for Congress Committee

RESPONDENTS' NAME: Congressman Waxman Campaign Committee
and Ron Lederman, as treasurer
24th Congressional District of California
PAC and Irwin Levin, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441a(f)
2 U.S.C. § 433(b)(2)
11 C.F.R. § 100.5(g)
11 C.F.R. § 110.3(a)(1)(i)

INTERNAL REPORTS CHECKED: Disclosure Reports
MUR 1409
MUR 950
AO 1979-80

SUMMARY OF ALLEGATIONS

The Office of the General Counsel received a complaint on January 10, 1985, from Jerry Zerg and the Jerry Zerg for Congress Committee. The complaint alleges the Congressman Waxman Campaign Committee ("the Committee") and Ron Lederman, as treasurer, and the 24th Congressional District of California PAC and Irwin Levin, as treasurer, ("the PAC") are affiliated political committees within the meaning of 11 C.F.R. § 100.5(g). This alleged affiliation is said to have resulted in the Committee's receipt of contributions in excess of permissible limitations of the Act.

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STATUS OF THE MUR

Respondents were notified on January 15, 1985. On February 8, 1985 this Office received a telephone call from the PAC stating that the complaint had just reached them that day. The reason for this delay was a problem at the post office locating our notification to the PAC. Although oral request for an extension was denied, they were informed this Office would wait the required fifteen day response period before proceeding to the Commission with recommendations.

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Additionally, on February 20, 1984, this Office received a telephone call from Congressman Waxman's Office explaining the Committee had not received its copy of the complaint because it has moved. Although notification had been sent to the address on the Committee's Statement of Organization and verified against the Committee's latest reports, the Committee did not notify the Commission of its new address until February 4, 1985. A copy of the complaint was sent to the new address on February 21, 1985. The Committee was informed a report was due to the Commission, and that this Office would proceed with recommendations immediately after the expiration of the 15 day response period. Accordingly, after receiving and evaluating all responses, this Office will report to the Commission and make appropriate recommendations.

Charles N. Steele
General Counsel

February 22, 1985
Date

BY:

Kenneth A. Gross
Associate General Counsel

GEC#6317
85 JAN 7 P 4:43

January 2, 1985

FEDERAL ELECTION COMMISSION
Attn: General Counsel
Washington, D. C. 20463MUR
1870

Dear Sir(s):

This complaint is being filed by myself, Jerry Zerg and the Zerg for Congress Committee.

I swear that the information contained in this complaint is true.

This complaint is being filed against Congressman Henry Waxman, the Congressman Waxman Campaign Committee (Congressman Henry Waxman's principal campaign committee), and the 24th Congressional District of California Political Action Committee (a political action committee which I believe is controled by Congressman Henry Waxman).

The source of the information on which this complaint is based is (are) the files of the Federal Election Commission itself. (See attached analysis.)

The attached analysis is clear and concise on the facts and the supporting documentation for the complaint. The nature and existence of such documentation is noted.

This complaint alleges that Congressman Henry Waxman has and did control both the Congressman Waxman Campaign Committee (his principal campaign committee) and the 24th Congressional District of California Political Action Committee (a political action Committee) from the point of their creation until at least September of 1984 (if not until present). This complaint alleges that the two committees (the principal campaign committee: PCC; and the political action committee: PAC) are affiliated as per 11 CFR 100.5(g)(2) and have a common contribution limitation as per 2 U.S.C. 441(a)(5) and that this common contribution limitation was repeated and intentionally violated by Congressman Waxman and the two committees.

The attached analysis shows that the two committees have common contributors, common vendors, and common and concurrent contributions made to federal candidates as in concert.

This compalint requests the following relief:

- (1) A ruling that the PCC and the PAC are affiliated committees.
- (2) As such they have a common contribution limit. Therefore, all monies in the aggregate in excess of \$1,000 per election that the affiliated committees have donated to other committees and candidates must be refunded to the Waxman Committee.
- (3) As affiliated committees, they can only accept \$1,000 per

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ALL: 57

election from each contributor in the aggregate. For each individual who has contributed in excess of \$1,000 for each properly designated election the balance must be refunded.

- (4) For each PAC that has contributed in excess of \$1,000 per election , or in the case of qualified multicandidate committees \$5,000, the balance must be refunded.
- (5) Both committees should be audited by the Federal Election Commission in order that the intent of the Federal Election Commission Act (FECA) will be fulfilled.
- (6) The committees, their respective Treasurers, and Congressman Waxman, should be levied fines and penalties as per the remedies in U. S. C. 437(g).

Sincerely

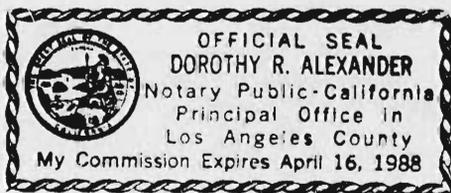
Jerry Zerg

Jerry Zerg
Candidate for Congress
Zerg for Congress Committee

*State of California
County of Los Angeles*

*Subscribed and sworn to
before me on January 3, 1985*

Dorothy R. Alexander



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1. Common Contributors Shared By The Committees.

Section 1 of the supporting documentation is titled Cross Referenced Contributors to the PCC and the PAC.

In this section common contributors to both committees have been selected for example. For specific names and examples please see the section.

The indicia of this section are:

- 134 persons contributed 28% of ALL receipts of the PCC, 81% of those from persons.
- 34 of these same people gave 14% of ALL receipts of the PAC, 17% of those from persons.
- 25.4% of the itemized PCC contributors gave to the PAC \$ 46,650.
- 183 PACs contributed 65.3% of ALL receipts of the PCC.
- 52 of these PACs gave 88% of ALL receipts from PACs to the 24th C.D.PAC.
- 83 PACs and persons from the state of California gave only 24% of the receipts of the PCC. The rest was from outside of the state.

2. Common Vendors Shared By The Committees and the Congressional Office.

Section 2, Cross Referenced Vendors, details these conclusions.

* Ron Lederman is named as the Treasurer of the PCC. Over the past 6 years he has contributed to both committees twice in the total of \$1,700.

* Lynelle Jolley received \$500 as a consultant to the PCC and received \$300 from the Congressional Contingent Fund as "Assistant" in the next quarter.

* Charles Manfred is the PAC Vice Chairman. His wife, Jeanne, has received payment from both the PCC and the PAC for services.

* Burt Margolin, Administrative Assistant to Congressman Waxman, received payment from the PCC for Consulting WHILE ON THE CONGRESSIONAL PAYROLL.

