



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

THIS IS THE BEGINNING OF MUR # 3057

DATE FILMED 3/29/91 CAMERA NO. 4

CAMERAMAN AS

21040831809

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: 7 February 1990

ANALYST: Linda Tangney

I. COMMITTEE: Craig Washington for Congress  
(C00238329)  
Walter Davis, CPA, Treasurer  
2323 Caroline Street  
Houston, TX 77004

II. RELEVANT STATUTE: 2 U.S.C. §434(a)(6)  
11 CFR §104.5(f)

III. BACKGROUND:

Failure to File 48 Hour Notifications

The Craig Washington for Congress committee ("the Committee") may have failed to file four (4) 48 Hour notifications ("48-Hour Notices") for contributions totalling \$64,701.49 received prior to the 1989 Special Primary Election.

The candidate was involved in the Special Primary Election held on November 7, 1989. Prior notice was sent to the Committee on October 10, 1989. This Notice includes a section titled "Last Minute Contributions." This section states "Committees which receive a contribution of \$1,000 or more, between 20 and 2 days before the election, must report it within 48 hours of its receipt" (Attachment 2). The Committee was required to file 48-Hour Notices for contributions of \$1,000 or more received from October 19, 1989 through November 4, 1989. Contributions received prior to the 1989 Special Primary Election and disclosed on Schedule A and Schedule C of the 1989 12 Day Special Pre-Runoff Report indicate that the Committee may have failed to file four (4) 48-Hour Notices for contributions totalling \$64,701.49 (Attachments 3, 4 and 5). The following is a list of the contributions disclosed on the Committee's 1989 12 Day Special Pre-Runoff Report for which no 48-Hour Notices were filed.

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<u>Name of Contributor</u>	<u>Amount</u>
Dan Tidwell	\$ 1,000.00
I.B.E.W.-C.O.P.E.	\$ 2,500.00
Columbia Savings loan guaranteed by Craig A. Washington	\$25,201.49
Deposit Guaranty Bank loan guaranteed by Craig A. Washington	<u>\$36,000.00</u>
TOTAL	\$64,701.49

On December 5, 1989, a Request for Additional Information ("RFAI") was sent to the Committee regarding their 1989 12 Day Special Pre-Runoff Report. The RFAI stated on an informational basis that the Committee may have failed to file one or more of the 48-Hour Notices required for "last minute contributions" of \$1,000 or more. The RFAI stated that although the Commission may take legal steps, any response the Committee may wish to make would be taken into consideration (Attachment 6).

On December 21, 1989, the Committee filed an amended 12 Day Special Pre-Runoff Report. The amendment stated that "we will check and have checked our procedures for reporting contributions within 48 hours that were received after the close of books for the 12 day pre-special report. If any were omitted, they were done so inadvertently. We will undertake a thorough review so that this occurrence will not be repeated" (Attachment 7).

IV. OTHER PENDING MATTERS INITIATED BY RAD:

None.

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FEDERAL ELECTION COMMISSION  
1989-1990  
CANDIDATE INDEX OF SUPPORTING DOCUMENTS - (E)

DATE 31JAN90

PAGE 1

CANDIDATE/COMMITTEE/DOCUMENT	RECEIPTS		DISBURSEMENTS		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
	OFFICE SOUGHT/ PARTY	PRIMARY GENERAL	PRIMARY GENERAL	GENERAL			
WASHINGTON, CRAIG A	HOUSE 18 DEMOCRATIC PARTY				TEXAS	1990 ELECTION	ID# H0TX18037
1. STATEMENT OF CANDIDATE							
1989 STATEMENT OF CANDIDATE						30AUG89	1 89HSE/384/2703
1990 STATEMENT OF CANDIDATE						4JAN90	1 90HSE/387/0040
2. PRINCIPAL CAMPAIGN COMMITTEE							
CRAIG WASHINGTON FOR CONGRESS						ID #C00238329	HOUSE
1989 STATEMENT OF ORGANIZATION						31AUG89	1 89HSE/384/3115
48 HOUR CONTRIBUTION NOTICE						26OCT89	3 89HSE/385/3528
48 HOUR CONTRIBUTION NOTICE						31OCT89	3 89HSE/385/4003
48 HOUR CONTRIBUTION NOTICE						6NOV89	4 89HSE/385/4169
48 HOUR CONTRIBUTION NOTICE						7NOV89	4 89HSE/385/4325
48 HOUR CONTRIBUTION NOTICE						28NOV89	4 89HSE/385/0987
48 HOUR CONTRIBUTION NOTICE						6DEC89	5 89HSE/386/1126
PRE-SPECIAL		189,018		171,175	30AUG89 -18OCT89		53 89HSE/385/3310
PRE-RUN-OFF	228,065		241,767		19OCT89 -19NOV89		58 89HSE/386/0364
PRE-RUN-OFF - AMENDMENT	228,065		241,767		19OCT89 -19NOV89		62 89HSE/386/1736
REQUEST FOR ADDITIONAL INFORMATION					19OCT89 -19NOV89		105 89FEC/616/2807
YEAR-END	227,896		206,178		20NOV89 -31DEC89		63 90HSE/387/0561
REQUEST FOR ADDITIONAL INFORMATION					20NOV89 -31DEC89		7 90FEC/621/1321
TOTAL	455,961	189,018	447,945	171,175			372 TOTAL PAGES
3. AUTHORIZED COMMITTEES							
4. JOINT FUNDRAISING COMMITTEES AUTHORIZED BY THE CAMPAIGN							

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ALL REPORTS HAVE BEEN REVIEWED.  
ENDING CASH-ON-HAND AS OF 12/31/89: \$25,858  
OUTSTANDING DEBTS OWED BY THE COMMITTEE AS OF 12/31/89: \$84,107

# REPORT NOTICE

ATTACHMENT 2  
Page 1 of 2

## FEDERAL ELECTION COMMISSION

TEXAS SPECIAL  
(18th Congressional District)

October 10, 1989

### WHO MUST FILE

PRINCIPAL CAMPAIGN COMMITTEES OF CONGRESSIONAL "CANDIDATES" who seek election in the November 7, 1989, Texas Special Election.

### WHAT MUST BE REPORTED

All financial activity that occurred during the reporting period (or before, if not previously reported).

### REPORTING FORMS

Candidate committees use FORM 3 (enclosed). If the campaign has more than one authorized committee, the principal campaign committee must also file a consolidated report on FORM 3X.

### WHERE TO FILE

Consult the instructions on the back of the FORM 3 Summary Page. Note state filing requirements also. (See enclosed list of filing offices.)

### LABEL

Committees should affix the peel-off label from the envelope to Line 1 of the report. Corrections should be made on the label.

### LAST-MINUTE CONTRIBUTIONS

Committees which receive a contribution of \$1,000 or more, between 20 and 2 days before the election, must report it within 48 hours of its receipt.

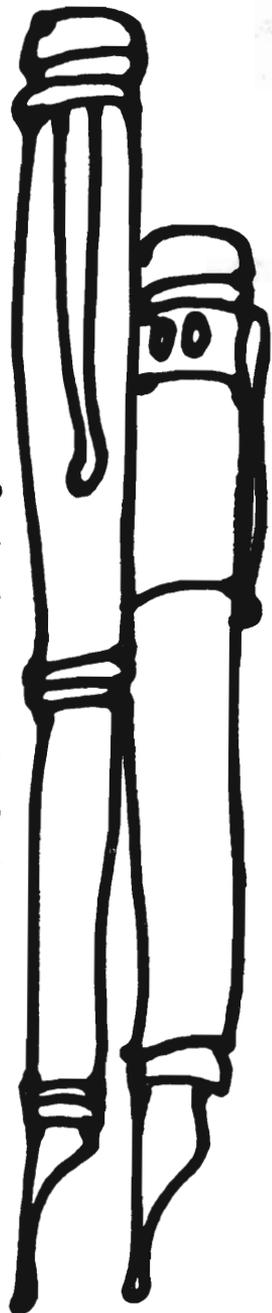
LT

### COMPLIANCE

TREASURERS OF POLITICAL COMMITTEES ARE RESPONSIBLE FOR FILING ALL REPORTS ON TIME. FAILURE TO DO SO IS SUBJECT TO ENFORCEMENT ACTION. COMMITTEES FILING ILLEGIBLE REPORTS OR USING NON-FEC FORMS WILL BE REQUIRED TO REFILE.

FOR INFORMATION, Call: Information Services Division  
202/376-3120 or 800/424-9530

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**CALENDAR OF REPORTING DATES FOR TEXAS SPECIAL ELECTION  
18TH CONGRESSIONAL DISTRICT**

**ALL COMMITTEES INVOLVED IN THE 11/7/89 ELECTION MUST FILE:**

<b>REPORT</b>	<b>PERIOD COVERED<sup>1/</sup></b>	<b>REG./CERT. MAILING DATE<sup>2/</sup></b>	<b>FILING DATE</b>
Pre-Special	07/01/89 - 10/18/89	10/23/89	10/26/89

**SITUATION 1: IF ONE CANDIDATE RECEIVES A MAJORITY OF VOTES,  
ALL COMMITTEES MUST FILE:**

<b>REPORT</b>	<b>PERIOD COVERED<sup>1/</sup></b>	<b>REG./CERT. MAILING DATE<sup>2/</sup></b>	<b>FILING DATE</b>
Post-Special	10/19/89 - 11/27/89	12/07/89	12/07/89
Year-End	11/28/89 - 12/31/89	01/31/90	01/31/90

**SITUATION 2: IF NO CANDIDATE RECEIVES A MAJORITY OF THE VOTES  
A RUN-OFF ELECTION WILL BE SCHEDULED. COMMITTEES THAT  
PARTICIPATE IN THE SPECIAL RUN-OFF ELECTION WILL BE  
NOTIFIED OF THEIR FILING REQUIREMENTS IN A SEPARATE  
NOTICE.**

<sup>1/</sup>The period begins with the close of the last report filed by the committee. If the committee has filed no previous reports, the period begins with the date of the committee's first activity.

<sup>2/</sup>Reports sent by registered or certified mail must be postmarked by the mailing date. Otherwise, they must be received by the filing date.

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SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE	OF
1	2
FOR LINE NUMBER	
11 (a) (i)	

Contributions from Individuals/Persons (Including Self)

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Craig Washington for Congress Committee - C00238329

8910743063875

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Scott J. Atlas 1001 Fannin Houston, Texas 77002-6760 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	Vinson & Elkins Occupation Attorney Aggregate Year-to-Date > \$ 259.01	10/24/89	\$ 259.01
Michael Sowell Drawer K Hempstead, Texas 77445 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	Self Occupation Businessman Aggregate Year-to-Date > \$ 450.00	10/19/89 through 11/19/89	\$ 450.00
Dan Tidwell 2109 Morgan Houston, Texas 77006 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	Self Occupation Businessman Aggregate Year-to-Date > \$ 1,000.00	10/19/89	\$ 1,000.00 LT
Jamie Mize 2109 Morgan Houston, Texas 77006 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	Self Occupation Businessman Aggregate Year-to-Date > \$ 1,000.00	10/23/89 through 11/07/89	\$ 1,000.00
Sidney J. Braquet 2323 Caroline Houston, Texas 77004 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	Self Occupation Attorney Aggregate Year-to-Date > \$ 490.10	10/21/89 through 11/07/89	\$ 265.10
Katherine L. Butler 99 Detering, Suite 230 Houston, Texas 77007 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	Butler & Harris Occupation Attorney Aggregate Year-to-Date > \$ 655.98	10/09/89 through 11/01/89	\$ 655.98
Margaret A. Harris 99 Detering, Suite 230 Houston, Texas 77007 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	Butler & Harris Occupation Attorney Aggregate Year-to-Date > \$ 655.98	10/09/89 through 11/01/89	\$ 655.98

SUBTOTAL of Receipts This Page (optional) .....

