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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NH1344

September 19, 1990

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SUBINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: THE ATLANTA '88 COMMITTEE, INC. - MATTERS REFERABLE TO
THE OFFICE OF GENERAL COUNSEL

Attached please find two matters approved by the Commission on September 18, 1990 for referral to your office. If you have any questions or wish to review any audit workpapers, please contact Tom Nurthen or Alex Boniewicz at 376-5320.

Attachments:

- Exhibit A: Contributions Received From Contributors Located Outside the Metropolitan Statistical Area
- Exhibit B: Apparent Prohibited Contributions

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MATTER REFERABLE TO OGC
THE ATLANTA '88 COMMITTEE, INC.

EXHIBIT A
Page 1 of 5

Contributions Received From Contributors Located Outside
the Metropolitan Statistical Area

Section 9008.7(d)(2)(iv) of Title 11 of the Code of Federal Regulations states that for purposes of 11 C.F.R. § 9008.7(d)(2), any business, municipal corporation, agency or labor organization within the Metropolitan Statistical Area (MSA) of the convention city shall be considered local. There shall be a rebuttable presumption that any such entity located outside the MSA is not local. This presumption may be rebutted by a showing that the volume of business in an area lying outside the MSA would be directly affected by the presence of the convention.

The Committee reported receiving in-kind contributions, totaling \$86,775, from 5 vendors located outside the Metropolitan Statistical Area (MSA) of the convention city. The vendors were located in New York (2), Virginia, Texas, and California and do not appear to have local and/or subsidiary offices within the MSA.

Four of the in-kind contributions, totaling \$85,800, were made in conjunction with two events hosted by the Committee (Production Arts Lighting, Inc. - \$25,000, Pro-Mix Inc. - \$20,000, Kimball Audio Visual - \$40,000, Quibell Bottled Water - \$800). The fifth in-kind contribution related to the donation of 2,500 Convention/Atlanta '88 signs (Innovative Resources - \$975).

With respect to 3 of the 4 in-kind contributions associated with the two events, the vendors were paid, in part, for equipment and services provided. For example, one vendor was paid \$36,000 for equipment and services, and also donated \$25,000 in equipment.

Counsel for the Committee states, with respect to the four in-kind contributions associated with the media event and victory celebration, that the Committee employed C. Henning Studios, Inc. ("Henning") primarily to produce two special events in connection with the hosting of the Convention. In connection with the events, Henning was provided with a budget of \$745,655. In order to accomplish that goal, Henning was able to arrange for several of its regular subcontractors and suppliers who were involved in the production to accord to Henning certain discounts and trade credits in the ordinary course. As a consequence, the discounts and trade credits do not constitute in-kind contributions to the Committee. Further, in the spirit of full disclosure since the Committee required information regarding these matters, they were disclosed. If that disclosure is a problem the reports can be amended to delete it.

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With respect to the 2,500 promotional signs (\$975), Counsel states that the vendor donated the signs for a meeting of the Association of Democratic State Chairmen which took place in Atlanta in June, 1988, and that the meeting was wholly unrelated to the business of the Convention or hosting of the Convention, and it appears that the value of the promotional materials was erroneously included in an Atlanta '88 report.

With respect to the 4 in-kind contributions associated with the two events, the Audit staff disagrees with the Committee's contention that the discounts and trade credits (disclosed as in-kind contributions by the Committee) afforded to Henning were made in the ordinary course. As previously stated one vendor was paid by Henning \$36,000 for equipment and services, then donated \$25,000 in equipment. Further, another vendor was paid \$1,300 and donated \$40,000 in audio/visual equipment, another vendor was paid \$30,000 and donated \$20,000 in sound equipment. Finally, there was no evidence made available to date, which indicates that the vendor who supplied 100 cases of bottled water for the media event (\$800) was paid an amount by Henning.

It should be noted that the Regulations do not specifically address contributions from sub-contractors (located outside the MSA) of contractors (within the MSA). However, it is the opinion of the Audit staff that even though the contractor is located within the MSA, any contributions which result from sub-contract work, as described above, represent contributions from the sub-contractor to the Committee. Further, it is our opinion that in order to comply with 11 C.F.R. §9008.7(d)(2), the sub-contractor must be located within the MSA.