* Thelma Neworth, Bookkeeper for the PCC, received salary from the PCC and received a payment from the Congressional Office as "Field Deputy".

* Mary Ellen Padilla received 3 payments from the PCC totaling \$7,500 and 6 payments from the PAC totaling \$7,500 over the last 5½ years. This is a perfect example of Affiliation. The payments were for "Consulting Fee".

* Don Perata received payments from the PCC over 2 years of \$22,158, from 3-9-83 to 6-11-84. He was also paid \$426 by the PAC on 12-8-83, and his airfare was paid by the Congressional Office on 12-6-82.

* Keiko Shimabukuro was the Coordinator of the Congressional Office from 3-31-78 through 3-31-80. During that period she received payments of \$1,212 from the PAC for expenses and consulting. Since , she has received \$630 from the PAC and \$1,002 from the PCC for various items.

* J&M Advertising has received payment from both the PAC and the PCC.

These expenditures show that there has been a common link between the PCC, the PAC, and the Congressional Office.

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3. Common and Concurrent Contributions to Federal Candidates.

Since 1978 the PCC has contributed \$91,740 to various candidates and committees, or 39% of total expenditures. During the same period the PAC has contributed \$233,207 to various candidates and committees, or 75% of total expenditures.

22% of the PCC contributions to candidates and committees and 28% of the PAC's contributions to candidates and committees have gone to the same group of recipients, 15 candidates' committees and 1 party committee.

Section 3 of the supporting documentation details this matter.

Some of the instances should be specifically mentioned:

* Since March 18, 1982, EVERY SINGLE CONTRIBUTION TO A CANDIDATE MADE BY THE PCC HAS BEEN COMPLEMENTED WITH A CONTRIBUTION FROM THE PAC ON THE VERY SAME DAY IN THIS GROUP.

* On 4-16-82, when the PAC gave \$5,000 to Phil Burton, it carried the aggregate of the PCC.

* There is a strong indication of common control with regard to the In-Kind to Barney Frank in 1982. On 12-10-82 the PCC reported an In-Kind to Barney Frank of \$917, not a nice round number. The subsequent report of the PAC showed an identical in-kind to Barney Frank of \$917, which the PCC indicated as "Refunded" on its next report.

This could only happen if the PCC made the initial payment, and was reimbursed by the PAC. It is most probable that the transaction between the two committees never took place since then it would have been reported as a transfer between them, or in other words, a contribution from one to the other.

Clearly this indicates a close relationship.

D. The Conclusions From The Arguments.

We therefore conclude:

1. The committees have a very similar support group of persons and PACs as contributors. This indicates shared lists and fundraising efforts.
2. The committees and the Congressional Office have freely interchanged staff and activities. Several key personnel have been on the payroll of each entity, and this indicates a focalpoint of control in the Congressional Office.
3. For several years there has been a consistent pattern of contributions in both the PAC and the PCC indicating common decision-making and direction of these contributions.
4. Therefore, based on this record, we conclude that these two committees, the "Congressman Waxman Campaign Committee" and the "24th Congressional District of California Political Action Committee", are affiliated committees.

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Section 1 -- Cross Referenced Contributors to the PCC and the PAC

Explanation:

This section discloses and compares the contributors that are common to both the PCC (principal campaign committee) and the PAC (24th Congressional District Political Action Committee), both under the control of Congressman Henry Waxman and/or his associates.

The column headings used are:

Doc# : Each source document has its own unique number if it was obtained from the FEC. The number is based on the assigned number of the C or E index that covers the period of the document.

E index #1 -- Doc #s 1 thru 17,	1977-78, PCC.	
E index #2 -- Doc #s 201 thru 217,	1979-80, PCC.	
E index #3 -- Doc #s 301 thru 320,	1981-82, PCC.	
E index #4 -- Doc #s 401 thru 410,	1983-84, PCC.	165 Documents, 851 pages.
C index #5 -- Doc #s 501 thru 509,	1978, PAC.	
C index #6 -- Doc #s 601 thru 627,	1979-80, PAC.	
C index #7 -- Doc #s 701 thru 742,	1981-82, PAC.	
C index #8 -- Doc #s 801 thru 823,	1983-84, PAC.	

Source : The committee given to with election code, if any, P=Primary, G=General, PCC=principal campaign committee, PAC=pac.

Date : Date the transaction was reported.

Amount : Amount of the transaction.

Occ/Em : The contributor's occupation & place of employment, if disclosed.

C & Ad : Contributors name and address, if disclosed.

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<u>C & Ad</u>	<u>Occ/Em</u>	<u>Source</u>	<u>\$Amount</u>	<u>Date</u>	<u>Doc#</u>
ALBERT, Carl A. 1801 Century Park E., #2200 Los Angeles, 90067	attorney	PAC	300	10/20/78	505
	self-employed	PCC-P	400	12/10/79	204
		PAC	500	12/31/79	606
		PAC	3,000	02/22/82	727
ANAGNOS, Aris 12422 Deerbrook Lane Los Angeles, 90049	insurance	PAC	300	08/09/78	505
	1250 N. Kings Rd.	PCC-P	400	12/10/79	204
	LA, 90069	PAC	600	03/30/84	818
ASARO, Joseph 66 E. Dover Street Valley Stream, NY 11580	Vice President	PCC-P	1,000	10/31/83	404
	Sweet & Low	PAC	600	03/30/84	818
ASNER, Edward 2029 Century Park E., #1300 Los Angeles, 90067	actor	PAC	200	12/03/79	606
	self-employed	PAC	300	03/29/84	818
		PCC-P	250	03/29/84	406
BROWN, Helene G. 3853 Oakfield Drive Sherman Oaks, 91403	Director for Com-	PAC	200	12/10/79	606
	munity Application U.C.L.A.	PCC-P	350	03/25/83	403
DOWELL, Emery B. 1127 11th St, #540 Sacramento, 95814	Lobbyist	PAC	150	08/18/78	505
	Blue Cross/Blue	PAC	200	12/10/79	606
	Shield	PCC-P	500	06/30/81	302
		PAC	250	01/22/82	723
EPSTEIN, David 1000 Potomac St, NW Washington, DC 20007	attorney	PCC-P	250	06/30/81	302
	self-employed	PAC	250	01/22/82	723
FAMILIAN, Gary R. 9595 Wilshire Blvd, #605 Reverly Hills, 90212	investor	PCC-G	750	09/01/78	14
	Familian Realty	PCC	750	02/28/79	202
	Investment Corp.	PAC	500	12/03/79	606
FELDMAN, Eliot Bernard 6316 W. Olympic Blvd. Los Angeles, 90048	attorney	PCC	200	06/07/77	7
	9100 Wilshire Blvd. Beverly Hills	PAC	150	08/25/78	505
FINERMAN, Mel 4949 Genesta Ave, #316 Encino, 91316	Chairman	PAC-G	500	08/21/78	505
	Mel Finerman Co.	PCC-P	1,000	12/03/79	204
FLIER, Theodore S. 9255 Sunset Blvd, #727 Los Angeles, 90069	attorney	PAC-G	300	08/24/78	505
	"same"	PCC-P	400	12/10/79	204
FRIEDMAN, Jonathan 25 W. 84th St, #2B New York, NY	Securities Analyst	PCC	200	06/07/77	7
	Equitable Life,	PCC-P	200	04/10/78	11
	Ford Foundation	PAC-G	150	08/21/78	505
		PAC-G	300	11/07/78	507
		PAC	600	12/03/79	606
		PAC	1,000	12/30/81	721
		PAC	1,200	03/29/84	818