\$ 4,286.07



**SCHEDULE C**  
(Revised 3/80)

**LOANS**

Page 1 of 1 (a)  
LINE NUMBER  
Use separate schedules for each numbered line

P 2717 J 4 5 3 4 2301 7

Name of Committee (in Full) <b>Craig Washington for Congress Committee - C00238329</b>			
A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
<b>Columbia Savings</b> P. O. Box 58408 Nassau Bay, Texas 77058 Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	\$ 25,201.49	\$ 0.00	\$ 25,201.49
Terms: Date Incurred <u>10/23/89</u> Date Due <u>1/23/91</u> Interest Rate <u>14</u> % (cap) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
<b>Craig A. Washington</b> 2323 Caroline Houston, Texas 77004	Self		
	Occupation Attorney		
	Amount Guaranteed Outstanding: \$ 25,201.49		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
<b>Deposit Guaranty Bank</b> Houston Banking Office P. O. Box 924449 Houston, Texas 77282-4449 Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	\$ 36,000.00	\$ 0.00	\$ 36,000.00
Terms: Date Incurred <u>11/03/89</u> Date Due <u>5/3/91</u> Interest Rate <u>12.75</u> % (cap) <input checked="" type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
<b>Craig A. Washington</b> 2323 Caroline Houston, Texas 77004	Self		
	Occupation Attorney		
	Amount Guaranteed Outstanding: \$ 36,000.00		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
SUBTOTALS This Period This Page (optional) . . . . .			\$ 61,201.49
TOTALS This Period (next page in this line only) . . . . .			\$ 61,201.49

Carry outstanding balances only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.



of \$1,000 or more to your campaign, it is recommended that you review your procedures for checking contributions received during the aforementioned time period. Although the Commission may take legal action, any response you wish to make concerning this matter will be taken into consideration. (11 CFR §104.5(f))

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-Schedule A of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. An individual or a political committee other than a qualified multicandidate committee may not make a contribution to a candidate for federal office in excess of \$1,000 per election. Also, the San Jacinto Fund does not appear to be registered with the Commission. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b), (e) and (k))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limits, you should either refund to the donor the amount in excess of \$1,000 or get the donor to redesignate and/or reattribute the contribution in writing. All refunds, redesignations, and reattributions must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks and copies of letters reattributing or redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made. Redesignations and reattributions are reported as memo entries on Schedule A of the report covering the period in which the authorization for the redesignation and/or reattribution is received. (11 CFR §104.8(d)(2), (3) and (4))

Although the Commission may take further legal steps, prompt action by you to refund or seek redesignation and/or reattribution of the excessive amount will be taken into consideration.

-The amount of loans owed by the Committee to the candidate should be included in the total of Line 10 on the Summary Page, not Line 9.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of

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99

the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

*Linda Tangney*

Linda Tangney  
Reports Analyst  
Reports Analysis Division

8734613629323

1989 DEC 21 AM 9:13

U.S. HOUSE OF REPRESENTATIVES

ATTACHMENT 7  
Page 1 of 2

Pass the torch to Craig  
**WASHINGTON**  
For Congress



**HAND DELIVERED**

December 20, 1989

131920

Federal Election Commission  
Hon. Donald K. Anderson, Clerk  
U.S. House of Representatives  
1036 Longworth H.O.B.  
Washington, D.C. 20515-6612

Re: Your letter dated December 5, 1989, concerning 12 day  
pre run-off report (10-19-89 thru 11-19-89)

Dear Mr. Anderson:

Attached to this letter is our amended report for the above  
referenced reporting period.

With respect to the occupation and name of employer of each  
individual contributor, we have marked with an asterisk on the  
top right hand side of the pages on Schedule A where we were able  
to supply the information required. In those instances where the  
occupation and employer has not been supplied, please see  
attached to this letter as Exhibit "A-1" a sample of the return  
mailer which is included in all general solicitations. We also  
followed up with a similar postage-paid postcard card requesting  
occupation and employer See Exhibit "A-2".

Second, we will check and have checked our procedures for report-  
ing contributions within 48 hours that were received after the  
close of books for the 12 day pre-special report. If any were  
omitted, they were done so inadvertently. We will undertake a  
thorough review so that this occurrence will not be repeated.

Third, Schedule A of our report lists two contributions in excess  
of the individual limitation. We have corrected that entry and  
reattributed a portion of that contribution to another individu-  
al. Please look for a double asterisk next to the amended and  
reattributed entries. This is also true with a PAC contribution

8901 10248063 1371 3362 1

CT

Donnald K. Anderson  
December 20, 1989  
Page 2

which either will be reattributed by the donor as a contribution for pre 11-7-89 and for the run-off election 12-9-89, or the excess will be refunded.

The amount of loans owed by the committee have been corrected on line 10 of the summary page.

Thank you for your indulgence and consideration of these explanations and the filing of our amended report. Please do not hesitate to contact the undersigned should you have any questions.

Very truly yours,



Sidney J. Braquet  
Assistant Treasurer

SJB:cyn:1718

89043861737

90 APR -6 AM 10:41

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

**SENSITIVE**

**FIRST GENERAL COUNSEL'S REPORT**

RAD Referral 90L-4  
STAFF MEMBER: Frances B. Hagan

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

RESPONDENTS: Craig Washington for Congress  
Committee  
Walter Davis, Treasurer

RELEVANT STATUTES: 2 U.S.C. § 434(a)(6)

INTERNAL REPORTS CHECKED: Disclosure Reports, Referral Materials

FEDERAL AGENCIES CHECKED: None

**I. GENERATION OF MATTER**

This matter was referred to the Office of the General Counsel on February 8, 1990. The referral states that the Craig Washington for Congress Committee ("the Committee") failed to file 48-hour reports for four contributions totaling \$64,701.49.

The Craig Washington for Congress Committee was the principal campaign committee of Craig Washington, a candidate for the U.S. House of Representatives in the special elections held in 1989 in the 18th Congressional District of Texas. The special primary election was held on November 7, 1989, and the special primary run-off election was held December 9, 1989.

**II. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that the principal campaign committee of a candidate shall file notifications of any contributions of \$1,000 or more received by any authorized committee after the 20th day,

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but more than 48 hours before any election. This notification shall be made within 48 hours after receipt of such contribution and shall include the name of the candidate and the office sought, the identification of the contributor, and the date of receipt and amount of the contribution. 2 U.S.C. § 434(a)(6)(A). This notification shall be in addition to all other reporting requirements under the Act. 2 U.S.C. § 434(a)(6)(B). The Act defines "identification" to mean in the case of any individual, the name, mailing address, and occupation of each individual, as well as the name of his or her employer; and in the case of any other person, the full name and mailing address. 2 U.S.C. § 431(13).

The Reports Analysis Division's ("RAD") review of the Committee's reports has identified four contributions totaling \$64,701.49 that were received between the 20th day but more than 48 hours before the special primary election.<sup>1</sup> These contributions were received on the following dates and in the indicated amounts on those dates:

Date Received	Aggregate Amount
10/19/89	\$ 1,000.00
10/23/89	25,201.49
11/03/89	<u>38,500.00</u>
Total	\$64,701.49

The Committee did not submit 48-hour reports for the amounts received on the three dates noted above, but reported the

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1. The Committee also failed to file 48-hour notifications for contributions received before the special run-off. These are not included since they did not meet the referral threshold for the special run-off election.

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receipts on the 1989 12 Day Special Pre-Run-Off Report which covered the period October 19, 1989, through November 19, 1989. Therefore, there is reason to believe the Committee and its treasurer violated 2 U.S.C. § 434(a)(6).

**III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY**

**IV. RECOMMENDATIONS**

1. Open a MUR.
2. Find reason to believe that the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6), and enter into conciliation prior to a finding of probable cause to believe.
3. Approve the attached letter, Factual and Legal Analysis, and proposed conciliation agreement.

Lawrence M. Noble  
General Counsel

Date

4/5/90

BY:

  
Lois G. Lerner  
Associate General Counsel

**Attachments:**

- A. Referral Materials
- B. Proposed Conciliation Agreement
- C. Proposed Letter and Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DELORES HARRIS  
COMMISSION SECRETARY *MW*

DATE: APRIL 10, 1990

SUBJECT: RAD REFERRAL 90L-4 - 1ST GENERAL COUNSEL'S REPORT  
DATED APRIL 5, 1990

The above-captioned document was circulated to the Commission on Friday, April 6, 1990 at 12:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXXX</u>
Commissioner Elliott	<u>          </u>
Commissioner Josefiak	<u>XXXX</u>
Commissioner McDonald	<u>          </u>
Commissioner McGarry	<u>          </u>
Commissioner Thomas	<u>          </u>

This matter will be placed on the meeting agenda for Tuesday, April 24, 1990.

Please notify us who will represent your Division before the Commission on this matter.

21040331326

BEFORE THE FEDERAL ELECTION COMMISSION

(MUR 3057)

In the Matter of	)	RAD REFERRAL
	)	#90L-4
Craig Washington for Congress Committee	)	
Walter Davis, Treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on April 24, 1990, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions with respect to RAD Referral 90L-4:

1. Open a MUR.
2. Find reason to believe that the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6).
3. Direct the Office of General Counsel to send an appropriate letter and Factual and Legal Analysis pursuant to the above actions.

Commissioners Aikens, Elliott, Josefiak, McGarry, and Thomas voted affirmatively for the decision. Commissioner McDonald was not present.

Attest:

4-26-90  
Date

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

2104031327



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 3, 1990

Walter Davis, Treasurer  
Craig Washington for Congress  
Committee  
2323 Caroline Street  
Houston, Texas 77004

RE: MUR 3057  
Craig Washington for Congress  
Committee  
Walter Davis, as treasurer

Dear Mr. Davis:

On April 24, 1990, the Federal Election Commission found that there is reason to believe the Craig Washington for Congress Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 434(a)(6), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information demonstrating that no further action should be taken against the Committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable conciliation after briefs on probable cause have

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Walter Davis, Treasurer  
Page 2

been mailed to the respondent.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 authorizing such counsel to receive any notifications and other communications from the Commission.

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 investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

  
Lee Ann Elliott  
Chairman

Enclosures  
Factual and Legal Analysis  
Procedures  
Designation of Counsel Form

21040331329

**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS: Craig Washington for MUR: 3057  
Congress Committee  
Walter Davis, as treasurer

21040331330

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that the principal campaign committee of a candidate shall file notifications of any contributions of \$1,000 or more received by any authorized committee after the 20th day, but more than 48 hours before any election. This notification shall be made within 48 hours after receipt of such contribution and shall include the name of the candidate and the office sought, the identification of the contributor, and the date of receipt and amount of the contribution. 2 U.S.C. § 434(a)(6)(A). This notification shall be in addition to all other reporting requirements under the Act. 2 U.S.C. § 434(a)(6)(B). The Act defines "identification" to mean in the case of any individual, the name, mailing address, and occupation of each individual, as well as the name of his or her employer; and in the case of any other person, the full name and mailing address. 2 U.S.C. § 431(13).

The Reports Analysis Division's ("RAD") review of the Committee's reports has identified four contributions totaling \$64,701.49 that were received between the 20th day but more than 48 hours before the special primary election. These contributions apparently were made in connection with the special

primary held November 7, 1989, and were received on the following dates and in the indicated amounts on those dates:

Date Received	Aggregate Amount
10/19/89	\$ 1,000.00
10/23/89	25,201.49
11/03/89	<u>38,500.00</u> <sup>1</sup>
<b>Total</b>	<b>\$64,701.49</b>

The Committee did not submit 48-hour reports for the amounts received on the three dates noted above, but reported the receipts on the 1989 12 Day Special Pre-Run-Off Report which covered the period October 19, 1989, through November 19, 1989.

Because the contributions were received within 20 and two days of the November 7, 1989, election, it appears that the contributions were made in connection with the special primary election; thus, 48-hour reports were required. Therefore, there is reason to believe the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6).

1. This amount includes \$2,500 from I.B.E.W. - C.O.P.E. and \$36,000 from loan proceeds guaranteed by the candidate.

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OGC 6299

# PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

May 21, 1990

Frances B. Hagan  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
90 MAY 21 PM 5:00

Re: MUR 3057 - Craig Washington for Congress  
Committee and Walter Davis, as Treasurer

Dear Ms. Hagan:

Pursuant to our phone call, enclosed you will find the Statement of Designation of Counsel signed by Sidney Braquet, Assistant Treasurer for the Craig Washington for Congress Committee, designating me and Robert F. Bauer as counsel for purposes of representing the Committee in the Matter Under Review 3057.

Mr. Braquet contacted us regarding this Matter Under Review on May 16, 1990 and we received the Designation of Counsel today. As a consequence, we request a brief extension of time until May 30, 1990 to respond to the Commission's notification. This additional time will be necessary to prepare a response and allow our client an adequate opportunity to review this response.

If you have any questions, please feel free to contact me at 956-5431.

Sincerely,



B. Holly Schadler

Enclosure

210403332

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3057  
NAME OF COUNSEL: Ms. Holly Schadler  
ADDRESS: Mr. Robert Bauer  
Perkins, Coie, Attorneys  
110 Vermont Ave N.W  
TELEPHONE: WASHINGTON, D.C. 20005  
202-956-5419 or  
5431

The above-named individual is hereby designated as my  
counsel and is authorized to receive any notifications and other  
communications from the Commission and to act on my behalf before  
the Commission.