With respect to the 2,500 promotional signs, the Audit staff disagrees with the Committee's assertion that the value of the promotional materials was reported in error by the Committee. Our review of Committee generated documentation made available, which was apparently based on phone conversations with the vendor, indicated that the signs were for a volunteer rally and apparently said "DNC/Atlanta '88."

Absent additional evidence to the contrary, it is the opinion of the Audit staff that the in-kind contributions (\$86,775) were not made in accordance with 11 C.F.R. §9008.7(d)(2).

In the interim audit report, the Audit staff recommended that the Committee provide documentation which demonstrates that the in-kind contributions were not made by contributors located outside the MSA or refund the dollar value of the in-kind contributions to the vendors and provide evidence of such refunds.

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In response to the interim audit report, Counsel for the Committee states that the transactions in question do not constitute contributions, whether cash or in-kind, to the Committee, and as a consequence, no remedial action by the Committee with respect to these transactions is appropriate.

Further, the transactions were the result of arms length transactions between a local business and its suppliers. Counsel also states that,

"it is unreasonable to characterize whatever trade credits, discounts or other accommodations which Henning was able to negotiate with its suppliers as a contribution to Atlanta '88. At no time did Atlanta '88 negotiate with any of Henning's suppliers for such trade credits, discounts or accommodations. To the contrary, Atlanta '88 negotiated a fixed price, turn-key contract with Henning in order to completely remove itself from all of the exigencies attendant to negotiating with subcontractors. The risks and the rewards associated with those negotiations were allocated in a commercial relationship between Atlanta '88 and Henning. The only reason that the information with respect to these suppliers is presently being debated is that Atlanta '88 in its efforts to be a responsible manager of the funds budgeted for these purposes, required Henning to provide it with periodic updates on performance and costs. Such information, among other things, permitted Atlanta '88 to monitor the profitability of contracts such as the one with Henning. Apparently, the personnel who maintained the records for Atlanta '88, because the overwhelming majority of financial information with which they dealt consisted of contributions or expenditures, inadvertently recorded these data as in-kind contributions to Atlanta '88. This recording and disclosure has resulted in an unfortunate misconstruction of the character of the items. The fact that the information has been disclosed should not command a conclusion that the items were in-kind contributions to Atlanta '88. Rather, the substance of the relationship described above should control, producing a conclusion that an arms-length business relationship existed between Atlanta '88 and Henning and between Henning and its suppliers which resulted in business relationships and pricing arrangements which cannot be construed as contributions by those business suppliers to Atlanta '88."

"Even if the items discussed above constitute in-kind contributions by the Henning suppliers to

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Atlanta '88, at least in the instances of items 1 and 2 [Production Arts Lighting, Inc. and Pro-Mix, Inc.] they would be permitted under the applicable regulations. First, the underlying public policy which supports these regulations should be recognized. In the Explanation and Justification of Regulations Concerning Federal Financing of Presidential Nominating Conventions, Part 9008, CCH Paragraph 1313, Section 9008.7, it is made clear that the restrictions concerning who may donate funds to defray Convention related expenses were generated in order to ensure that such donations were commercially rather than politically motivated. Donations by local businesses to host committees are presumed to be commercially, rather than politically, motivated because of the economic benefit that will likely inure to the benefit of local enterprises as a result of the Convention being held in that locale. With that public policy underpinning in mind, it should be clear that the items involved in this context should not be viewed as violative of the public policy or the regulations which are based on that policy. In each case associated with the Henning contract it is clear that the suppliers were 100% motivated by commercial and economic interests and that political motivation was not a factor."

"Despite the fact that offices of these suppliers are located in areas outside of Atlanta, the actions with respect to items 1, 2, 3 and 4 were driven completely by commercial considerations. In the case of items 1 and 2, present revenue generation was a consideration (Production Arts received \$36,000 and Pro Mix received \$30,000). In the case of items 3 and 4, the maintenance of valuable commercial relationships was the motivating factor. There is no evidence indicating any political motivation. In light of the underlying public policy, the standard contained in the regulation for rebutting the presumption is probably unreasonably restrictive. It should simply require a showing of a commercial basis for the action. In any event, as is set forth in the attached letter, it is unlikely that Pro-Mix or Production Arts would have received any revenue had the Convention been located in another city and, as a consequence, the volume of business resulting in their area was directly affected by the Convention being located in Atlanta. Since there is no evidence that these actions were politically motivated and the overwhelming evidence is that each of the Items were motivated by commercial and

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economic considerations, the regulations should be construed to permit the activity. Even a narrow reading of the regulations; however, would produce a conclusion that the presumption is rebutted in the case of Pro-Mix and Production Arts."