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<u>C & AD</u>	<u>Occ/Em</u>	<u>Source</u>	<u>\$Amount</u>	<u>Date</u>	<u>Doc#</u>
GINDI, Jack E. 632 N. Oakhurst Dr. Beverly Hills, 90212	investor	PCC-P	250	12/10/79	204
	"same"	PAC	900	01/07/82	723
		PAC	300	03/08/84	818
		PAC	500	05/16/84	822
		PAC	100	05/16/84	822
HONKAWA, Yoshi 3020 Durand Drive Los Angeles, 90068	Hospital Admin.	PAC	400	12/03/79	606
	Cedars-Sinai Med.	PCC-P	250	06/30/81	302
	Ctr - VP/GovRel	PAC	500	01/22/82	723
		PAC	600	03/30/84	818
JAFFE, Stuart 444 S. Bedford Drive Beverly Hills, 90212	President	PAC	150	10/20/78	505
	Champion Finance	PCC-P	400	12/31/79	204
	Corp, LA 90067	PAC	500	12/31/79	606
		PAC	500	01/22/82	723
JEFFE, Douglas 5019 63rd St. Los Angeles, 90056	General Manager	PCC	200	01/26/77	7
	Braun Campaigns Inc	PAC	500	02/12/82	727
JONAS, Allan K. 5423 Keymer Ave/5758 W Century LA, 90056 /LA 90045	President	PCC-P	500	05/09/78	11
	Jonas Corp.	PAC	300	08/18/78	505
		PAC	1,000	12/28/81	721
		PAC	2,500	09/15/83	811
KAITZ, Spencer R. 20880 Baker Rd #9 Castro Valley, 94546	attorney	PAC-G	300	08/24/78	505
	CA Cable TV Assoc	PAC	200	12/10/79	606
		PAC	500	01/22/82	723
		PAC	1,000	10/28/82	740
		PCC-P	250	03/13/84	406
		PAC	600	03/29/84	818
KLEIN, Joseph 8435 Beverly Blvd. Los Angeles, 90048	owner	PAC-G	300	09/01/78	505
	Beverly Sinai Twrs	PCC-P	400	12/10/79	204
	Retirement Lving	PCC-P	300	04/24/84	408
KYPRIDAKIS, George, M.D. 1720 Brooklin Ave. Los Angeles, 90033	physician	PCC-P	250	06/30/81	302
	Pathologist	PAC	500	01/22/82	723
LASKER, Mary Woodward 870 United Nations Plaza New York, NY 10017	President	PCC-P	500	06/12/81	302
	Albert & Mary	PCC-G	1,000	08/26/82	316
	Lasker Foundation	PCC-P	1,000	10/03/83	404
		PAC	600	03/13/84	818
LIPSHER, Laurence 8425 W. 3rd St. #409 Los Angeles, 90048	C.P.A.	PAC	300	08/24/78	505
	6430 Sunset Blvd.	PCC-P	400	12/03/79	204
		PAC	250	03/17/82	729
MARS, Marshall C. 2315 Kimridge Rd. Beverly Hills, 90210	owner	PAC	300	08/24/78	505
	M & K Parking	PCC-P	400	12/10/79	204
		PAC	1,000	01/22/82	723

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<u>C & Ad</u>	<u>Occ/Em</u>	<u>Source</u>	<u>\$Amount</u>	<u>Date</u>	<u>Doc#</u>
O'REILLY, Charles B. 1122 Wilshire Blvd. Los Angeles, 90217	attorney	PCC-P	1,000	10/31/83	404
	self-employed	PAC	900	03/30/84	818
OLIKER, Jacob "Jack" 1801 Century Park E. Los Angeles, 90067	attorney	PAC	150	10/20/78	505
	self-employed	PCC-P	400	12/10/79	204
		PAC	500	12/31/79	606
RAPOPORT, Bernard PO Box 208 Waco, TX 76797	COB	PAC-P	1,000	12/03/79	606
	Am. Income Life Insurance Co.	PCC-P	1,000	04/09/84	408
REIFMAN, Irving 3367 Mandeville Canyon Rd Los Angeles, 90049	attorney	PAC	450	08/24/78	505
	Reifman, Brown & Altman	PAC	50	08/24/78	505
		PCC-G	1,000	09/01/78	14
		PCC-P	800	12/10/79	204
		PAC	500	01/22/84	723
		PAC	600	03/29/84	818
REIFMAN, Leonard 607 S. Hill St. Los Angeles, 90017	jeweler	PCC-P	400	12/10/79	204
	G&W Diamond Cutter	PAC	500	01/22/82	723
REISSMAN, Stephen 10353 Mississippi Ave. Los Angeles, 90025	Exec. VP	PAC	200	12/03/79	606
	Country Villa	PAC	500	01/07/82	723
	Service Corp.	PCC-P	300	05/08/84	408
SHALANT, Joseph L. 14948 Camarosa Dr. Pacific Palisades, 90727	attorney	PCC-P/G	2,000	05/17/82	310
	self-employed	PAC	600	03/08/84	818
		PAC	300	03/29/84	818
SLOAN, Sherwin H., M.D. 5934 Rod Avenue Woodland Hills, 91367	Ophthalmologist	PAC	150	09/14/78	505
	self-employed	PCC-P	250	06/30/81	302
		PAC	300	03/30/84	818
VALENTI, Jack 1600 Eye St., #202 Washington, DC 20002	President	PCC-P	200	05/02/78	11
	Motion Picture	PAC-P	300	05/14/82	732
	Assoc of America	PAC (MARY)	1,000	02/23/84	816
WASSERMAN, Lew R. 911 N. Foothill Rd.	executive	PCC-P	1,000	03/18/80	207
	Universal Studios	PAC	2,500	02/23/84	816
WEINTRAUB, Jerry c/o Nathan Golden 9601 Wilshire Blvd, #508	Business Manager	PCC-P	1,000	06/01/82	313
	Management III	PAC-P/G	10,000	06/04/82	733

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***NOTE: IT IS A VIOLATION OF FEDERAL CAMPAIGN LAW TO SOLICIT THIS LIST.
THIS IS PROVIDED TO YOU AS A RESEARCH PRODUCT AND MAY BE USED FOR ANY LEGAL
PURPOSE OTHER THAN SOLICITATION.