5/18/95  
Date

  
Signature Sidney L. Braquet  
ASSISTANT TREASURER

RESPONDENT'S NAME: Craig Washington for Congress Committee  
ADDRESS: 2323 Caroline  
HOUSTON, TX 77004  
HOME PHONE: 773-659-9090  
BUSINESS PHONE: 659-4343

210403318333



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 23, 1990

B. Holly Schadler, Esquire  
Perkins Coie  
1110 Vermont Avenue, N.W.  
Washington, D.C. 20005

RE: MUR 3057  
Craig Washington for Congress  
Walter Davis, as treasurer

Dear Ms. Schadler:

This is in response to your letter dated May 21, 1990, which we received the same day, requesting an extension until May 30, 1990, to respond to the Commission's reason to believe findings. After considering the circumstances presented in your letter, I have granted the requested extension. Accordingly, your response is due by the close of business on May 30, 1990.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

*Lois G. Lerner* JB

BY: Lois G. Lerner  
Associate General Counsel

21040331334

OCC 6380

# PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

May 30, 1990

Lawrence M. Noble, Esq.  
General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Attention: Frances Hagen

Re: MUR 3057 - Craig Washington for Congress  
Committee, and Walter Davis, as Treasurer

Dear Mr. Noble:

This letter constitutes the response of the Craig Washington for Congress Committee ("the Committee") and Walter Davis, as Treasurer ("Respondents") to the Commission's finding of reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("FECA"), occurred.

Specifically, the Commission has identified four contributions to the Committee which were received between the 20th day but more than 48 hours before the special primary election, which did not appear on the 48-hour reports filed by the Committee. These omissions included two direct contributions to the Committee and two bank loans.

Accompanying this response are documents that demonstrate that the Committee was fundamentally and substantially in compliance with the FECA and related regulations. Moreover, while these contributions were not disclosed in the 48-hour reports, each was disclosed by the Committee on the public record on the next scheduled report.

### Factual Background

Mr. Washington declared his candidacy at the end of August, 1989, shortly after the unexpected death of Congressman Mickey Leland. The special primary election to fill his seat was scheduled to be held on November 7. Mr. Washington was a State Senator, and had never run for federal office. While most Congressional candidates have a year or more to organize a campaign staff and prepare for the election, Mr. Washington had only slightly over two months for these activities.

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RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

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He hired a staff of five who was charged, during this short period, with opening a campaign office, preparing a campaign plan, and overseeing and implementing the day-to-day activities, as well as mastering all of the requirements under the FECA. None of the staff had worked previously on a federal campaign and they were not familiar with the federal election laws. Nevertheless, the Committee made every effort to be complete and timely in complying with the reporting requirements in the two elections.

### Discussion

#### 1. Contributions to the Committee

As demonstrated by the attached 48-hour reports dated October 25, October 30, November 3, and November 6, the Committee devised a reporting system that it believed would most accurately and completely satisfy the reporting requirements. See Exhibits A through D. Each report provides a cumulative list from the beginning of the 20 day period through the filing date. Every contribution received was entered into the computer records. Each time a report was due the entire list was reproduced in the hope of avoiding any reporting errors.

The Committee received 91 contributions during the period between October 19 and November 4, 35 of which were \$1,000 or over. Despite the care taken by the Committee to track these contributions, two contributions received during the period were inadvertently left off the list and, therefore, did not appear on the reports. They were reported, however, on the Committee's report filed on November 27, prior to the runoff election. This omission was due solely to a bookkeeping error which resulted from the extremely condensed timetable of the election and the consequent administrative burden on the campaign staff.

#### 2. Bank Loans

The Committee also received two bank loans during the period, one for \$25,000 on October 23 and one for \$36,000 on November 3. These loans, both guaranteed by the candidate, were reported on the 12 Day Special Pre-Run-Off Report covering the period October 19 through November 19, 1989.

In researching the reporting requirements for these loans, the Committee reviewed the Commission's Campaign Guide for Congressional Candidates and Committees which states specifically that a bank loan "is not a contribution by the

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bank if it is made according to applicable banking laws in the ordinary course of business." Campaign Guide, p. 13. Bank loans are also specifically excluded in the regulations from the definition of contribution as not constituting a contribution from the loaning institution. 11 C.F.R. 100.7 (b)(11).

The Committee understood this exclusion to mean that the amount of a bank loan received by the Committee was not a "contribution" and, therefore, that it was not required to be reported by the Committee on the 48-hour reports. The Committee was not aware that Mr. Washington's personal guarantee of the loans caused them to be reportable contributions from him to the Committee. It is understandable that someone unfamiliar with the election laws might reach this conclusion based on the language of the Guide and the Regulations. Moreover, the Committee fully reported the loans on Schedule C of its next report filed November 27, 1989. See Exhibit E.

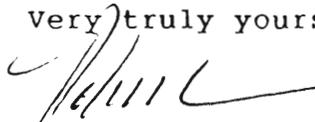
Conclusion

The Committee believes that it was in substantial compliance with the reporting requirements. Four 48-hour reports were filed disclosing 31 contributions during the period and the Committee made a significant effort to ensure these reports were accurate and complete.

In the interest of resolving this matter expeditiously, the Committee requests pre-probable cause conciliation. Respondents ask that the Commission, in considering a resolution of this case, apply in full measure the mitigating factors discussed above.

If you have any questions or need additional information please do not hesitate to contact one of the undersigned.

Very truly yours,



Robert F. Bauer  
B. Holly Schadler  
Counsel for Respondents

2104031337

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FEDERAL ELECTION COMMISSION  
ADMINISTRATIVE DIVISION

# PERKINS COIE

90 JUN -6 PM 2:26

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

June 6, 1990

Frances Hagen  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

Re: MUR 3057-Craig Washington for Congress  
Committee, and Walter Davis, as Treasurer

Dear Ms. Hagen:

Pursuant to our telephone conversation, enclosed you will find Exhibits A through E which accompany the Craig Washington for Congress' response to the Commission's Notification of Reason to Believe, filed with the Commission on May 30, 1990.

If you have any additional questions, please feel free to call me at 956-5431.

Sincerely,

*B. Holly Schadler*  
B. Holly Schadler

Enclosure

1876E

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF LEGAL COUNSEL  
90 JUN -6 PM 4:49

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CRAIG

# Washington

FOR CONGRESS

October 25, 1989

Hon. Donald K. Anderson  
Clerk, U.S. House of Representatives  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20515-6612

Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the twentieth day before the election, that is, receipts thru October 18, 1989, for the Special Election for the 18th Congressional District of Texas.

Attached please find a listing of these contributions.

Very truly yours,



Sidney J. Braquet  
Assistant Treasurer

SJB:cyn:1718

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**CRAIG WASHINGTON FOR CONGRESS COMMITTEE**  
**SCHEDULE OF CONTRIBUTIONS GREATER THAN \$ 1,000**  
**FOR THE PERIOD BEGINNING OCTOBER 19, 1989 AND ENDING OCTOBER 24, 1989**

PAGE 2

COMMITTEE CONTRIBUTIONS	RECEIPT DATE	CONTRIBUTION
United Steelworkers of America Political Action Fund Five Gateway Center Pittsburgh, PA 15222	October 20, 1989	\$5,000.00
○ American Physical Therapy Congressional Action Committee 1111 North Fairfax Street Alexandria, VA 22314	October 20, 1989	\$1,000.00
- Association of Trial Lawyers of America Political Action Committee 1050 - 31 st Street, N.W. Washington, DC 20007	October 20, 1989	\$5,000.00
○ Coleman For Congress Committee 715 N. Oregon El Paso, TX 79902	October 20, 1989	\$1,000.00
○ Committee on Political Action of the American Postal Workers Union, AFL-CIO 1300 L Street N.W. Washington, DC 20005	October 20, 1989	\$2,500.00
<b>SUBTOTAL OF COMMITTEES</b>		<u>\$14,500.00</u>
<b>TOTAL CONTRIBUTIONS</b>		<u>\$19,500.00</u>

CRAIG WASHINGTON FOR CONGRESS COMMITTEE

SCHEDULE OF CONTRIBUTIONS GREATER THAN \$ 1,000

FOR THE PERIOD BEGINNING OCTOBER 19, 1989 AND ENDING OCTOBER 24, 1989

INDIVIDUAL/PERSONS CONTRIBUTIONS	RECEIPT DATE	EMPLOYER	OCCUPATION	CONTRIBUTION
1. H. Kemper, III P. O. Box 25 Sugar Land, TX 77478	October 19, 1989	Imperial Holly Corporation	Chairman	\$1,000.00
John M. Davis P. O. Box 8027 Houston, TX 77288-0827	October 20, 1989	Self	Attorney	\$1,000.00
Eric B. Carter 723 Main St., Suite 312 Houston, TX 77002	October 20, 1989	Self	Attorney	\$1,000.00
Ron Coleman 715 N. Oregon El Paso, TX 79902	October 20, 1989	U.S. House of Representatives	Congressman	\$1,000.00
Howard Berman 291 S. La Cienega Blvd., Suite 212 Beverly Hills, CA 90211	October 20, 1989	U.S. House of Representatives	Congressman	\$1,000.00
				<u>\$5,000.00</u>

Pass the torch to Craig   
**WASHINGTON**   
For Congress

October 30, 1989

Hon. Donald K. Anderson  
Clerk, U.S. House of Representatives  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20515-6612

Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the close of business October 18 thru the close of business October 27, 1989, (cumulative total) for the Special Election for the 18th Congressional District of Texas.

Also, please note the error on the first report in which Ron Coleman was given credit twice for a \$1,000.00 contribution.

Attached please find listing of these cumulative contributions.

Very truly yours,

  
Sidney J. Braquet  
Assistant Treasurer

SJB:cyn:1718

21040331842

WASHINGTON FOR CONGRESS  
ITEMIZED RECEIPTS

Contributions from Individuals  
Aggregate Year-to-Date

FIRST NAME	LAST NAME	ADDRESS	EMPLOYER	OCCUPATION	AGGREGATE YEAR-TO-DATE DONATION
Howard	Berman	291 LaCienega Ste. 212 Beverly Hills, CA	U.S. House of Representatives	Congressman	1,000.00
Eric G.	Carter	723 Main St., Ste 312 Houston, TX	Self	Attorney	1,000.00
30 31 John W.	Coleman	715 N. Oregon El Paso, TX	U.S. House of Representatives	Congressman	1,000.00
34 3 Joseph D.	Davis	P.O. Box 8027 Houston, TX	Self	Attorney	1,000.00
1 33 Mrs. Joseph	Jamail	3300 One Allen Center Houston, TX	Jamail & Kolius	Attorney	1,000.00
3 4 D.H.	Jamail	3300 One Allen Center Houston, TX			1,000.00
4 Regina	Kempner, III	P.O. Box 25 Houston, TX	Imperial Holly Corporation	Chairman	1,000.00
5 Jack E.	Kyles	4315 Stacy Ln. Seabrook, TX	Self	Physician	1,000.00
6 Jack E.	Urquhart	900 Two Houston Center Houston, TX	Self	Attorney	1,000.00

WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE Y-T-D CONTRIBUTION P E
American Physical Therapy PAC	1111 North Fairfax St.	Alexandria	VA	22314	1000.00 MCC
American Postal Workers PAC	1300 L Street, N.W.	Washington	DC	20005	2500.00 MCC
Assoc. Trial Lawyers PAC	1050 -31st Street, N.W.	Washington	DC	20007	5000.00 MCC
NDM/PAC	P. O Box 7157	Washington	DC	20044	1000.00 MCC
Nat'l Education Assn. P.A.C.	1201 - 16th Street, N.W.	Washington	DC	20036	5000.00 MCC
The Freedom Fund	1301 McKinney, 51st Floor	Houston	TX	77010	1000.00 MCC
The National Good Govt. Fund	1001 Farmin	Houston	TX	77002	1000.00 MCC
United Steel Workers PAC	Five Gateway Center	Pittsburgh	PA	15222	5000.00 MCC
*** Total ***					21500.00

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Pass the torch to Craig  
**WASHINGTON**  
For Congress

November 3, 1989

Hon. Donald K. Anderson  
Clerk, U.S. House of Representatives  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20515-6612

Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the close of business October 18 thru the close of business November 3, 1989, (cumulative total) for the Special Election for the 18th Congressional District of Texas.

Also, please note the error on the first report in which Ron Coleman was given credit twice for a \$1,000.00 contribution.

Attached please find a listing of these cumulative contributions.