With respect to the 2,500 promotional signs (\$975), Counsel states the signs were not donated to Atlanta '88, nor were they related to the efforts of Atlanta '88 to host the Convention.

Counsel does offer possible remedial action in the event the Commission concludes that such action is necessary. Counsel requests that the Committee be permitted to give a charity in the city of Atlanta an amount equal to any refund recommended by the Commission. See Attachment I, pages 1 through 14.

It remains the Audit staff's opinion that the trade credits and/or discounts (\$85,800) were not made in the ordinary course of business and, in fact, represent in-kind contributions from the sub-contractors to the Committee, and that the value of the 2,500 promotional signs (\$975) also represents an in-kind contribution to the Committee. Further, it is our opinion that the above in-kind contributions were made by business entities located outside the MSA which thereby renders Counsel's assertions that the contributions should be viewed as permissible because they were commercially rather than politically motivated as moot, since the applicable Regulation and Explanation/Justification for same, cited by the Committee, refers to contributions by local businesses only.

Recommendation R#1

It is the opinion of the Audit staff that the Committee has not demonstrated that the in-kind contributions were not from prohibited sources and as a result has not complied with the recommendation contained in the interim audit report. Further, the Audit staff recommends that, based on the Commission's approved Materiality Thresholds, the matter be referred to the Commission's Office of General Counsel.

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B. Apparent Prohibited Contributions

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any national bank to make a contribution or expenditure in connection with any primary election or political convention or caucus held to select candidates for any political office, or in connection with any primary election or political convention or caucus held to select candidates for any office.

Section 9008.7(d)(2)(i) of Title 11 of the Code of Federal Regulations states, in part, that local businesses, excluding banks, local municipal corporations and government agencies, local labor organizations and individuals may donate funds or make in kind contributions to a host committee for purposes set forth at 11 C.F.R. § 9008.7(d)(2)(iii).

Advisory Opinions 1981-49 and 1984-61 appear to conclude that bank holding companies may make contributions only if the contribution is made from funds other than those resulting from operations of the Bank and provided that the recipient is permitted by law to receive corporate contributions.

The Committee reported receiving 12 contributions, totaling \$49,160, which includes an in-kind contribution of \$300, from 4 banks and/or bank holding companies.*/ The funds were used for various host committee activities. A review of the contributor checks transmitting the above contributions indicated that either "official bank" checks or checks of the bank holding company were used. However, it was not possible to determine the source of the funds used in making the above contributions, i.e. revenues of the bank or non-banking entities controlled by the bank holding company.

In the interim audit report, the Audit staff recommended that the Committee provide documentation which demonstrates that the contributions were not from prohibited sources; if the contributions were from bank holding companies, provide documentation which demonstrates that the funds used were from sources other than bank related entities, or refund the contributions and provide evidence of such refunds.

In response to the interim audit report, the Committee refunded four contributions totaling \$8,530 (First Atlanta

*/ The Committee demonstrated that eight contributions, totaling \$40,630, were not from prohibited sources.

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Corporation - \$5,000*/, Citibank, N.A. - \$2,500, Bankers Trust Company - \$730, Citizens and Southern Corporation - \$300) and provided copies of the refund checks.

Recommendation R#2

Based on Commission approved Materiality Thresholds, the Audit staff recommends that this matter, receipt of four contributions totaling \$8,530 from banks, be referred to the Office of General Counsel.

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*/ Counsel explained that this contribution was also intended to be from First Atlanta Corporation (the holding company), however, it was inadvertently charged to (paid from) an account of The First National Bank of Atlanta.