Synopsis of PCC/Contributor Information

PCC
Reported Activity, 1977-6/30/84

<u>Report Date</u>	<u>Receipts from Persons</u>	<u>Receipts from PACs</u>	<u>Operating Expenditures</u>	<u>Transfers to Pacs & Candidates</u>
12/31/77	\$ 2,615	\$ -0-	\$ 10,600	\$ -0-
12/31/78	\$ 5,567	\$ 10,200	\$ 8,345	\$ 7,075
12/31/79	\$ 9,870	\$ 5,000	\$ 8,325	\$ -0-
12/31/80	\$ 5,438	\$ 12,650	\$ 8,716	\$ 15,350
12/31/81	\$ 13,170	\$ 28,450	\$ 19,051	\$ 4,000
12/31/82	\$ 24,769	\$ 51,250	\$ 19,795	\$ 52,166
12/31/83	\$ 17,495	\$ 38,994	\$ 41,154	\$ 7,750
<u>6/30/84</u>	<u>\$ 6,591</u>	<u>\$ 14,600</u>	<u>\$ 26,869</u>	<u>\$ 5,399</u>
Totals:	\$ 85,515 (34.6%)	\$ 161,144 (65.3%)	\$ 142,855 (58%)	\$ 91,740 (37%)

Note: % of \$246,659, the total of combined receipts from PACs and persons.

PCC Contributors

<u>Class of Contributor</u>	<u># of Contributors</u>	<u>\$ Contributed</u>	<u>% of Total</u>
All Itemized Persons	134	\$ 69,555	81% of Receipts from Persons 28% of ALL Receipts
From California, Persons	57	\$ 31,060	36% of Receipts from Persons 45% of Itemized Receipts 13% of ALL Receipts
Outside The State, Persons	77	\$ 38,495	45% of Receipts from Persons 55% of Itemized Receipts 16% of ALL Receipts
PACs	183	\$161,144	65.3% ALL Receipts
California PACs	26	\$ 28,950	12% of ALL Receipts 18% of PAC Receipts
California PACs & Persons	83	\$ 60,010	24% of ALL Receipts
24th C.D. PAC (Waxman's PAC)	1	\$ 14,200	6% of ALL Receipts 9% of PAC Receipts

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Synopsis, Continued

PAC Reported Activity, 1977-83

<u>Report Date</u>	<u>Receipts from Persons</u>	<u>Receipts from PACs</u>	<u>Operating Expenditures</u>	<u>PAC & Candidate Contributions</u>
12/31/78	\$ 57,555	\$ 15,295	\$ 20,487	\$ 48,650
12/31/79	\$ 74,920	\$ 21,500	\$ 22,999	\$ 7,000
12/31/80	\$ 6,477	\$ 3,650	\$ 4,203	\$ 68,800
12/31/81	\$ 8,350	\$ 2,000	\$ 2,853	\$ 6,600
12/31/82	\$ 81,230	\$ 21,750	\$ 16,274	\$ 92,400
<u>12/83/83</u>	<u>\$ 20,600</u>	<u>\$ 800</u>	<u>\$ 10,875</u>	<u>\$ 9,757</u>
Totals:	\$ 269,132 (81%)	\$ 64,995 (19%)	\$ 77,691 (23%)	\$ 233,207 (70%)

Note: % of \$334,127, the total of combined receipts from PACs and persons.

PAC Contributors

<u>Class of Contributor</u>	<u># in Class</u>	<u>\$ Contributed</u>	<u>% Of Total</u>
PCC Contributor	34	\$ 46,650	25.4% of PCC Contributors 14% of ALL Receipts 17% of Receipts from Persons
From California, PCC Contributor	28	\$ 40,950	12% of ALL Receipts 15% of Receipts from Persons
Outside The State, PCC Contributor	6	\$ 5,700	2% of ALL Receipts 2% of Receipts from Persons
PACs that gave to the PCC	52	\$ 57,100	88% of PAC Receipts 19% of ALL Receipts
PACs from The State that gave to PCC	12	\$ 13,450	21% of PAC Receipts 4% of ALL Receipts
PACs not from The State that gave to PCC	40	\$ 43,650	67% of PAC Receipts 13% of ALL Receipts

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Section 2 -- Cross Referenced Vendors

Several of the vendors that appear in the reports of the PCC and the PAC also appear in the office accounts and as personal in either the Washington, D.C. office or in the district office.

I have broken the vendors into two groups, individuals and companies.

INDIVIDUALS

BERMAN, Michael B., 8787 Shoreham Drive #605, Los Angeles 90069. Served as a Consultant to the Congressional office. His sole PCC expense appears on 3/2/83, Doc# 403, \$1,057 for "reapportionment expenses". Other expenses are:

<u>Date</u>	<u>Account</u>	<u>Amount</u>	<u>Description</u>
3/31/78	Cong. Office Sal.	\$ 10,000	Consultant
6/30/78	" " "	\$ 3,200	"
9/30/78	" " "	\$ 10,500	"
2/9/79	Contingent Fund	\$ 421***	Hotel while in DC office 1/10-1/17
2/23/79	" "	\$ 114***	Hotel Food and Phone 1/21-1/30
2/23/79	" "	\$ 656***	Hotel Bill 1/21-1/30
1/19/79	" "	\$ 256***	Air Fare to DC 1/5/79
1/30/79	" "	\$ 214***	Air Fare from DC 1/18/79
1/30/79	" "	\$ 207***	Air from to DC 1/21/79

*** These types of office expenses go on for pages. These are shown as a representation. For more detail, see OFFICE EXPENSE reports from 1/1/78 through 3/31/80.