Very truly yours,



Sidney J. Braquet  
Assistant Treasurer

SJB:cyn:1718

91040331345

WASHINGTON FOR CONGRESS  
ITEMIZED RECEIPTS

Contributions from Individuals  
Aggregate Year-to-Date

FIRST NAME	LAST NAME	ADDRESS	EMPLOYER	OCCUPATION	AGGREGATE YEAR-TO-DATE DONATION
Howard	Berman	291 LaCienega Ste. 212 Beverly Hills, CA	U.S. House of Representatives	Congressman	1,000.00
Eric G.	Carter	723 Main St., Ste 312 Houston, TX	Self	Attorney	1,000.00
Ron	Coleman	715 N. Oregon El Paso, TX	U.S. House of Representatives	Congressman	1,000.00
John W.	Davis	P.O. Box 8027 Houston, TX	Self	Attorney	1,000.00
Joseph D.	Jamail	3300 One Allen Center Houston, TX	Jamail & Kolius	Attorney	1,000.00
Mrs. Joseph D.	Jamail	3300 One Allen Center Houston, TX	None	Housewife	1,000.00
F.H.	Kempner, III	P.O. Box 25 Houston, TX	Imperial Holly Corporation	Chairman	1,000.00
Regina	Ryles	4315 Stacy Ln. Seabrook, TX	Self	Physician	1,000.00
Jack E.	Urquhart	900 Two Houston Center, Houston, TX	Self	Attorney	1,000.00
William G.	Leland	4315 Lockwood Houston, TX	Fox Drugs	Pharmacist	1,000.00
Franklin	Jones	P.O. Drawer 1249 Marshall, TX	J.C. & R. Partnership		1,000.00
Rex	Houston	P.O. Box 1109 Henderson, TX			1,000.00
					<u>1,000.00</u>
					\$12,000.00

WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE Y-T-D CONTRIBUTION	T Y P E
U.R.C.L. & P.U.A. PAC see Total see	87 South High Street	Akron	OH	44308	1000.00	PAC
					1000.00	

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WASHINGTON FOR CONGRESS  
 SCHEDULE OF COMMITTEE DONATIONS

210403343

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE Y-T-D CONTRIBUTION P E
American Physical Therapy PAC	1111 North Fairfax St.	Alexandria	VA	22314	1000.00 NCC
Assoc. Trial Lawyers PAC	1050 -31st Street, N.W.	Washington	DC	20007	5000.00 NCC
American Postal Workers PAC	1300 L Street, N.W.	Washington	DC	20005	2500.00 NCC
United Steel Workers PAC	Five Gateway Center	Pittsburgh	PA	15222	5000.00 NCC
NDM/PAC	P. O Box 7157	Washington	DC	20044	1000.00 NCC
The Freedom Fund	1301 McKinney, 51st Floor	Houston	TX	77010	1000.00 NCC
The National Good Govt. Fund	1001 Fannin	Houston	TX	77002	1000.00 NCC
Nat'l Education Assn. P.A.C.	1201 - 16th Street, N.W.	Washington	DC	20036	5000.00 NCC
San Jacinto Fund	1300 Allied Bank Plaza	Houston	TX	77002	1500.00 NCC
Nat'l Life Underwriters PAC	1922 F. Street, N.W.	Washington	DC	20006	1000.00 NCC
WASH PACE CMA FUND	7981 Eastern Avenue	Silver Spring	MD	20910	2500.00 NCC
Int'l Fire Fighters PAC	1750 New York Avenue, N.W.	Washington	DC	20006	1000.00 NCC
see Total see					27500.00

Pass the torch to Craig   
**WASHINGTON**   
For Congress

November 6, 1989

Hon. Donald K. Anderson  
Clerk, U.S. House of Representatives  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20515-6612

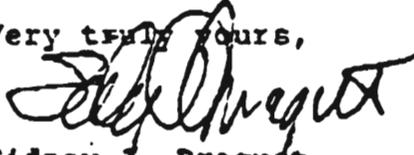
Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the close of business October 18 thru the close of business November 4, 1989, (cumulative total) for the Special Election for the 18th Congressional District of Texas.

Also, please note the error on the first report in which Ron Coleman was given credit twice for a \$1,000.00 contribution.

Attached please find a listing of these cumulative contributions.

Very truly yours,



Sidney J. Braquet  
Assistant Treasurer

SJB:cyn:1718

2104031349

WASHINGTON FOR CONGRESS  
ITEMIZED RECEIPTS  
Contributions from Individuals  
Aggregate Year-to-Date

FIRST NAME	LAST NAME	ADDRESS	EMPLOYER	OCCUPATION	AGGREGATE YEAR-TO-DATE
Howard	Berman	291 LaCienega Ste. 212 Los Angeles, CA	U.S. House of Representatives	Congressman	1,000.00
Eric G.	Carter	723 Main St. #312 Houston, TX	Self	Attorney	1,000.00
Ron	Coleman	715 N. Oregon El Paso, TX	U.S. House of Representatives	Congressman	1,000.00
John W.	Davis	P.O. Box 8027 Houston, TX	Self	Attorney	1,000.00
Thomas J.	Garrett	3675 Willowick Houston, TX			1,000.00
Ann	Garrett	3675 Willowick Houston, TX			1,000.00
Audis C.	Hill	2041 Westcreek Ln. No. 29, Houston, TX			1,000.00
Rex	Houston	P.O. Box 1109 Houston, TX			1,000.00
Joseph D.	Jamail	3300 One Allen Center, Houston, TX	Jamail & Kolius	Attorney	1,000.00
Mrs. Joseph D.	Jamail	3300 One Allen Center, Houston, TX	None	Housewife	1,000.00
Franklin	Jones	P.O. Drawer 1249 Houston, TX	JC&R Partnership		1,000.00
I.H.	Kempner, III	P.O. Box 25 Houston, TX	Imperial Holly Corporation	Chairman	1,000.00
Regina	Kyles	4315 Stacy Ln.	Self	Physician	1,000.00
William	Leland	4315 Lockwood Houston, TX	Fox Drugs	Pharmacist	1,000.00
Eleanor	Pitcock	10006 Balmforth Houston, TX			1,000.00
James D.	Pitcock	10006 Balmforth Houston, TX			1,000.00
Donald	Sowell	P.O. Box 187 Hempstead, TX	Self	Businessman	1,000.00
Jack E.	Urquhart	900 Two Houston Center, Houston, TX	Self	Attorney	1,000.00
					<u>18,000.00</u>

WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE T Y-T-D Y CONTRIBUTION P E
American Physical Therapy PAC	1111 North Fairfax St.	Alexandria	VA	22314	1000.00 NCC
Assoc. Trial Lawyers PAC	1050 -31st Street, N.W.	Washington	DC	20007	5000.00 NCC
American Postal Workers PAC	1200 L Street, N.W.	Washington	DC	20005	2500.00 NCC
United Steel Workers PAC	Five Gateway Center	Pittsburgh	PA	15222	5000.00 NCC
NMU/PAC	P. O Box 7157	Washington	DC	20044	1000.00 NCC
The Freedom Fund	1301 McKinney, 51st Floor	Houston	TX	77010	1000.00 NCC
The National Good Govt. Fund	1001 Fannin	Houston	TX	77002	1000.00 NCC
Nat'l Education Assn. P.A.C.	1201 - 16th Street, N.W.	Washington	DC	20036	5000.00 NCC
San Jacinto Fund	1300 Allied Bank Plaza	Houston	TX	77002	1500.00 NCC
Nat'l Life Underwriters PAC	1922 F. Street, N.W.	Washington	DC	20006	1000.00 NCC
WASH DACE CMA FUND	7981 Eastern Avenue	Silver Spring	MD	20910	2500.00 NCC
Int'l Fire Fighters PAC	1750 New York Avenue, N.W.	Washington	DC	20006	1000.00 NCC
see Total see					27500.00

21040331351

WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE T Y-7-9 Y CONTRIBUTION P E
U.R.C.L. & P.U.A. PAC see Total see	87 South High Street	Akron	OH	44308	1000.00 PAC 1000.00

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**SCHEDULE C**  
(Revised 3/80)

**LOANS**

**EXHIBIT E**

Page: 1 of 1  
LINE NUMBER 1 (a)  
(Use separate schedules for each numbered line)

Name of Committee (in Full) <b>Craig Washington for Congress Committee - C00238329</b>			
A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
<b>Columbia Savings P. O. Box 58408 Nassau Bay, Texas 77058</b> Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	<b>\$ 25,201.49</b>	<b>\$ 0.00</b>	<b>\$ 25,201.49</b>
Terms: Date Incurred <u>10/25/89</u> Date Due <u>1/23/91</u> Interest Rate <u>14</u> % (apr) <input type="checkbox"/> Secured <input checked="" type="checkbox"/> (un)			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code <b>Craig A. Washington 2323 Caroline Houston, Texas 77004</b>	Name of Employer <b>Self</b>		
	Occupation <b>Attorney</b>		
	Amount Guaranteed Outstanding: <b>\$ 25,201.49</b>		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
<b>Deposit Guaranty Bank Houston Banking Office P. O. Box 924449 Houston, Texas 77292-4449</b> Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	<b>\$ 36,000.00</b>	<b>\$ 0.00</b>	<b>\$ 36,000.00</b>
Terms: Date Incurred <u>11/03/89</u> Date Due <u>5/3/91</u> Interest Rate <u>12.75</u> % (apr) <input type="checkbox"/> Secured <input type="checkbox"/>			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code <b>Craig A. Washington 2323 Caroline Houston, Texas 77004</b>	Name of Employer <b>Self</b>		
	Occupation <b>Attorney</b>		
	Amount Guaranteed Outstanding: <b>\$ 36,000.00</b>		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
ALS This Period This Page (optional) .....			<b>\$ 61,201.49</b>

90 JUN 13 AM 10: 22

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 ) MUR 3057  
Craig Washington for Congress )  
Committee )  
Walter Davis, as treasurer )

**SENSITIVE**

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

On April 24, 1990, the Commission found reason to believe that the Craig Washington for Congress Committee ("the Committee") and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6). The Committee received four contributions within 20 and two days of the November 7, 1989, special primary election. These contributions apparently were made in connection with the special primary. Therefore, 48-hour reports were required.

Through counsel, the Committee requested and received an extension of time to respond to the Commission's finding. On May 30, 1990, the Committee requested resolution through pre-probable cause conciliation.

**II. ANALYSIS**

The Committee did not submit 48-hour reports for the amounts received on three dates before the special primary, but reported the receipts on the 1989 12 Day Special Pre-Run-Off Report which covered the period October 19, 1989, through November 19, 1989.

In requesting pre-probable cause conciliation, the Committee asserted certain mitigating factors. The Committee stated that it received 91 contributions during the period between October 19 and November 4, 35 of which were \$1,000 or over. According to

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the Committee, "[d]espite the care taken by the Committee to track these contributions, two [of the 35] contributions received during the period were inadvertently left off..." The Committee attributed the omissions to a "bookkeeping error which resulted from the extremely condensed timetable of the election and the consequent administrative burden on the campaign staff."

Regarding the two bank loans guaranteed by the candidate, the Committee noted that the staff was not familiar with the election laws. Apparently as a result of its lack of familiarity, the staff misread the congressional committee campaign guide and Commission regulations, mistakenly assuming that a bank loan guaranteed by the candidate was not a contribution and therefore, not to be reported on the 48-hour reports.<sup>1</sup>

The evidence that the Committee did file 48-hour reports as required for most of the applicable contributions indicates the Committee's good faith compliance efforts. This mitigating factor does not vitiate the violation, but may be considered in conciliation negotiations.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

---

1. The confusion apparently arose from misreading the campaign guide and regulations which state that a bank loan is not a contribution from the lending institution if made according to applicable banking laws in the ordinary course of business. Campaign Guide for Congressional Candidates and Committees, p. 13; 11 C.F.R. § 100.7(b)(11).

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**IV. RECOMMENDATIONS**

1. Enter into conciliation with the Craig Washington for Congress Committee and Walter Davis, as treasurer, prior to a finding of probable cause to believe.
2. Approve the attached proposed conciliation agreement and letter.

Lawrence M. Noble  
General Counsel

June 12, 1990  
Date

BY: Lois G. Lerner  
Lois G. Lerner  
Associate General Counsel

**Attachments**

- A. Request for Conciliation
- B. Proposed Conciliation Agreement and Letter

Staff assigned: Frances B. Hagan

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FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARRIS *DH*  
COMMISSION SECRETARY

DATE: JUNE 15, 1990

SUBJECT: MUR 3057 - GENERAL COUNSEL'S REPORT  
DATED JUNE 12, 1990

The above-captioned document was circulated to the Commission on Wednesday, June 13, 1990 at 4:00 p.m.