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

FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR 3124

STAFF MEMBER Mary P. Mastrobattista

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

RESPONDENTS: The Atlanta '88 Committee, Inc. and
Michael Lomax, as treasurer
Production Arts Lighting, Inc.
Pro-Mix, Inc.
Kimball Audio Visual
Quibell Corp.
Innovative Resources
First National Bank of Atlanta
Citibank, N.A.
Bankers Trust Company
Citizens and Southern National Bank

RELEVANT STATUTES: 2 U.S.C. § 431(8)(A)(i)
2 U.S.C. § 441b(a)
11 C.F.R. § 100.7(a)(1)(iii)
11 C.F.R. § 9008.7(d)(2)(i)
11 C.F.R. § 9008.7(d)(2)(iv)

INTERNAL REPORTS CHECKED: 1988 Post-Election Report
1988 October Quarterly Report
1988 Year End Report
1991 July Quarterly Report

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was referred to the Office of the General Counsel on September 20, 1990 by the Audit Division. (Attachment 1). The referral concerns two issues: (1) the acceptance of contributions from contributors located outside the metropolitan statistical area by the Atlanta '88 Committee, Inc. ("the Committee") and Michael Lomax, as treasurer; and (2) the Committee's acceptance of apparent prohibited

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contributions from several banks.

II. FACTUAL AND LEGAL ANALYSIS

A. Introduction

The Committee registered with the Commission on February 20, 1987, as the Host Committee for the 1988 Democratic National Convention.¹ Commission regulations at 11 C.F.R. § 9008.7(d) address contributions to and expenditures by host committees, which are defined as nonprofit organizations whose principal objective is the encouragement of commerce in the convention city, as well as the projection of a favorable image of the city to convention attendees. The regulations for host committees provide that contributions from local businesses to a host committee for use in promoting the city and its commerce are permissible. 11 C.F.R. § 9008.7(d)(2). For purposes of section 9008.7(d)(2) of the regulations, there is no distinction between incorporated and unincorporated businesses. Both incorporated and unincorporated businesses may make contributions to a host committee as long as the business is considered to be local (within the metropolitan statistical area of the convention city). An unincorporated business which is not considered local, and which makes a contribution to a host committee to promote the convention city and its commerce, would violate 11 C.F.R. § 9008.7(d)(2)(i). An incorporated business which is not considered local and which makes a contribution to

1. According to the Committee's July 1991 Quarterly Report, the Committee had a cash on hand balance of \$343.94 as of June 30, 1991, and owed debts and obligations totaling \$125,000.

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a host committee to promote the convention city and its commerce, would violate 11 C.F.R. § 9008.7(d)(2)(i), as well as 2 U.S.C. § 441b(a). Furthermore, the regulations also provide that contributions from banks to a host committee are not permissible. The first issue in this matter concerns contributions to the Atlanta '88 Committee for use in promoting the city and its commerce from businesses which were not local. The second issue concerns contributions to the Atlanta '88 Committee from several banks.

B. Contributors Located outside the Metropolitan Statistical Area

1. The Vendors

The first issue concerns possible contributions to the Committee from five contributors located outside the metropolitan statistical area ("MSA"). The Committee executed a contract with C. Henning Studios, Inc. ("Henning"), a company in Atlanta, Georgia specializing in the production of special events, to produce two events for the convention. The first event was referred to as the "Media Event" which took place on July 16, 1988. The second event took place on July 21, 1988 at the conclusion of the convention and was referred to as the "Victory Celebration".

The contract between the Committee and Henning provided that the Committee would pay Henning \$745,655 to produce the two events. Henning subcontracted with several businesses located outside the metropolitan statistical area to provide equipment and services for the two events. Four of these vendors gave

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Henning certain discounts and trade credits totaling \$85,800. The Committee initially disclosed these discounts and trade credits as in-kind contributions as follows:

<u>Name</u>	<u>Date</u>	<u>Amount</u>
Kimball Audio Visual	07-16-88 to 07-22-88	\$40,000
Production Arts Lighting	07-16-88 to 07-22-88	\$25,000
Pro-Mix, Inc.	07-16-88 to 07-22-88	\$20,000
Quibell Bottled Water	07-16-88	\$ 800

These four vendors are described briefly below.

Kimball Audio Visual is in the business of leasing specialized monitor control equipment for image enlargement.

The company is located in Texas, and is not incorporated.

Kimball Audio Visual received \$1,300 for services rendered in connection with the Media Event and Victory Celebration. The Committee reported receiving an in-kind contribution of \$40,000 in audio/visual equipment from this vendor.