3/31/79	Cong. Office Sal.	\$ 9,750	Consultant
6/30/79	" " "	\$ 10,500	"
9/30/79	" " "	\$ 10,500	"
12/31/79	" " "	\$ 10,749	"
3/31/80	" " "	\$ 9,944	"

JOLLEY, Lynelle, 1204 S. Washington St., #527W, Alexandria, Virginia, 22314. Doc# 303 shows her receiving \$500 as a consulting fee to the PCC on 7/7/81. She is also shown as receiving \$300 office salary from the Congressional office for the period ending 3/31/82 for a position titled "Assistant".

LEDERMAN, Ronald, PCC TREASURER, 113 N. San Vicente Blvd, Beverly Hills, 90211. His accounting firm serves the PCC and files all reports with the FEC. He is shown as contributing the following:

to PAC-G	\$200	8/25/78	Doc #505
to PCC-P	\$400	12/3/79	Doc #204
to PCC-P	\$500	5/14/82	Doc #310
to PAC-P	\$600	5/29/84	Doc #822

MANFRED, Charles and Jeanne, 2071 Grace Ave, Hollywood, 90068. He is the PAC VICE CHAIRMAN. She received \$500 from the PAC on 12/31/79 for CONSULTING FEES in Doc #606. Then she received \$600 from the PCC on 3/2/83 for REAPPORTIONMENT EXPENSES in Doc #403.

MARGOLIN, Burt, 222 Washington Ave., Santa Monica 90403. Listed as a CONSULTANT to the PCC.

(continued)

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MARGOLIN, Burt (continued). This is a key example that we have been looking for. He served on the Congressional Staff from January, 1978 to 12-5-82 as AA. During this period he received \$2,550 from the PCC for CONSULTING and other things.

1-13-77	Contigent Fund	\$ 460	Roundtrip Airfare	
2-28-78	Cong. Salary	\$ 200	Administrative Asst.	
5-10-78	PCC	\$ 1000	Consulting	Doc# 11
3-31-79	Cong. Salary	\$ 6473	Salary	
6-30-79	" "	\$11874	"	
9-30-79	" "	\$11874	"	
12-31-79	" "	\$11667	"	
3-31-80	" "	\$12000	"	
9-1-81	PCC	\$ 904	Fundraising Exp. & Postage	Doc #30
3-31-82	Cong Salary	\$ 5270	Salary	
10-26-82	PCC	\$ 646	Travel Expense	

Other than these expenses, Mr. Margolin appears frequently in the CONTINGENT FUND office expenses for air fares & hotel bills, especially in Washington, D.C.

NEWORTH, Thelma, 1470 S. Rexford, Los Angeles, 90035. Bookkeeper on the PCC records as early as 7-11-78.

12-3-77	PCC	\$1542	Consulting	Doc #7
3-31-78	Cong. Salary	\$ 750	Field Deputy	
8-4-78	PCC	\$ 750	Bookkeeper	

This is another example. Campaign staff and Congressional Office staff are not to be the same, they can be one or the other. Here we have an example of someone's salary apparantly being split between the congressional budget and the pcc. Keep in mind that the PCC only raised \$18,382 and spent \$\$18,945 during this period.

PADILLA, MARY ELLEN, 360 S. Kenmore Ave. #306, Los Angeles 90020. Listed as PAC ASST. TREASURER on 5-5-78 doc #502.

Date	Source	\$Amount	Description	Doc#
10-31-78	PAC	\$ 1,000	Consulting Fee	507
12-31-79	PAC	\$ 1,500	" "	606
8-28-80	PAC	\$ 1,000	" "	623
4-05-81	PAC	\$ 1,000	" "	709
8-31-81	PCC	\$ 500	" "	303
1-19-83	PAC	\$ 2,000	" "	801
1-19-83	PCC	\$ 2,000	" "	403
3-2-84	PAC	\$ 1,000	" "	818
3-2-84	PCC	\$ 5,000	" "	406

****THIS IS A PERFECT EXAMPLE OF THE INTERRELATIONSHIP WE ARE LOOKING FOR!!

PERATA, DON, 11656 Montana Ave #209, Los Angeles 90049

3-9-83	PCC	\$ 248	expenses	403
4-22-83	PCC	\$ 340	expenses	403
5-12-83	PCC	\$ 2000	consulting fee	403
5-13-83	PCC	\$ 904	master finance & Reapportionment	403
6-13-83	PCC	\$ 1064	" "	403
6-27-83	PCC	\$ 2000	consulting fee	403
6-30-83	PCC	\$ 500	postage	403
7-12-83	PCC	\$ 2000	consulting fee	404

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PERATA, DON (continued).

7-12-83	PCC	\$ 320	office finance expenses	404
7-12-83	PCC	\$ 500	postage	404
12-8-83	PCC	\$ 426	office finance expenses	404
1-8-84	PCC	\$ 430	office finance expenses	406
2-2-84	PCC	\$ 403	" " "	406
3-23-84	PCC	\$ 593	" " "	406
4-11-84	PCC	\$ 596	finance office overhead	408
5-1-84	PCC	\$ 761	" " "	408
5-2-84	PCC	\$ 4100	consulting fee	408
5-30-84	PCC	\$ 4100	consulting fee	410
6-5-84	PCC	\$ 648	finance office overhead	410
6-11-84	PCC	\$ 225	finance office expenses	410
12-8-83	PAC	\$ 426	finance office expenses	814

12-6-82 CF \$ 109 Air Fare, DC to LA, one-way Cong Office Exp 3-24-83
 Here's a triple whammy!!! Not only did the PCC office double apparantly as the PAC
 finance office, but Waxman used the Congressional Contigent Fund to pay the PAC/PCC
 staff person's travel.

SHIMABUKURO, KEIKO, 165 North Sewall Drive, #106, Beverly Hills 90211.

3-31-78	CgSal	\$ 8403	Coordinator, Cong. Office	
6-30-78	"	\$ 9127	" " "	
3-31-79	"	\$ 6276	" " "	
6-30-79	"	\$ 8703	" " "	
9-30-79	"	\$ 8760	" " "	
12-31-79	"	\$ 9147	" " "	
12-31-79	PAC	\$ 74	Reimbursed expenses	606
12-31-79	PAC	\$ 500	consulting fees	606
3-31-80	CgSal	\$ 6608	Coordinator, Cong. Office	
2-28-83	PCC	\$ 162	Reapportionment Expenses	403
3-2-83	PCC	\$ 600	" " "	403
2-7-84	PCC	\$ 240	Luncheon Expense-Virgilos R.	406
4-9-84	PAC	\$ 630	postage	820

Again, here we have a staff member on the payroll of the Congressional Office who is
 reimbursed for PAC work and apparantly performs PCC work as well.