Objection(s) have been received from the Commissioner(s) as indicated by the name(s) checked below:

Commissioner Aikens	<u>XXX</u>
✓Commissioner Elliott	<u>                    </u>
✓Commissioner Josefiak	<u>                    </u>
Commissioner McDonald	<u>                    </u>
Commissioner McGarry	<u>                    </u>
Commissioner Thomas	<u>XXX</u>

This matter will be placed on the meeting agenda for Tuesday, June 19, 1990.

Please notify us who will represent your Division before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3057  
Craig Washington for Congress Committee )  
Walter Davis, as treasurer )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 19, 1990, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 3057:

1. Enter into conciliation with the Craig Washington for Congress Committee and Walter Davis, as treasurer, prior to a finding of probable cause to believe.
2. Approve the proposed conciliation agreement and letter attached to the General Counsel's report dated June 12, 1990.

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

Attest:

June 21, 1990  
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

June 25, 1990

Robert F. Bauer, Esquire  
B. Holley Schadler, Esquire  
Perkins Coie  
1110 Vermont Avenue, N.W.  
Washington, D.C. 20005

RE: MUR 3057  
Craig Washington for Congress  
Walter Davis, as treasurer

Dear Mr. Bauer and Ms. Schadler:

On April 24, 1990, the Federal Election Commission found reason to believe that the Craig Washington for Congress Committee ("the Committee") and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6). At your request, on June 19, 1990, the Commission determined to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 25, 1990

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Robert F. Bauer, Esquire  
B. Holley Schadler, Esquire  
Perkins Coie  
1110 Vermont Avenue, N.W.  
Washington, D.C. 20005

RE: MUR 3057  
Craig Washington for Congress  
Walter Davis, as treasurer

Dear Mr. Bauer and Ms. Schadler:

On June 25, 1990, you were notified that, at your request, the Federal Election Commission determined to enter into negotiations directed toward reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. On that same date you were sent a conciliation agreement offered by the Commission in settlement of this matter.

Please note that conciliation negotiations entered into prior to a finding of probable cause to believe are limited to a maximum of 30 days. To date, you have not responded to the proposed agreement. The 30 day period for negotiations will soon expire. Unless we receive a response from you within five days, this Office will consider these negotiations terminated and will proceed to the next stage of the enforcement process.

Should you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
SECRETARIAT

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**SENSITIVE**

October 22, 1990

**MEMORANDUM**

**TO:** The Commission

**FROM:** Lawrence M. Noble   
General Counsel

**SUBJECT:** MUR 3057  
Craig Washington for Congress Committee

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe were mailed on October 22, 1990. Following receipt of the respondents' reply to this notice, this Office will make a further report to the Commission.

**Attachments**

- A. Brief
- B. Letter to respondents

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 22, 1990

Robert F. Bauer, Esquire  
B. Holly Schadler, Esquire  
Perkins Coie  
1110 Vermont Avenue, N.W.  
Washington, D.C. 20005

RE: MUR 3057  
Craig Washington for Congress  
Walter Davis, as treasurer

Dear Mr. Bauer and Ms. Schadler:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on April 24, 1990, the Federal Election Commission found reason to believe that your clients, the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6), and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

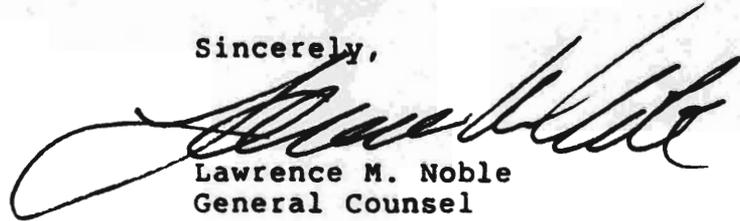
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Robert F. Bauer, Esquire  
Page 2

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,



Lawrence M. Noble  
General Counsel

Enclosure  
Brief

21040331363

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3057  
Craig Washington for Congress )  
Committee )  
Walter Davis, as treasurer )

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

The Craig Washington for Congress Committee ("the Committee") was the principal campaign committee of Craig Washington, a candidate for the U.S. House of Representatives in the special elections held in 1989 in the 18th Congressional District of Texas. The special primary election was held on November 7, 1989, and the special primary run-off election was held December 9, 1989.

The Reports Analysis Division's ("RAD") review of the Committee's reports has identified four contributions totaling \$64,701.49 that were received between the 20th day but more than 48 hours before the special primary election. The contributors included an individual (\$1,000), a political action committee (\$2,500), and two candidate-guaranteed bank loans (\$25,201.49 and \$36,000). These contributions were received on the following dates and in the indicated amounts on those dates:

Date Received	Aggregate Amount
10/19/89	\$ 1,000.00
10/23/89	25,201.49
11/03/89	38,500.00
Total	\$64,701.49

The Committee did not disclose on 48-hour reports the amounts received on the three dates noted above, but reported the

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receipts on the 1989 12 Day Special Pre-Run-Off Report which covered the period October 19, 1989, through November 19, 1989. On April 24, 1990, the Commission found reason to believe that the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6).

**II. ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act") provides that the principal campaign committee of a candidate shall file notifications of any contributions of \$1,000 or more received by any authorized committee after the 20th day, but more than 48 hours before any election. This notification shall be made within 48 hours after receipt of such contribution and shall include the name of the candidate and the office sought, the identification of the contributor, and the date of receipt and amount of the contribution. 2 U.S.C. § 434(a)(6)(A). This notification shall be in addition to all other reporting requirements under the Act. 2 U.S.C. § 434(a)(6)(B). The Act defines "identification" to mean in the case of any individual, the name, mailing address, and occupation of each individual, as well as the name of his or her employer; and in the case of any other person, the full name and mailing address. 2 U.S.C. § 431(13).

The Committee received four contributions within 20 and two days of the November 7, 1989, special primary election. These contributions apparently were made in connection with the special primary. Therefore, 48-hour reports were required.

The Committee did not submit 48-hour reports for the amounts

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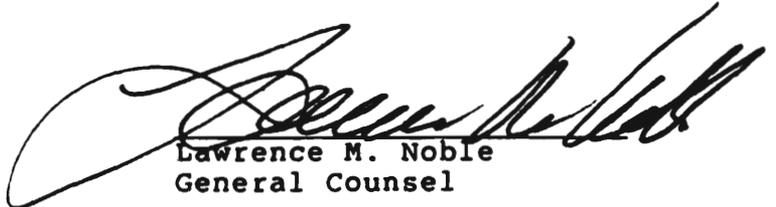
received on three dates before the special primary, but reported the receipts on the 1989 12 Day Special Pre-Run-Off Report which covered the period October 19, 1989, through November 19, 1989. Therefore, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that the Committee and its treasurer violated 2 U.S.C. § 434(a)(6) in this matter.

III. GENERAL COUNSEL'S RECOMMENDATION

Find probable cause to believe that the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6).

Date

10/19/90

  
Lawrence M. Noble  
General Counsel

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3057
Craig Washington for Congress	)	
Committee	)	
Walter Davis, as treasurer	)	

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RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK  
WASHINGTON, D.C. 20543

BRIEF OF RESPONDENT

This brief constitutes the response of the Craig Washington for Congress Committee ("the Committee") and Walter Davis, as Treasurer ("Respondents") to the General Counsel's brief recommending that the Commission find probable cause to believe that a violation of the Federal Election Campaign Act of 1971, as amended ("FECA"), occurred.

Specifically, the General Counsel identifies two contributions and two bank loans, guaranteed by the candidate, to the Committee which were received between the 20th day but more than 48 hours before the special primary election, which did not appear on the 48-hour reports filed by the Committee.

Accompanying this response are documents that demonstrate that the Committee was fundamentally and substantially in compliance with the FECA and related regulations. While the contributions and bank loans were not disclosed in the 48-hour reports, each was disclosed by the Committee on the public record on the next scheduled report. Moreover, even in the Commission's guidance to candidates on the issue of pre-election disclosure of bank loans, there is considerable lack of clarity as to whether such loans are subject to 48-hour reporting requirements.

Factual Background

Mr. Washington declared his candidacy at the end of August, 1989, shortly after the unexpected death of Congressman Mickey Leland. The special primary election to fill his seat was scheduled to be held on November 7. Mr. Washington was a State Senator and had never run for federal office. While most Congressional candidates have a year or more to organize a campaign staff and prepare for the election, Mr. Washington had only slightly over two months to mount a campaign in a very competitive race.

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As discussed in the Committee's earlier responses, Mr. Washington hired a staff of five who was charged, during this short period, with opening a campaign office, preparing a campaign plan, and overseeing and implementing the day-to-day activities, as well as mastering all of the requirements under the FECA. None of the staff had worked previously on a federal campaign, and they were not familiar with the federal election laws. Nevertheless, the Committee made every effort to be complete and timely in complying with the reporting requirements in the two elections.

### Discussion

#### 1. Contributions to the Committee

As demonstrated by the attached 48-hour reports dated October 25, October 30, November 3, and November 6, the Committee devised a reporting system that it believed would most accurately and completely satisfy the reporting requirements. See Exhibits A through D. Each report provides a cumulative list from the beginning of the 20-day period through the filing date. Every contribution received was entered into the computer records. Each time a report was due the entire list was reproduced in the hope of avoiding any reporting errors.

The Committee received 91 contributions during the period between October 19 and November 4. Despite the care taken by the Committee to track these contributions, two contributions received during the period were inadvertently left off the list and, therefore, did not appear on the reports. They were reported, however, on the Committee's report filed on November 27, prior to the runoff election. This omission was due solely to a bookkeeping error which resulted from the extremely condensed timetable of the election and the consequent administrative burden on the campaign staff.

#### 2. Bank Loans

The Committee also received two bank loans during the period, one for \$25,201.49 on October 23 and one for \$36,000 on November 3. These loans, both guaranteed by the candidate, were reported on the 12-Day Special Pre-Run-Off Report covering the period October 19 through November 19, 1989. Exhibit E.

As noted in the Committee's letters of May 30 and August 7, 1990, there was considerable confusion as to whether the candidate loans were required to be treated as contributions reportable under the 48-hour reporting rules.

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Commission publications contributed to this confusion. The Committee, in reviewing the reporting requirements for these loans, consulted the Commission's Campaign Guide for Congressional Candidates and Committees. This reference manual states specifically that a bank loan "is not a contribution by the bank if it is made according to applicable banking laws in the ordinary course of business." Campaign Guide, p. 13. Bank loans are also specifically excluded in the Act and the Regulations from the definition of contribution as not constituting a contribution from the loaning entity or institution. 2 U.S.C. § 431(8)(B)(vii); 11 C.F.R. § 100.7(b)(11).

The Committee understood this exclusion to mean that the amount of a bank loan received by the Committee was not a "contribution" and, therefore, that it was not required to be reported by the Committee on the 48-hour reports. The guarantee of the loans caused them to be reportable contributions from him to the Committee.

It is understandable that someone unfamiliar with the election laws might reach this conclusion based on a reading of the Act, the Guide and the Regulations. Moreover, the Commission guidance in the Record on this issue did not appear at all contrary to this interpretation. An article printed in the February 1988 Record does not even cite loans or guarantees as subject to this 48-hour reporting requirement. Not until an article in the July, 1990 Record did the Commission explicitly state that the 48-hour reporting rules apply to loans by candidates and guarantees of such loans by candidates.

This interpretation of the 48-hour reporting rules is thoroughly consistent with the underlying policy of the statute requiring pre-election disclosure. The principal purpose of disclosure under the Act is to inform the public who supports a candidate and to whom that candidate may be beholden after an election. Buckley v. Valeo, 424 U.S. 1, 67 (1976) ("The sources of a candidate's financial support . . . alert the voter to the interests to which a candidate is most likely to be responsive and thus facilitate predictions of future performance in office."); S. Rep. No. 689, 93rd Cong., 2d Sess. 2 (1974); H.R. Rep. No. 564, 92d Cong., 2d Sess. 4 (1971). Here, the two loans to the Committee were from a bank and guaranteed by the candidate himself. This is not a case where outside contributors, or even third-party guarantors, made last-minute contributions to Mr. Washington's committee which went undisclosed to the public until after the election. The disclosure of these loans would have neither alerted voters about an as of yet undisclosed interest to which the candidate might be responsive, nor facilitated voters' predictions of Mr. Washington's future performance as an office holder. Therefore, it is quite understandable that the Committee, after

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reviewing the reporting guidelines, concluded that loans to the campaign, which involved no outside interest, were not subject to the 48-hour disclosure requirements.