Production Arts Lighting, Inc. is located in New York, and is incorporated in New York. Production Arts Lighting, Inc. is in the business of supplying lighting equipment for rental and purchase. It appears that Production Arts Lighting, Inc. received \$36,000 for equipment and services rendered in connection with the Media Event and Victory Celebration. The Committee also reported receiving an in-kind contribution of \$25,000 from this vendor.

Pro-Mix, Inc. is also a New York corporation and is located in New Rochelle, New York. Pro-Mix, Inc. is engaged in the business of supplying audio equipment, technical equipment supervision, and equipment operation labor. It appears that

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Pro-Mix, Inc. was paid \$30,000 for equipment and services rendered in connection with the Media Event and Victory Celebration. The Committee also reported receiving an in-kind contribution of \$20,000 for sound equipment.

Quibell Corp. is located in Roanoke, Virginia and is a Virginia corporation. The Committee reported receiving an in-kind contribution of \$800 (100 cases of bottled water) in connection with the Media Event from Quibell Bottled Water (Quibell Corp).

The fifth contribution at issue in this matter concerns a \$975 in-kind contribution which the Committee reported receiving from Innovative Resources. Innovative Resources is located in Tarzana, California.² This in-kind contribution resulted from the donation of 2,500 signs. As discussed later in this Report, the Committee contends that this contribution was not donated to the Committee.

2. The Law

Under 2 U.S.C. § 441b(a), it is unlawful for any corporation to make a contribution or expenditure in connection with any political convention or caucus held to select candidates for federal office. 2 U.S.C. § 441b(a) also provides that it is unlawful for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by section 441b(a).

2. According to the California Corporation Division, Innovative Resources, Inc. dissolved on March 19, 1990. It appears, however, that the company is still doing business under the name of Innovative Resources.

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2 U.S.C. § 431(8)(A)(i) provides that 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. 11 C.F.R. § 100.7(a)(1)(iii) provides that for purposes of this section of the regulations, the term "anything of value" includes all in-kind contributions. The regulations further provide that unless specifically exempted under 11 C.F.R. § 100.7(b), the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution. 11 C.F.R. § 100.7(a)(1)(iii).

11 C.F.R. § 9008.7(d)(2)(i) states that local businesses may donate funds or make in kind contributions to a host committee for the purposes set forth in section 9008.7(d)(2)(iii).³ 11 C.F.R. § 9008.7(d)(2)(iv) states that for purposes of section 9008.7(d)(2) of the regulations, any business, municipal corporation, agency or labor organization within the MSA of the convention city shall be considered local. There shall be a rebuttable presumption that any such entity located outside the MSA is not local. This presumption may be rebutted by a showing that the volume of business in an area

3. 11 C.F.R. § 9008.7(d)(2)(iii) provides that a host committee shall use funds donated under section 9008.7(d)(2)(i) only for the following purposes: to defray expenses incurred to promote the city as a convention site; to defray expenses incurred to welcome convention attendees to the city; to defray expenses incurred in facilitating commerce; and to defray administrative expenses incurred by the host committee.

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lying outside the MSA would be directly affected by the presence of the convention. 11 C.F.R. § 9008.7(d)(2)(iv).

3. Application of the Law to the Facts

a. Relationships Between the Parties

This matter was referred to this Office based upon the Audit staff's determination that the discounts and trade credits given by the subcontractors detailed above (totaling \$85,500) were in-kind contributions to the Committee. Because the subcontractors were located outside the MSA, the Audit staff concluded that the in-kind contributions were not permissible under 11 C.F.R. § 9008.7(d)(2). The Committee contends that the discounts and trade credits do not constitute in-kind contributions to the Committee. It further asserts these discounts and trade credits were inadvertently reported as in-kind contributions.