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COMPANIES

Below, Tobe & Associates, Inc., 5700 Buckingham Parkway, Culver City 90230

This company has performed several things for the Congressional Office. They usually concern computer related services, such as labels of every kind, printing of newsletters typesetting, keypunching, and "computer work". They appear far too often to itemize here, but they begin to appear in the Contingent Fund Office Expenses in 1978 and still appear there today.

They also appear:

3-18-80	PCC	\$ 519	Computer Services	Doc #207
8-2-83	PCC	\$ 390	Labels	Doc #404

While there is nothing illegal about the Congressional Office using the same vendors as the campaign, you may wish to raise the issue of doubt as to whether the office account is being used for Political Purposes?

J&M Advertising, 2285 Westwood Blvd, Los Angeles, 90024

9-24-81	PCC	\$ 5000	Deposit for Services	Doc #303
9-19-83	PAC	\$ 547	Graphic Services	Doc #811

This shows the closeness of the two committees.

RAMAGE, DAVID R., INC, Canal & D St, SE, Washington, DC 20515.

This is the partisan Congressional Printer that serves the members. Expenditures in the office account would not normally be of any questionable worth. However, the printer is also used for the following:

12-22-81	PCC	\$ 406	printing	Doc #303
3-31-82	PCC	\$ 675	printing	Doc #309
11-22-82	PCC	\$ 375	printing	Doc #319
8-25-83	PCC	\$ 386	printing	Doc #404
10-11-83	PCC	\$ 160	printing	Doc #404

These expenditures would have been handled by the Washington staff to perform political functions. Again a misuse of taxpayers' monies for personal political gain.

HOUSE RESTAURANT SYSTEM, US HOUSE OF REPRESENTATIVES, ADMIN OFFICE, B-361 Rayburn HOB

7-5-77	PCC	\$ 121	meals for constituents	Doc # 7
2-28-83	PCC	\$ 2300	Reception Costs	Doc #403

Again, while not illegal as far as I know, what is the Campaign Committee doing holding a reception on Capitol Hill in a taxpayer-subsidized restaurant? This is an abuse of his position if there ever was one.

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Contribution Pattern Comparison, Selected Transactions of the "Waxman for Congress Committee" and the "24th Congressional District PAC".

PCC= Waxman for Congress

PAC= 24th Congressional District PAC

* = No Designation Reported

P = Primary G = General

Date	Donor	Recipient	Amount	Designation
03-07-78	PCC	Bob Eckhardt for Congress	\$ 1000	P
10-06-78	PAC	" " " "	\$ 1000	*
06-28-78	PCC	Isenberg for Congress	\$ 1000	G
09-21-78	PAC	" " "	\$ 1000	*
12-29-78	PAC	" " "	\$ 1000	*
11-30-81	PCC	Berman for Congress	\$ 1000	Loan
01-04-82	PAC	" " "	\$ 2000	Loan
06-07-82	PAC	" " "	\$ 3000	Loan
03-18-82	PCC	Martinez for Congress	\$ 1000	P
03-18-82	PAC	" " "	\$ 5000	P
03-23-82	PCC	" " "	\$ 1000	Special
03-23-82	PAC	" " "	\$ 5000	Special
07-06-82	PCC	" " "	\$ 1000	Special
07-06-82	PAC	" " "	\$ 5000	Special
09-24-82	PCC	" " "	\$ 1000	G
09-24-82	PAC	" " "	\$ 5000	G
03-18-82	PCC	Committee to Elect Ed Torres	\$ 1000	P
03-18-82	PAC	" " " " "	\$ 5000	P
04-16-82	PCC	Committee to Re-Elect Phil Burton	\$ 1000	*
04-16-82	PAC	" " " " " "	\$ 5000	*=note: show
06-25-82	PCC	" " " " " "	\$ 1000	G aggregate
06-25-82	PAC	" " " " " "	\$ 5000	* \$1000.
10-14-82	PCC	Mikulski for Congress	\$ 1000	G
10-14-82	PAC	" " "	\$ 1000	G
10-19-82	PCC	Kostmayer for Congress	\$ 1000	G
10-19-82	PAC	" " "	\$ 1000	G
10-22-82	PCC	Toby Moffett for the U.S. Senate	\$ 1000	G
10-22-82	PAC	" " " " " "	\$ 1500	G
10-26-82	PCC	Levitas Campaign Committee	\$ 1000	G
10-26-82	PAC	" " "	\$ 1000	G
10-27-82	PCC	Committee for Tim Wirth, Inc.	\$ 1000	G
10-27-82	PAC	" " " " " "	\$ 4000	G
12-10-82	PCC	Barney Frank, In-Kind	\$ 917	G
02-28-83	PAC	" " " "	\$ 917	G
03-24-83	PCC	" " " "	\$ -917	Refund
07-12-83	PAC	Gore for Congress, In-Kind	\$ 840	P
12-08-83	PCC	Gore for Senate	\$ 1000	*
12-08-83	PAC	Gore for Senate	\$ 2000	P=note: show aggregate \$2840.

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Contribution Pattern Comparison (continued)

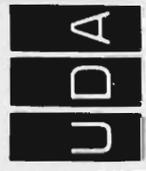
<u>Date</u>	<u>Donor</u>	<u>Recipient</u>	<u>Amount</u>	<u>Designation</u>
12-20-83	PCC	Sikorski for Congress	\$ 1000	*
12-20-83	PAC	" " "	\$ 2000	P
12-30-83	PCC	Friends of Dave Elder	\$ 1000	*
12-30-83	PAC	" " " "	\$ 2000	*
12-08-83	PCC	Democratic National Committee	\$ 1000	*
12-08-83	PAC	" " "	\$ 2000	*
05-16-84	PCC	Martinez for Congress	\$ 1000	P
05-16-84	PAC	" " "	\$ 5000	P

8 5 0 4 0 5 2 4 5 6 7

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UNITED DESIGN
ASSOCIATES INC.

2427 BR VEBLY BOULEVARD
LOS ANGELES, CALIF. 90004
TELEPHONE (213) 943-6444



RETURN RECEIPT
REQUESTED



FEDERAL ELECTION COMMITTEE
ATTN: GENERAL COUNSEL
WASHINGTON, D.C. 20463

CERTIFIED
P 545 387 630
MAIL

Hand Delivered
02/11/85

6679

February 13, 1985

Patty Reilly
General Counsel's Office
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1870

Dear Ms. Reilly:

In his letter dated January 15, 1985, Kenneth A. Gross indicated that we could respond to the complaint filed by Jerry Zerg and the Zerg for Congress Committee. This letter is to follow up on that invitation.