Conclusion

The Committee believes that it was in substantial compliance with the reporting requirements. Four 48-hour reports were filed disclosing 31 contributions during the period. The Committee devoted considerable effort to ensure these reports were accurate and complete. The reporting rules are designed to ensure full disclosure on the public record. Clearly, there was no attempt by the Committee to cover up these contributions or loans as evidenced by the fact that they were included on the Committee's next report, only weeks later.

Based on the above-described circumstances which demonstrate the Committee's diligent efforts to comply with all reporting requirements, the Committee requests that the Commission find no probable cause to believe that the Committee violated the Act.

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CRAIG

# Washington

FOR CONGRESS

October 25, 1989

Hon. Donald K. Anderson  
Clerk, U.S. House of Representatives  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20515-6612

Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the twentieth day before the election, that is, receipts thru October 18, 1989, for the Special Election for the 18th Congressional District of Texas.

Attached please find a listing of these contributions.

Very truly yours,

*Sidney J. Braquet*  
Sidney J. Braquet  
Assistant Treasurer

SJB:cyn:1718

371340

**CRAIG WASHINGTON FOR CONGRESS COMMITTEE**  
**SCHEDULE OF CONTRIBUTIONS GREATER THAN \$ 1,000**  
**FOR THE PERIOD BEGINNING OCTOBER 19, 1989 AND ENDING OCTOBER 24, 1989**

PAGE 2

COMMITTEE CONTRIBUTIONS	RECEIPT DATE	CONTRIBUTION
United Steelworkers of America Political Action Fund Five Gateway Center Pittsburgh, PA 15222	October 20, 1989	\$5,000.00
American Physical Therapy Congressional Action Committee 1111 North Fairfax Street Alexandria, VA 22314	October 20, 1989	\$1,000.00
Association of Trial Lawyers of America Political Action Committee 1050 - 21 st Street, N.W. Washington, DC 20007	October 20, 1989	\$5,000.00
Coleman For Congress Committee 715 N. Oregon El Paso, TX 79902	October 20, 1989	\$1,000.00
Committee on Political Action of the American Postal Workers Union, AFL-CIO 1300 L Street N.W. Washington, DC 20005	October 20, 1989	\$2,500.00
<b>SUBTOTAL OF COMMITTEES</b>		<u>\$14,500.00</u>
<b>TOTAL CONTRIBUTIONS</b>		<u>\$19,500.00</u>

CRISIS WASHINGTON FOR CONGRESS COMMITTEE

SCHEDULE OF CONTRIBUTIONS GREATER THAN \$ 1,000

FOR THE PERIOD BEGINNING OCTOBER 19, 1989 AND ENDING OCTOBER 24, 1989

INDIVIDUAL/PERSONS CONTRIBUTIONS	RECEIPT DATE	EMPLOYER	OCCUPATION	CONTRIBUTION
I. H. Kemper, III P. O. Box 25 Sugar Land, TX 77478	October 19, 1989	Imperial Holly Corporation	Chairman	\$1,000.00
John W. Davis P. O. Box 8027 Houston, TX 77288-0827	October 20, 1989	Self	Attorney	\$1,000.00
Eric S. Carter 723 Main St., Suite 312 Houston, TX 77002	October 20, 1989	Self	Attorney	\$1,000.00
Ron Coleman 715 N. Oregon El Paso, TX 79902	October 20, 1989	U.S. House of Representatives	Congressman	\$1,000.00
Howard Berzon 291 S. La Cienega Blvd., Suite 212 Beverly Hills, CA 90211	October 20, 1989	U.S. House of Representatives	Congressman	\$1,000.00
				<u>\$5,000.00</u>

Pass the torch to Craig  
**WASHINGTON**  
For Congress

October 30, 1989

Hon. Donnald K. Anderson  
Clerk, U.S. House of Representatives  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20515-6612

Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the close of business October 18 thru the close of business October 27, 1989, (cumulative total) for the Special Election for the 18th Congressional District of Texas.

Also, please note the error on the first report in which Ron Coleman was given credit twice for a \$1,000.00 contribution.

Attached please find listing of these cumulative contributions.

Very truly yours,

Sidney J. Braquet  
Assistant Treasurer

SJB:cyn:1718

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WASHINGTON FOR CONGRESS  
ITEMIZED RECEIPTS

Contributions from Individuals  
Aggregate Year-to-Date

FIRST NAME	LAST NAME	ADDRESS	EMPLOYER	OCCUPATION	AGGREGATE YEAR-TO-DATE DONATION
Howard	Barman	291 LaCienega Ste. 212 Beverly Hills, CA	U.S. House of Representatives	Congressman	1,000.00
Eric G.	Carter	723 Main St., Ste 312 Houston, TX	Self	Attorney	1,000.00
Ron	Coleman	715 N. Oregon El Paso, TX	U.S. House of Representatives	Congressman	1,000.00
John W.	Davis	P.O. Box 8027 Houston, TX	Self	Attorney	1,000.00
Joseph D.	Jamail	3300 One Allen Center Houston, TX	Jamail & Kolius	Attorney	1,000.00
Mrs. Joseph	Jamail	3300 One Allen Center Houston, TX			1,000.00
I.H.	Kempner, III	P.O. Box 25 Houston, TX	Imperial Holly Corporation	Chairman	1,000.00
Regina	Kyles	4315 Stacy Ln. Seabrook, TX	Self	Physician	1,000.00
Jack E.	Urquhart	900 Two Houston Center Houston, TX	Self	Attorney	1,000.00

WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE Y Y-T-D Y CONTRIBUTION P E
American Physical Therapy PAC	1111 North Fairfax St.	Alexandria	VA	22314	1000.00 NCC
American Postal Workers PAC	1300 L Street, N.W.	Washington	DC	20005	2500.00 NCC
Assoc. Trial Lawyers PAC	1050 -31st Street, N.W.	Washington	DC	20007	5000.00 NCC
NDW/PAC	P. O Box 7157	Washington	DC	20044	1000.00 NCC
Nat'l Education Assn. P.A.C.	1201 - 16th Street, N.W.	Washington	DC	20036	3000.00 NCC
The Freedom Fund	1301 McKinney, 51st Floor	Houston	TX	77010	1000.00 NCC
The National Good Govt. Fund	1001 Farmin	Houston	TX	77062	1000.00 NCC
United Steel Workers PAC	Five Gateway Center	Pittsburgh	PA	15222	3000.00 NCC
*** Total ***					21500.00

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Pass the torch to Craig   
**WASHINGTON**  
 For Congress

November 3, 1989

Hon. Donald K. Anderson  
 Clerk, U.S. House of Representatives  
 Office of Records and Registration  
 1036 Longworth H.O.B.  
 Washington, D.C. 20515-6612

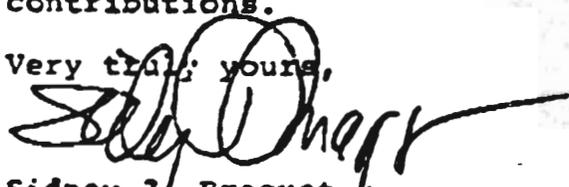
Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the close of business October 18 thru the close of business November 3, 1989, (cumulative total) for the Special Election for the 18th Congressional District of Texas.

Also, please note the error on the first report in which Ron Coleman was given credit twice for a \$1,000.00 contribution.

Attached please find a listing of these cumulative contributions.

Very truly yours,



Sidney J. Braquet  
 Assistant Treasurer

SJB:cyn:1718

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WASHINGTON FOR CONGRESS  
ITEMIZED RECEIPTS

Contributions from Individuals  
Aggregate Year-to-Date

FIRST NAME	LAST NAME	ADDRESS	EMPLOYER	OCCUPATION	AGGREGATE YEAR-TO-DATE DONATION
Howard	Barnan	291 LaCienega Ste. 212 Beverly Hills, CA	U.S. House of Representatives	Congressman	1,000.00
Eric G.	Carter	723 Main St., Ste 312 Houston, TX	Self	Attorney	1,000.00
Ron	Coleman	715 N. Oregon El Paso, TX	U.S. House of Representatives	Congressman	1,000.00
John W.	Davis	P.O. Box 8027 Houston, TX	Self	Attorney	1,000.00
Joseph D.	Jamail	3300 One Allen Center Houston, TX	Jamail & Kolius	Attorney	1,000.00
Mrs. Joseph D.	Jamail	3300 One Allen Center Houston, TX	None	Housewife	1,000.00
I.H.	Kempner, III	P.O. Box 25 Houston, TX	Imperial Holly Corporation	Chairman	1,000.00
Regina	Kyles	4315 Stacy Ln. Seabrook, TX	Self	Physician	1,000.00
Jack E.	Urquhart	900 Two Houston Center, Houston, TX	Self	Attorney	1,000.00
William G.	Ieland	4315 Lockwood Houston, TX	Fox Drugs	Pharmacist	1,000.00
Franklin	Jones	P.O. Drawer 1249 Marshall, TX	J.C. & R. Partnership		1,000.00
Rex	Houston	P.O. Box 1109 Henderson, TX			1,000.00
					<u>12,000.00</u>

WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE Y-T-D CONTRIBUTION P E
U.S.C.L. & P.O.R. PAC see Total see	87 South High Street	Akron	OH	44306	1000.00 PAC 1000.00

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WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE Y-T-D CONTRIBUTION P E
American Physical Therapy PAC	1111 North Fairfax St.	Alexandria	VA	22314	1000.00 NCC
Assoc. Trial Lawyers PAC	1050 - 31st Street, N.W.	Washington	DC	20007	5000.00 NCC
American Postal Workers PAC	1300 L Street, N.W.	Washington	DC	20005	2500.00 NCC
United Steel Workers PAC	Five Gateway Center	Pittsburgh	PA	15222	3000.00 NCC
NDU/PAC	P. O Box 7157	Washington	DC	20044	1000.00 NCC
The Freedom Fund	1301 McKinney, 51st Floor	Houston	TX	77010	1000.00 NCC
The National Good Govt. Fund	1001 Fannin	Houston	TX	77002	1000.00 NCC
Nat'l Education Assn. P.A.C.	1201 - 16th Street, N.W.	Washington	DC	20026	3000.00 NCC
San Jacinto Fund	1300 Allied Bank Plaza	Houston	TX	77002	1500.00 NCC
Nat'l Life Underwriters PAC	1922 F. Street, N.W.	Washington	DC	20006	1000.00 NCC
NASW PACE CNA FUND	7981 Eastern Avenue	Silver Spring	MD	20910	2500.00 NCC
Int'l Fire Fighters PAC	1750 New York Avenue, N.W.	Washington	DC	20006	1000.00 NCC
see Total see					27500.00

2 1 4 0 3 3 3

Pass the torch to Craig   
**WASHINGTON**  
 For Congress

November 6, 1989

Hon. Donald K. Anderson  
 Clerk, U.S. House of Representatives  
 Office of Records and Registration  
 1036 Longworth H.O.B.  
 Washington, D.C. 20515-6612

Dear Sir:

The Craig Washington for Congress Committee (C00238329), hereby discloses contributions of \$1,000.00 or greater which have been received since the close of business October 18 thru the close of business November 4, 1989, (cumulative total) for the Special Election for the 18th Congressional District of Texas.

Also, please note the error on the first report in which Ron Coleman was given credit twice for a \$1,000.00 contribution.

Attached please find a listing of these cumulative contributions.