As set forth in the regulations cited above, local businesses are permitted to make contributions to a host committee to promote the convention city and its commerce. Although section 9008.7(d)(2)(iv) requires that the business making the in-kind contribution to the host committee be located within the MSA, it is not clear whether the regulations apply to subcontractors of a business which is located within the MSA. Thus, the question presented in this matter is whether subcontractors located outside the MSA may make in-kind contributions to the host committee through the prime contractor

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which is located within the MSA.⁴

In response to the Interim Audit Report, the Committee argues that the discounts and trade credits do not constitute contributions to the Committee. Rather, the Committee states that "the items in question were the result of arms length transactions between a local business and its suppliers, not a contribution to the host committee." In support of this argument, the Committee submitted a letter from Henning. (Attachment 2). In this letter to the Committee, Henning describes its past business relationships with Pro Mix, Inc., Production Arts Lighting, Inc. and Kimball Audio Visual. Henning states that it has been doing business with Pro Mix, Inc. since 1983 and has paid Pro Mix, Inc. an average of \$90,000 a year during the course of its contractor-subcontractor relationship. Henning also states that it has been doing business with Production Arts Lighting, Inc. on a regular basis

4. In A.O. 1988-25, the Commission found that a vehicle loan program whereby General Motors would provide cars without charge to the Republican and Democratic National Committees in connection with their national nominating conventions was permissible. The instant matter is distinguishable from A.O. 1988-25 in several respects. First, in that opinion, the Commission emphasized that the vehicle loan program represented activity in the normal course of business for General Motors. In this matter, it is not clear that the vendors, as a normal course of business, offer such substantial discounts or trade credits as were given to Henning. Secondly, the host committee regulations at issue here were not the focus of the Commission's analysis in A.O. 1988-25, which centered on the regulations concerning in-kind contributions by retail businesses to the national committee and contributions to defray convention expenses. Finally, unlike the contributions at issue in the instant matter which were made in connection with the 1988 Democratic National Convention, the Commission noted the nonpartisan nature of General Motors' proposal in A.O. 1988-25.

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since 1977, and has paid Production Arts Lighting, Inc. approximately \$70,000 a year. Regarding Kimball Audio Visual, Henning states that it has been doing business with Kimball Audio Visual since 1984 and has paid Kimball Audio Visual an average of \$100,000 a year. Furthermore, Henning provided the following explanation regarding discounts and trade credits:

Our company regularly contracts with various subcontractors, such as the businesses referenced above, in order to complete our responsibilities under a contract for exhibit or concept services. Quite frequently, substantial discounts or trade credits are offered by a subcontractor to our company, as in the case of the referenced subcontractors, in appreciation for past business and in anticipation of continued future business.

Our company was able to obtain discounts and trade credits from the referenced subcontractors in the ordinary course of our business relationship with these entities. The referenced subcontractors have received substantial financial and business support from our company in the past, and we interpreted the trade credits and discounts from these subcontractors to us for the 1988 Democratic National Convention to represent the reward of good and profitable past business relationships and optimistic prospects for future business.

(Attachment 2, page 2). The Committee asserts that the letter from Henning supports its position that the subcontractors' decisions to offer discounts and trade credits were based on their long-standing commercial relationships with Henning, and unrelated to the fact that Henning had a contract with the Committee.

The Committee also argues in response to the Interim Audit Report that the contract between the Committee and Henning

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supports the Committee's position that the discounts and trade credits should not be construed as contributions to the Committee. The Committee contends that, following the execution of the contract between the Committee and Henning, production of the Media Event and the Victory Celebration was entirely up to Henning. The Committee asserts that it was not involved in any of the actions undertaken by Henning to satisfy its obligations under the contract, other than monitoring Henning's performance. The Committee further asserts that it was not privy to the details of the costs Henning expected to incur in connection with fulfilling its obligations under the contract. The Committee concludes that it is unreasonable to characterize whatever trade credits, discounts or other accommodations which Henning was able to negotiate with its subcontractors as contributions to the Committee.

Contrary to the Committee's assertions, it appears from the terms of the contract that the Committee did retain control over Henning's production of the two events, including control over the subcontractors hired by Henning. Article 6 of the contract between the Committee and Henning is entitled "Subcontractors." Section 6.02 of the contract is entitled "Subcontractors, Vendors, and Suppliers". This section of the contract gives Henning the right to employ subcontractors, vendors, and suppliers to furnish work or services for the production of the two events. Section 6.02 further requires that any subcontractors, vendors or suppliers hired by Henning maintain insurance policies which meet certain requirements set

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forth in the contract. In addition, this section of the contract requires that the insurance policies be held with insurance companies acceptable to both the Committee and Henning.