Frankly, Mr. Zerg's letter, and particularly the attachment, is so obscurely written that I am not sure I understand the nature of the accusation. But his charges seem to be based entirely on the supposition that two campaign committees, namely the Congressman Waxman Campaign Committee ("Waxman Committee") and the 24th Congressional District of California Political Action Committee ("PAC") are both controlled by Henry Waxman and are therefore to be treated as one and the same under the federal election law.

Since this premise is wrong, the obscurities in the Zerg accusation are probably unimportant. The fact is that the two committees were carefully set up so that they would be separate, and there is no basis for treating them as the same.

The Waxman Committee is of course a "controlled committee" for Congressman Waxman serving as his "principal campaign committee" devoted primarily to his reelection efforts, and is therefore controlled by Mr. Waxman in every sense. But the PAC is not controlled by Mr. Waxman. It is true that the officers of the PAC, and probably most of its contributors, are people who support Congressman Waxman. It is also true that Congressman Waxman assists us in our fundraising efforts and consults with us on which candidates he believes our PAC should support. (Congressman Waxman's role in the PAC was clearly explained to the FEC in a correspondence dated February 9, 1978 and in a request for an advisory opinion dated February 21, 1978. The FEC responded with an advisory opinion authorizing the formation of the PAC along these lines. Copies of these correspondence are enclosed with this letter.)

In fact, the PAC has the following officers: Lenore Wax, Irwin Levin, Sanford Weiner, Karen Weiner, Ross G. Bates, Mary Ellen Padilla, and Charles Manfred. Only these people have the authority to decide what contributions will be made by the PAC, and only these people can make other decisions concerning the PAC. Congressman Waxman has no legal authority whatsoever to

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control or even have a voice in the PAC's activities. Only the officers and directors have such authority.

Mr. Zerg seems to think that simply because in some cases the two committees either contributed to the same candidates or purchased goods and services from the same vendors, this means the two committees are "affiliated" or controlled by Mr. Waxman. This is ludicrous. Since the two committees have similar political orientations, it is not surprising that they sometimes contributed to the same candidates. The same would be true of any political committee with a liberal democratic leaning. Furthermore, Mr. Zerg has listed only those candidates who received contributions from both committees. A check of the campaign reports will show a great many candidates who received a contribution from one committee but not the other.

With respect to the vendors, again the fact that there were some in common is neither surprising nor meaningful. The PAC is made up of Waxman friends and supporters. By what law is the PAC required to turn for technical services to people or firms that have never provided services to the Waxman Committee? Indeed, if you check the campaign statements of almost any liberal democratic political group in West Los Angeles, you will probably find many of the same vendors. The important point is not who provided services to the PAC, but who was authorized to make key decisions, especially on making contributions. This authority resided and still resides in the directors and officers only.

Mr. Zerg also has a chart showing that some people contributed to both committees. Again, this is hardly surprising, given the similar political goals of the committees. Mr. Zerg forgot to mention the much larger number of contributors who contributed to one committee but not the other. Also, since Mr. Zerg is apparently unaware that these are actually separate organizations, he seems to think that they were set up to permit contributors to evade the \$5,000 contribution limit to PACs. But his own chart shows that most of the contributors to both committees gave a total that did not exceed \$5,000. How could this be, if the only purpose for contributing to two committees was to evade the law? The truth is that each committee raised money on its own. Some contributors gave to one committee only, but some gave to both. Of the latter group, over a seven-year period only two gave a total of over \$5,000 in one election cycle and the rest gave less.

Except for his meaningless charts, Mr. Zerg has presented no evidence at all that Congressman Waxman controls the PAC or that the PAC and the Waxman Committee are "affiliated." This is for an excellent reason, namely, these things are not true.

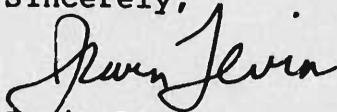
This is nothing more than a groundless effort by an unsuccessful candidate to harrass his victorious opponent. In the unlikely event Mr. Zerg can come forth with some real evidence, let him do so. Until then, neither the FEC nor the two committees should be

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put to the expense of an investigation that can be no more than a fishing expedition that will produce no results.

Please let me know if I can be of further assistance.

Sincerely,



Irwin Levin
Treasurer,
24th Congressional District of California
Political Action Committee
360 S. Kenmore, Ste. 306
Los Angeles, CA 90020

enclosures

8 5 0 4 0 5 1 4 5 7 1



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 15, 1985

Jerry Zerg
Jerry Zerg for Congress
Committee
7424 Beverly Boulevard
Los Angeles, California 90036

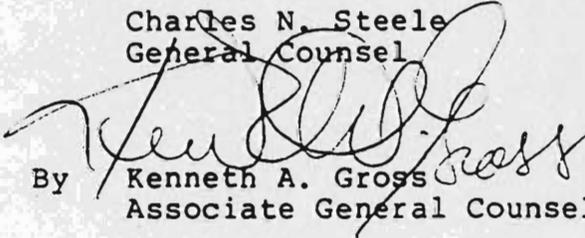
Dear Mr. Zerg:

This letter is to acknowledge receipt of your complaint which we received on January 8, 1985, against Congressman Waxman Campaign Committee, Ron Lederman, 24th Congressional District of California Political Action Committee, and Irwin Levin, which alleges violations of the Federal Election Campaign laws. A staff member has been assigned to analyze your allegations. The respondent will be notified of this complaint within five days.

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. We suggest that this information be sworn to in the same manner as your original complaint. For your information, we have attached a brief description of the Commission's procedure for handling complaints. If you have any questions, please contact Barbara A. Johnson at (202) 523-4143.

Sincerely,

Charles N. Steele
General Counsel


By Kenneth A. Gross
Associate General Counsel

Enclosure

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 15, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ron Lederman
Treasurer
Congressman Waxman
Campaign Committee
113 North San Vicente Boulevard #205
Beverly Hills, California 90211

Re: MUR 1870

Dear Mr. Lederman:

This letter is to notify you that on January 8, 1985 the Federal Election Commission received a complaint which alleges that the committee and you, as treasurer may have 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 1870. 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 the committee and you, as treasurer

in connection with this matter. Your response must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

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.