Very truly yours,



Sidney J. Braquet  
 Assistant Treasurer

SJB:cyn:1718

31040331331

WASHINGTON FOR CONGRESS  
ITEMIZED RECEIPTS  
Contributions from Individuals  
Aggregate Year-to-Date

FIRST NAME	LAST NAME	ADDRESS	EMPLOYER	OCCUPATION	AGGREGATE YEAR-TO-DATE
Howard	Berman	291 LaCienega Ste. 212 Los Angeles, CA	U.S. House of Representatives	Congressman	1,000.00
Eric G.	Carter	723 Main St. #312 Houston, TX	Self	Attorney	1,000.00
Ron	Coleman	715 N. Oregon El Paso, TX	U.S. House of Representatives	Congressman	1,000.00
John W.	Davis	P.O. Box 8027 Houston, TX	Self	Attorney	1,000.00
Thomas J.	Garrett	3675 Willowick Houston, TX			1,000.00
Ann	Garrett	3675 Willowick Houston, TX			1,000.00
Radis C.	Hill	2041 Westcreek Ln. No. 29, Houston, TX			1,000.00
Rex	Houston	P.O. Box 1109 Houston, TX			1,000.00
Joseph D.	Jamail	3300 One Allen Center, Houston, TX	Jaffail & Kolius	Attorney	1,000.00
Mrs. Joseph D.	Jamail	3300 One Allen Center, Houston, TX	None	Housewife	1,000.00
Franklin	Jones	P.O. Drawer 1249 Houston, TX	JC&R Partnership		1,000.00
J.H.	Kempner, III	P.O. Box 25 Houston, TX	Imperial Holly Corporation	Chairman	1,000.00
Regina	Kyles	4315 Stacy Ln.	Self	Physician	1,000.00
William	Leland	4315 Lockwood Houston, TX	Fox Drugs	Pharmacist	1,000.00
Eleanor	Pitcock	10006 Balmforth Houston, TX			1,000.00
James D.	Pitcock	10006 Balmforth Houston, TX			1,000.00
Donald	Sowell	P.O. Box 187 Hempstead, TX	Self	Businessman	1,000.00
Jack E.	Urquhart	900 Two Houston Center, Houston, TX	Self	Attorney	1,000.00
					<u>18,000.00</u>



WASHINGTON FOR CONGRESS  
SCHEDULE OF COMMITTEE DONATIONS

COMMITTEE	ADDRESS	CITY	ST	ZIP	AGGREGATE Y-T-D CONTRIBUTION P E
U.R.L.L. & P.M.A. PAC see Total on	87 South High Street	Akron	OH	44308	1000.00 PAC  1000.00

21040831334

**SCHEDULE C**  
(Revised 3/80)

**LOANS**

**EXHIBIT E**

Page: 1 of 1  
LINE NUMBER 1 (a)  
(Use separate schedules for each numbered line)

Name of Committee (In Full) <b>Craig Washington for Congress Committee - C00238329</b>			
A. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
<b>Columbia Savings P. O. Box 58408 Nassau Bay, Texas 77058</b> Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	<b>\$ 25,201.49</b>	<b>\$ 0.00</b>	<b>\$ 25,201.49</b>
Terms: Date Incurred <u>10/23/89</u> Date Due <u>1/23/91</u> Interest Rate <u>14</u> % (apr) (Ltr) Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code <b>Craig A. Washington 2323 Caroline Houston, Texas 77004</b>	Name of Employer <b>Self</b>		
	Occupation <b>Attorney</b>		
	Amount Guaranteed Outstanding: <b>\$ 25,201.49</b>		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
B. Full Name, Mailing Address and ZIP Code of Loan Source	Original Amount of Loan	Cumulative Payment To Date	Balance Outstanding at Close of This Period
<b>Deposit Guaranty Bank Houston Banking Office P. O. Box 924449 Houston, Texas 77202-4449</b> Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): <b>Special</b>	<b>\$ 36,000.00</b>	<b>\$ 0.00</b>	<b>\$ 36,000.00</b>
Terms: Date Incurred <u>11/03/89</u> Date Due <u>5/3/91</u> Interest Rate <u>12.75</u> % (apr) Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code <b>Craig A. Washington 2323 Caroline Houston, Texas 77004</b>	Name of Employer <b>Self</b>		
	Occupation <b>Attorney</b>		
	Amount Guaranteed Outstanding: <b>\$ 36,000.00</b>		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: <b>\$</b>		
ALS This Period This Page (optional) .....			<b>\$ 61,201.49</b>

90 DEC 11 AM 9:31

BEFORE THE FEDERAL ELECTION COMMISSION

**SENSITIVE**

In the Matter of	)	
	)	MUR 3057
Craig Washington for	)	
Congress Committee	)	
Walter Davis, as treasurer	)	
	)	

**EXECUTIVE SESSION**

**DEC 18 1990**

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

On April 24, 1990, the Commission found reason to believe that the Craig Washington for Congress Committee ("the Committee") and Walter Davis, as treasurer, ("Respondents") violated 2 U.S.C. § 434(a)(6). The Committee received four contributions, totaling \$64,701.49, within 20 and two days of the November 7, 1989, special primary election. The contributors included an individual (\$1,000), a political action committee (\$2,500), and two candidate-guaranteed bank loans (\$25,201.49 and \$36,000).

The Committee did not submit 48-hour reports for the amounts received on three dates before the special primary, but reported the receipts on the 1989 12 Day Special Pre-Run-Off Report which covered the period October 19, 1989, through November 19, 1989.

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On October 22, 1990, this Office mailed a probable cause brief to the respondents. On November 7, 1990, Respondents submitted a reply brief.

**II. ANALYSIS**

In its brief, the Committee admitted the Commission's allegations that "the contributions and bank loans were not disclosed in the 48-hour reports...." However, the Committee asserted that it was "fundamentally and substantially in compliance with the FECA and related regulations." The Committee based this assertion on the fact that the contributions were disclosed on the "next scheduled report," and argued that there is "considerable lack of clarity as to whether [pre-election bank] loans are subject to 48-hour reporting requirements."

**Respondents' assertions**

The attached reply brief again restated the issues the Committee raised in response to the reason to believe finding.

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According to the Committee, it received 91 contributions during the period between October 19 and November 4, 1989, before the November 7, 1989, special primary election. The Committee admitted that two of the direct contributions were not reported on 48-hour reports, and instead were reported after the special primary on the 1989 12 Day Special Pre-Run-Off Report. However, the Committee again argued that these omissions occurred because of "a bookkeeping error" resulting from "the extremely condensed timetable of the election and the consequent administrative burden on the campaign staff." The argument that the omissions resulted "inadvertently" may mitigate, but does not vitiate the violation of Section 434(a)(6) in this matter. Attachment A, p. 2.

In addition, the Committee asserted that there was "considerable confusion as to whether the candidate loans were required to be treated as contributions reportable under the 48-hour reporting rules." Attachment A, pp. 2-4. Respondents claimed their confusion arose from the fact that bank loans are specifically exempted from the definition of contribution. They apparently understood this exemption to mean that a bank loan "was not a 'contribution,'" thus, "not required to be reported...on the 48-hour reports." Further, Respondents argued that the Committee's interpretation of the 48-hour reporting rules is supported by legislative history and court action. Respondents reasoned that failure to report the candidate loans on 48-hour reports was consistent with the underlying purpose of disclosure because:

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The disclosure of these loans would have neither alerted voters about an as of yet undisclosed interest to which the candidate might be responsive, nor facilitated voters' predictions of Mr. Washington's future performance as an office holder. [Attachment A, p.3.]

Respondents also discussed an article in the Record stating, "the Commission guidance in the Record on this issue did not appear at all contrary to [the Committee's] interpretation."

Respondents' arguments are not persuasive. If the Committee assumed the candidate loans were not to be reported on 48-hour reports, it is not clear how they concluded that the same loans were to be reported on the next periodic report they filed.

Although the law exempts bank loans from the definition of contribution, it provides that such loans will be considered a contribution by each endorser and guarantor. 2 U.S.C.

§ 431(8)(B)(vii). Further, the Act specifically requires

reporting of loans guaranteed by the candidate. 2 U.S.C.

§ 434(b)(2)(G).

In addition, Respondents contended that their confusion arose, in part, from the Commission's publications rather than from a misreading of the statute by an admittedly novice staff. Respondents' brief discussed the 1988 Record and the Act's legislative history, but provided no evidence that the Committee consulted either source or directly contacted the FEC for guidance. The sections cited in the Commission's 1988 Campaign Guide for Congressional Candidates and Committees (p. 13) and the Regulations emphasize that a bank loan is not a contribution by the lending institution, and the Guide clearly states that all receipts must be reported. 11 C.F.R. § 100.7(b)(11).

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Therefore, this Office recommends that the Commission find probable cause to believe that the Committee violated 2 U.S.C. § 434(a)(6) in this matter.

**III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY**

**IV. RECOMMENDATIONS**

1. Find probable cause to believe that the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6).
2. Approve the attached conciliation agreement and appropriate letter.

Lawrence M. Noble  
General Counsel

21040331390  
Date 12/10/90

BY:   
Lois G. Werner  
Associate General Counsel

**Attachments**

- A. Committee's Brief
- B. Proposed Conciliation Agreement

**Staff Assigned: Frances B. Hagan**

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3057  
Craig Washington for Congress Committee )  
and Walter Davis, as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 18, 1990, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 3057:

1. Find probable cause to believe that the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated 2 U.S.C. § 434(a)(6).
2. Approve the conciliation agreement and appropriate letter as recommended in the General Counsel's report dated December 10, 1990.

Commissioners Aikens, Elliott, McDonald, McGarry, and Thomas voted affirmatively for the decision; Commissioner Josefiak was not present.

Attest:

12-21-90  
Date

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

91040331891



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 3, 1991

Robert F. Bauer, Esquire  
B. Holly Schadler, Esquire  
Perkins Coie  
1110 Vermont Avenue, N.W.  
Washington, D.C. 20005

RE: MUR 3057  
Craig Washington for Congress  
Walter Davis, as treasurer

Dear Mr. Bauer and Ms. Schadler:

On December 18, 1990, the Federal Election Commission found that there is probable cause to believe your clients, the Craig Washington for Congress Committee and Walter Davis, as treasurer, violated U.S.C. § 434(a)(6), a provision of the Federal Election Campaign Act of 1971, as amended.

The Commission has a duty to attempt to correct such violations for a period of 30 to 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement during that period, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission within ten days. I will then recommend that the Commission accept the agreement. Please make your check for the civil penalty payable to the Federal Election Commission.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

Enclosure  
Conciliation Agreement

2104031392

EGC 0068

# PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
1110 VERMONT AVENUE, N.W. • WASHINGTON, D.C. 20005 • (202) 887-9030

91 FEB 13 PM 12:21

RECEIVED  
FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

February 13, 1991

Ms. Fran Hagen  
Federal Election Commission  
Office of the General Counsel  
6th Floor  
999 E Street, NW  
Washington, DC 20463

Re: MUR 3057

Dear Ms. Hagen:

Enclosed is the conciliation agreement signed by Sidney J. Braquet for the Craig Washington for Congress Committee.

Sincerely,

  
B. Holly Schadler

Enclosure

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**BEFORE THE FEDERAL ELECTION COMMISSION**

**SENSITIVE**

In the Matter of	)	
	)	MUR 3057
Craig Washington for Congress	)	
Committee	)	
Walter Davis, as treasurer	)	

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

Attached is a conciliation agreement which has been signed by Sidney J. Braquet, assistant treasurer of the Craig Washington for Congress Committee.

**II. RECOMMENDATIONS**

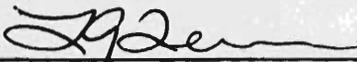
1. Accept the attached conciliation agreement with the Craig Washington for Congress Committee and Walter Davis, as treasurer.
2. Approve the appropriate letter.

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3. Close the file.

Lawrence M. Noble  
General Counsel

2/25/91  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

Attachments  
Conciliation Agreement

Staff Assigned: Frances B. Hagan

91040331395

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Craig Washington for Congress ) MUR 3057  
Committee; )  
Walter Davis, as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 28, 1991, the Commission decided by a vote of 6-0 to take the following actions in MUR 3057:

1. Accept the conciliation agreement with the Craig Washington for Congress Committee and Walter Davis, as treasurer, as recommended in the General Counsel's Report dated February 25, 1991.
2. Approve the appropriate letter, as recommended in the General Counsel's Report dated February 25, 1991.
3. Close the file.

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

Attest:

3-1-91  
Date

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

Received in the Secretariat: Tues., Feb. 26, 1991 11:30 a.m.  
Circulated to the Commission: Tues., Feb. 26, 1991 4:00 p.m.  
Deadline for vote: Thurs., Feb. 28, 1991 4:00 p.m.

dr

91040331896



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

March 7, 1991

**CLOSED**

Robert F. Bauer, Esquire  
B. Holly Schadler, Esquire  
1110 Vermont Avenue, N.W.  
Washington, D.C. 20005

RE: MUR 3057  
Craig Washington for Congress  
Walter Davis, as treasurer

Dear Mr. Bauer and Ms. Schadler:

On February 28, 1991, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. § 434(a)(6), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

This matter will become a part of the public record within 30 days. If you wish to submit any factual or legal materials to appear on the public record, please do so within ten days. Such materials should be sent to the Office of the General Counsel. Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 376-8200.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

Enclosure  
Conciliation Agreement

21040331897

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 3057  
Craig Washington for Congress )  
Committee )  
Walter Davis, as treasurer )

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Craig Washington for Congress Committee and Walter Davis, as treasurer, ("Respondents") violated 2 U.S.C. § 434(a)(6).

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

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

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

III. Respondents enter voluntarily into this agreement with the Commission.

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

1. Craig Washington for Congress Committee is a political committee within the meaning of 2 U.S.C. § 431(4).
2. Walter Davis is treasurer of the respondent committee.