Section 6.03 of the contract is entitled "Approval by Atlanta '88". This section of the contract provides as follows:

As of the date hereof, Atlanta '88 has had an opportunity to review, and has approved all subcontractors selected by [Henning] along with the contents of the agreements entered into with such subcontractors to date. Atlanta '88 shall have the right to review and approve all persons or entities selected by [Henning] as subcontractors as well as any and all agreements entered into with such persons or entities after the execution hereof and during the remainder of the term of this Agreement.

(Attachment 3, page 20). These provisions illustrate that the Committee was not removed from the use of subcontractors in connection with the production of the Media Event and Victory Celebration. In fact, the Committee expressly retained the right to approve all subcontractors hired by Henning, as well as the terms of any agreements between Henning and subcontractors. Therefore, the Committee had the right to approve of any discounts or trade credits offered by the subcontractors prior to the two events.

Furthermore, from the contract itself it appears that the Committee intended that certain businesses would make in-kind contributions in connection with the Media Event and Victory Celebration. Section 3.07 of the contract, entitled "Budget", states in part:

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[Henning] may from time to time use its contacts with certain corporate sponsors to secure additional cash or in-kind donations to be used for the specific purpose of enhancing certain production elements in the Special Events for which provision has already been made in the budget. Such cash or in-kind contributions shall be made directly to Atlanta '88 for the enhancement purposes intended by the contributing sponsor. Such funds obtained by virtue of [Henning's] efforts on behalf of Atlanta '88 shall be considered additions to the available Special Events budget over and above the amounts allotted in the existing budget. In no event shall such cash or in-kind enhancement contribution be substituted for, or allocated in lieu of, the amounts already committed by Atlanta '88 to [Henning's] budget for the Special Events. (Emphasis added).

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(Attachment 3, page 11). Thus, the contract itself provides that any in-kind contributions were to be made directly to the Committee. The contract characterized Henning's role in procuring in-kind contributions as acting "on behalf" of the Committee. In its response to the Interim Audit Report, the Committee contends that "the personnel who maintained the records for Atlanta '88 . . . inadvertently recorded these data as in-kind contributions to Atlanta '88." It appears however that the in-kind contributions were reported as direct contributions to the Committee in accordance with the terms of the contract.

b. Attempts to Rebut the Regulatory Presumption

Alternatively, the Committee argues that the presumption regarding local businesses is rebutted in this matter.

11 C.F.R. § 9008.7(d)(2)(iv) provides that there shall be a rebuttable presumption that any business located outside the MSA

is not local. The presumption may be rebutted by a showing that the volume of business in an area lying outside the MSA would be directly affected by the presence of the convention. 11 C.F.R. § 9008.7(d)(2)(iv).

In support of its position, the Committee refers to the Explanation and Justification of 11 C.F.R. § 9008.7(d), 44 Fed. Reg. 63038 (November 1, 1979). This Explanation and Justification provides that the restrictions set forth in section 9008.7(d)(3) of the regulations are intended to ensure that donations made to defray convention expenses are commercially motivated, rather than politically motivated. The Committee argues that in this matter the subcontractors were motivated by entirely commercial, not political, interests.

The Committee's reliance upon the Explanation and Justification cited above is misplaced. The Explanation and Justification cited by the Committee relates to contributions to defray convention expenses, which are governed by 11 C.F.R. § 9008.7(d)(3). The in-kind contributions at issue in this matter involve contributions to promote the convention city and its commerce, which are governed by 11 C.F.R. § 9008.7(d)(2). Section 9008.7(d)(2)(iv) specifically provides that the presumption regarding a business located outside the MSA may be rebutted by a showing that the volume of business in an area lying outside the MSA would be directly affected by the presence of the convention. The Committee has failed to demonstrate that the volume of business in any of the areas where the subcontractors were located was directly affected by the

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presence of the convention in Atlanta. Therefore, the presumption regarding businesses located outside the MSA has not been overcome in this matter.

c. Innovative Resources

With respect to the in-kind contribution from Innovative Resources, the Committee states that the vendor "made available" 2,500 promotional signs for a meeting of the Association of Democratic State Chairmen which took place in Atlanta in June of 1988. The Committee argues that the signs were not donated to the Committee, nor were they related to the Committee's efforts to host the convention. The Committee apparently takes the position that the value of the signs was erroneously reported and should not be considered as a contribution to the Committee.