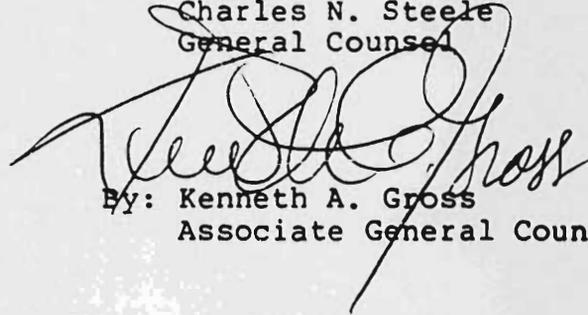
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Patty Reilly, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 15, 1985

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Irwin Levin
Treasurer
24th Congressional District
of California PAC
360 South Kenmore Avenue #306
Los Angeles, California 90020

Re: MUR 1870

Dear Mr. Levin:

This letter is to notify you that on January 8, 1985 the Federal Election Commission received a complaint which alleges that the committee and you, as treasurer may have 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 1870. Please refer to this number in all future correspondence.

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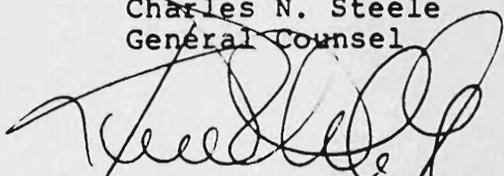
If you intend to be represented by counsel in this matter please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

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If you have any questions, please contact Patty Reilly, the attorney assigned to this matter at (202) 523-4143. For your information, we have attached a brief description of the Commission's procedure for handling complaints.

Sincerely,

Charles N. Steele
General Counsel



By: Kenneth A. Gross
Associate General Counsel

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

85040524576

Ronald & Associates
Lederman

Certified Public Accountants

RONALD LEDERMAN, C.P.A.
MARK FIENBERG, C.P.A.

March 22, 1985

Ms. Pat Riley
Office of the General Council
Federal Election Commission
Washington, D.C. 20463

RE: MUR 1870

Dear Ms. Riley:

I have just been notified that a complaint has been filed by Mr. Jerry Zerg and the Zerg for Congress Committee against the Congressman Waxman Campaign Committee and against me as its treasurer. There are several things I'd like to point out:

1. The Congressman Waxman Campaign Committee has been in continuous operation since 1974.
2. This committee is now and always has been the principal and sole committee handling funds pertaining to Rep. Waxman's campaign expenditures.
3. The 24th Congressional District Political Action Committee is a separate and autonomous organization. I am not personally involved in its activities.
4. I do not coordinate the activities of the Congressman Waxman Campaign Committee with those of the 24th CD PAC. Mr. Irwin Levin (Treasurer of the 24th CD PAC) and I do not have and have never conferred regularly or closely in an effort to coordinate the activities of the two committees.
5. Mr. Jerry Zerg, a perennial candidate for Congress, has previously filed frivolous complaints with the FEC. One such complaint was MUR 1799 (filed by Donald R. Bourassa on behalf of Jerry Zerg). His complaints are invariably accompanied by efforts to gain media attention.
6. In a recent issue of the respected periodical on California politics, the California Journal, Mr. Zerg states flatly that he intends to oppose Rep. Waxman again in 1986. He further states that he assumes a challenger must wage repeated and ongoing campaigns to diminish the strength of a popular incumbent (see enclosure).

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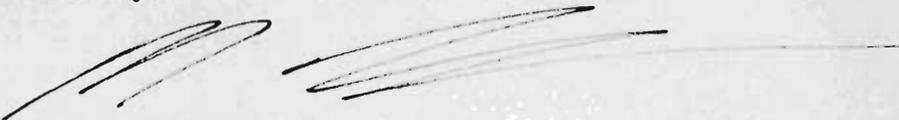
FILE # 6896
FEC

Ms. Pat Riley
March 22, 1985
Page - 2 -

I believe that the FEC ought to bear in mind the possibility that Mr. Zerg is abusing the purposes and processes of the Commission merely to harass a member of Congress whom he has decided to designate as a permanent political opponent.

Please contact me should you require any additional information on the management of the Congressman Waxman Campaign Committee. Our committee is run in a simple straight-forward manner, we have few fund-raising events, we maintain meticulous records of both contributions and expenditures. We are not improperly involved in any other campaign committee or political action committee.

Sincerely,



RONALD LEDERMAN
Treasurer, Congressman Waxman
Campaign Committee

RL: eh
Enclosure

cc: Keiko Shimabukuro
Mary Ellen Padilla

3504054570

Ronald E. Associates 5 7 7
Bederman Certified Public Accountants

113 North San Vicente Boulevard, Beverly Hills, California 90211

Ms. Pat Riley
Office of the General Council
Federal Election Commission
Washington, D.C. 20463

U.S. MAIL

FEDERAL ELECTION COMMISSION

1325 K STREET, NW
WASHINGTON, DC 20463

POSTAGE AND FEES PAID
FEDERAL ELECTION COMMISSION

*Signed for
1/28/85
MCP*

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

Irwin Levin
Treasurer
24th Congressional District of California
PAC
360 South Kenmore Avenue #306
Los Angeles, California 90020

CLAIM CHECK NO.
209685

HOLD

DATE: 1/22

1ST NOTICE

2ND NOTICE

RETURN

Detached from
PS Form 3840-A
Oct 1980

CERTIFIED

943590

85040594530

MUR 1652

Pensioners Action Fund
-7-

a period of not less than 6 months, which has received contributions from more than 50 persons, and which, except for State political party organizations, has made contributions to five or more federal candidates. Neither the statute nor the Commission's regulations requires a committee to reestablish its multicandidate status upon a change of circumstances regarding the connected organization originally involved, or to meet the statutory criteria during each election cycle. Therefore, it appears that this status is continuous once it has been established.

Whether or not the Pensioners Action Fund retains multi-candidate status in its own right, its continuing affiliation with the Political Contribution Fund, also a multicandidate committee, would permit the Action Fund to avail itself of the status of its affiliate. See AO 1980-40.

C. Income From Lease of Rental Property

In August, 1982, the Pensioners Action Fund reported the purchase for \$240,000 of real estate property as an investment. Although the property was not rented during the period of the Commission's audit, counsel for this committee informed the auditors that it was to be rented during June, July and August, 1983, at \$1,000 per month. The only documentation produced was an unexecuted copy of the lease showing that the intended lessee was the individual and his wife from whom the property was originally purchased. The committee's 1983 and 1984 reports do not cite receipts of rent payments; rather, they show payments to

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FEDERAL ELECTION COMMISSION

1325 K STREET NW
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1870

Date Filmed 6/21/85 Camera No. --- 4

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