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3. The Federal Election Campaign Act of 1971, as amended ("the Act") provides that the principal campaign committee of a candidate shall file notifications of any contributions of \$1,000 or more received by any authorized committee after the 20th day, but more than 48 hours before any election. This notification shall be made within 48 hours after receipt of such contribution and shall include the name of the candidate and the office sought, the identification of the contributor, and the date of receipt and amount of the contribution. 2 U.S.C. § 434(a)(6)(A). This notification shall be in addition to all other reporting requirements under the Act. 2 U.S.C. § 434(a)(6)(B).

4. The Act defines "identification" to mean in the case of any individual, the name, mailing address, and occupation of each individual, as well as the name of his or her employer; and in the case of any other person, the full name and mailing address. 2 U.S.C. § 431(13).

5. Respondents received four contributions totaling \$64,701.49 that were received between the 20th day but more than 48 hours before the special primary election. These contributions were received on the following dates and in the indicated amounts on those dates:

Date Received	Aggregate Amount
10/19/89	\$ 1,000.00
10/23/89	25,201.49
11/03/89	38,500.00
Total	<u>\$64,701.49</u>

6. Respondents did not submit 48-hour reports for the amounts received on three dates noted in 5 above, but reported

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the receipts on the 1989 12 Day Special Pre-Run-Off Report which covered the period October 19, 1989, through November 19, 1989.

V. Respondents failed to file 48-hour reports in violation of 2 U.S.C. § 434(a)(6).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of three thousand dollars (\$3,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

1. One initial payment of \$500 due within 30 days of the effective date of this agreement;

2. Five additional payments of \$500, each due within 30 days of the previous payment.

3. In the event that any installment payment is not received by the Commission by the fifth day after the 30 day period in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondents. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the

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District of Columbia.

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

IX. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble  
General Counsel

BY:   
Lois G. Lerner  
Associate General Counsel

3/6/91  
Date

FOR THE RESPONDENTS:

  
(Name)  
(Position) Sidney J. Braquet  
Assistant Treasurer

2/12/91  
Date

21040831901



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3057

DATE FILMED 3/29/91 CAMERA NO. 4

CAMERAMAN AS

21040331902



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

91040842820

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3057.

06C 0595

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

91 APR -1 AM 10:56

CRAIG WASHINGTON FOR CONGRESS  
P.O. BOX 2588  
HOUSTON, TEXAS 77252-2588

**CLOSED**

March 28, 1991

Ms. Lois G. Lerner  
Associate General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, D.C. 20463

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 APR -2 AM 10:33

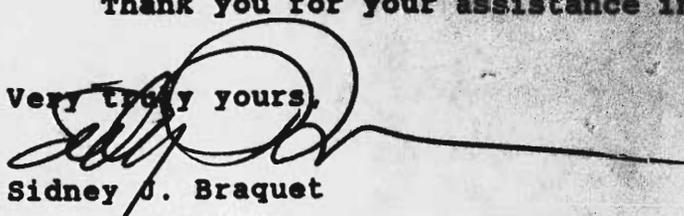
RE: MUR 3057  
CRAIG WASHINGTON FOR CONGRESS COMMITTEE

Dear Ms. Lerner:

Enclosed please find the Committee's check in the sum of \$500.00 toward the first installment on the FEC penalty on the above-referenced matter.

Thank you for your assistance in this matter.

Very truly yours,

  
Sidney J. Braquet

encl.

91040842821



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 1, 1991

TWO WAY MEMORANDUM

TO: Fabrae Brunson  
OGC, Docket

FROM: Philomena Brooks *PB*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Craig Wash.  
for Congress, check number 02234, dated  
Mar. 28, 1991, and in the amount of \$ 500.00.  
Attached is a copy of the check and any correspondence that  
was forwarded. Please indicate below the account into which  
it should be deposited, and the MUR number and name.

TO: Philomena Brooks  
Accounting Technician

FROM: Fabrae Brunson *job*  
OGC, Docket

In reference to the above check in the amount of  
\$ 500.00, the MUR number is 3057 and in the name of  
Craig Washington for Congress. The account into  
which it should be deposited is indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: \_\_\_\_\_

Fabrae Brunson  
Signature

4/3/91  
Date

91040842822

02234

CRAIG WASHINGTON FOR CONGRESS  
P.O. BOX 2588 PH. 713-528-1818  
HOUSTON, TEXAS 77252-2588

35-60/1130

DATE  
03/28/91

CHECK AMOUNT  
\$ 500.00

Pay FIVE HUNDRED AND NO/CENTS

TEXAS COMMERCE BANK, N.A.  
HOUSTON, TEXAS

To The Order of  
FEDERAL ELECTION COMMISSION

AUTH. SIG. 

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⑆002234⑆ ⑆113000609⑆ ⑆00200293530⑆

02234

VENDOR	DATE	FILE NUMBER	CUSTOMER NUMBER	AMOUNT	GENERAL LEDGER	COMMENT	ENTRY #
	03/28/91			\$ 500.00		FEC PAYMENT TOWARDS MUR No. 3057	PENALTY

PLEASE DETACH BEFORE DEPOSITING



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3057.

7/31/91



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CLOSED**

July 9, 1991

**TWO WAY MEMORANDUM**

**TO:** Fabrae Brunson  
OGC, Docket  
**FROM:** *Sharon M Stewart*  
*for* Philomena Brooks  
Accounting Technician

**SUBJECT:** Account Determination for Funds Received

We recently received a check from Craig Washington  
for Congress, check number 0100, dated 7/3/91, and in the amount of \$500.00.  
Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

-----  
**TO:** Philomena Brooks  
Accounting Technician  
**FROM:** Fabrae Brunson *JFB*  
OGC, Docket

In reference to the above check in the amount of \$ 500.00, the MUR number is 3657 and in the name of Craig Washington for Congress. The account into which it should be deposited is indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: \_\_\_\_\_

*Fabrae Brunson*  
Signature

*July 12, 1991*  
Date

91040355233

06-1530

010  
35-0/1130

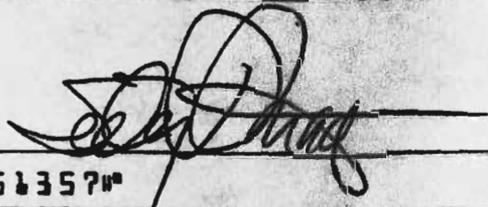
CRAIG WASHINGTON FOR CONGRESS  
P. O. Box 2588  
Houston, Texas 77252-2588

July 3, 19 91

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION \$ 500.00

FIVE HUNDRED AND NO/CENTS DOLLARS

**BANK ONE**  
BANK ONE, TEXAS, NA  
810 Travis  
Houston, Texas 77002



FOR MUR NO. 3057  
Payment towards penalty

⑆⑆3000065⑆ ⑈00⑆005⑆357⑈

91040355234

GUARANTEE SAFETY  
FOR YOUR PROTECTION  
THIS CHECK MUST BE  
CASHED WITHIN 90 DAYS  
OF THE DATE OF ISSUE  
OR IT WILL BE  
DECLARED VOID



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3057.

9/12/91

71040061306

06-2437

Pass the torch to Craig   
**WASHINGTON**   
For Congress

September 6, 1991

**CLOSED**

Ms. Lois G. Lerner  
Associate General Counsel  
Federal Election Commission  
999 E Street N.W.  
Washington, D.C. 20463

AM10:53

RE: MUR 3057  
CRAIG WASHINGTON FOR CONGRESS COMMITTEE

Dear Ms. Lerner:

Enclosed please find the Committee's check in the sum of \$500.00 toward the FEC penalty on the above-referenced matter.

Pursuant to the conciliation agreement, this represents the final installment which brings to a total \$3,000.00 paid on this matter. I understand a previous letter sent to you dated August 7, 1991 misstates the total penalty to have been \$3,500.00. Your copy of the executed Conciliation Agreement should confirm that the total penalty was \$3,000.00.

Thank you for your assistance in this matter.

Very truly yours

  
Sidney J. Braquet  
Assistant Treasurer

encl.

cc: file, Houston and Washington offices



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Sept 10, 1991

TWO WAY MEMORANDUM

TO: Fabrae Brunson  
OGC, Docket

FROM: Philomena Brooks *PB*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Craig Washington, check number 02281, dated Sept 6, 1991, and in the amount of \$ 500.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Philomena Brooks  
Accounting Technician

FROM: Fabrae Brunson *FB*  
OGC, Docket

In reference to the above check in the amount of \$ 500.00, the MUR number is 3057 and in the name of Craig Washington College Fund. The account into which it should be deposited is indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: \_\_\_\_\_

Philomena Brooks  
Signature

September 11 1991  
Date

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12201

VENDOR	DATE	FILE NUMBER	CUSTOMER NUMBER	AMOUNT	GENERAL LEDGER	COMMENT	ENTRY #
	9/6/91			\$ 500.00		MUR No. 3057 Final Payment on Penalty	

PLEASE DETACH BEFORE DEPOSITING

02281

**CRAIG WASHINGTON FOR CONGRESS**

P.O. BOX 2588 PH. 713-526-1818  
HOUSTON, TEXAS 77252-2588

35-80 / 1130

DATE
9/6/91

CHECK AMOUNT
\$ 500.00

Pay FIVE HUNDRED AND NO/CENTS

TEXAS COMMERCE BANK, N.A.  
HOUSTON, TEXAS

To The  
Order  
of

FEDERAL ELECTION COMMISSION

AUTH  
SIG.

⑈00228⑈ ⑆⑆⑆3000609⑆ ⑈00100293530⑈

OGC 2171

COMMISSION

91 AUG -7 PM 12:49



August 7, 1991

**CLOSED**

91 AUG -7 PM 12:49:00

Ms. Lois G. Lerner  
 Associate General Counsel  
 Federal Election Commission  
 999 E Street, NW  
 Suite #657  
 Washington, D.C. 20463  
**By Messenger Delivery**

Dear Ms. Lerner:

Please find enclosed check number #02277 from the "Craig Washington for Congress Committee" in the amount of Five Hundred Dollars (\$500.00). This is the monthly payment towards the \$3,500.00 total penalty (MUR NO. 3057) that has been assess to the Committee.

According to our records, the following dates indicate the date and check number as filed with the FEC.

March 28, 1991	#2234
May 7, 1991	#2251
June 12, 1991	#001
July 3, 1991	#010
August 7, 1991	#02277

Thank you for your time and attention to this matter. If you have any questions, please feel free to contact me at (713) 739-7339.

Sincerely,

Sidney J. Braquet  
 Counsel

SJB:DXS:dxs

713 739 7339



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 7, 1991

TWO WAY MEMORANDUM

TO: Fabrae Brunson  
OGC, Docket

FROM: Philomena Brooks *PB*  
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Craig Washington  
for Congress, check number 05277, dated  
Aug 2, 1991, and in the amount of \$ 500.00.  
Attached is a copy of the check and any correspondence that  
was forwarded. Please indicate below the account into which  
it should be deposited, and the MUR number and name.

=====

TO: Philomena Brooks  
Accounting Technician

FROM: Fabrae Brunson  
OGC, Docket

In reference to the above check in the amount of  
\$ 500.00, the MUR number is 3057 and in the name of  
Craig Washington. The account into  
which it should be deposited is indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: \_\_\_\_\_

Philomena Brooks  
Signature

August 8 1991  
Date

1104033

02277

VENDOR	DATE	FILE NUMBER	CUSTOMER NUMBER	AMOUNT	GENERAL LEDGER	COMMENT	ENTRY #
	8/6/91			\$ 500.00		Payment towards penalty MUR NO. 3057	

PLEASE DETACH BEFORE DEPOSITING

02277

35-60 / 1130

**CRAIG WASHINGTON FOR CONGRESS**

P.O. BOX 2588 PH. 713-526-1818  
HOUSTON, TEXAS 77252-2588

DATE
08/06/91

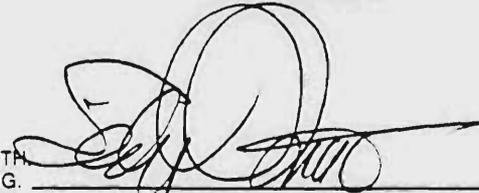
CHECK AMOUNT
\$ 500.00

Pay FIVE HUNDRED AND NO/CENTS-----

TEXAS COMMERCE BANK, N.A.  
HOUSTON, TEXAS

To The  
Order  
of FEDERAL ELECTION COMMITTEE

AUTH.  
SIG.



⑈002277⑈ ⑆13000609⑆ ⑈00100293530⑈