The Committee initially reported receipt of an in-kind contribution from Innovative Resources in the amount of \$975 on May 18, 1988. The contributor information form provided by the Committee to the Audit staff regarding the contribution from Innovative Resources is dated September 15, 1988. The contributor information form describes the contribution to the Committee as "2,500 Convention/Atlanta '88 'Baby on Board' type signals". The Committee also provided a contributor information card to the Audit staff which described the contribution as "2,500 Political Signals DNC/ATL '88 ('Baby on board type signs)." Both documents indicate that the signs were for a volunteer rally. From the information available thus far, it is unclear when the contribution was received, or whether the signs were related to the hosting of the convention. Although the

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Committee has denied that the signs were related to the convention, the Committee's contributor information form suggests that the signs were related to the convention. Thus, at this point, there is conflicting information as to the nature and purpose of the apparent in-kind contribution from Innovative Resources.

4. Recommendations

The evidence available thus far suggests that the Committee accepted in-kind contributions from Production Arts Lighting, Inc., Pro-Mix, Inc., Kimball Audio Visual, Quibell Corp., and Innovative Resources. Therefore, this Office recommends that the Commission find reason to believe that the Atlanta '88 Committee, Inc. and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

Furthermore, for the reasons stated above, this Office also recommends that the Commission find reason to believe that Production Arts Lighting, Inc., and Pro-Mix, Inc. violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i), and that Kimball Audio Visual violated 11 C.F.R. § 9008.7(d)(2)(i).

C. Apparent Prohibited Contributions from Banks

The second issue in this matter concerns the Committee's acceptance of apparent prohibited contributions from several

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banks. Under 2 U.S.C. § 441b(a), it is unlawful for a national bank to make a contribution or expenditure in connection with any political convention or caucus held to select candidates for any political office, and for any other corporation, including incorporated state banks, to make a contribution or expenditure in connection with a political convention or caucus held to select candidates for federal office. Although 11 C.F.R. § 9008.7(d)(2)(i) provides that local businesses may make contributions to a host committee to promote the convention city and its commerce, banks are excluded from this permissive regulation. Therefore, contributions to a host committee from national banks and incorporated state banks are prohibited by 11 C.F.R. § 9008.7(d)(2)(i) and 2 U.S.C. § 441b(a).⁵

The Committee reported receiving four contributions totaling \$8,530 from the following contributors:

<u>Bank</u>	<u>Date</u>	<u>Amount</u>
First Atlanta Corp.	05-31-88	\$5,000
Citibank, N.A.	07-15-88	\$2,500
Bankers Trust Company	09-22-88	\$ 730
Citizens and Southern Corp.	04-26-88	\$ 300
Total		\$8,530

According to the Committee's response to the Interim Audit Report, the \$5,000 contribution reported as received from First Atlanta Corporation was "inadvertently charged to an account of

5. The Interim Audit Report found that the Committee received twelve contributions from four banks or holding companies. The Committee asserted and the Audit Staff confirmed that eight of the twelve contributions were from corporations (bank holding companies) and not banks. Accordingly, these eight contributions totaling \$40,630 were not part of the referral to this Office.

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the First National Bank of Atlanta, although it was the intention to charge an account of the First Atlanta Corporation." It appears that the First Atlanta Corporation is a bank holding company of the First National Bank of Atlanta. The Committee refunded the \$5,000 contribution to First Atlanta Corporation on October 16, 1989.

Citibank is a national bank located in New York. Regarding the contribution received from Citibank, the Committee offered the following explanation: ". . . it was the understanding of Atlanta '88 that the Citibank contribution originated from a holding company, not a national bank. It appears that this understanding was in error." The Committee does not state whether the holding company which it believed to have made the contribution was a local business within the meaning of 11 C.F.R. § 9008.7(d)(2). In any event, the Committee refunded the \$2,500 contribution to Citibank on December 29, 1989.

Bankers Trust Company is a state bank located in New York. The \$730 contribution from Bankers Trust Company was refunded by the Committee on May 25, 1990. The Committee offered no explanation regarding this contribution.

The fourth contribution concerns a \$300 in-kind contribution received by the Committee on April 26, 1988. The Committee reported this contribution as received from the Citizens and Southern Corporation, a bank holding company of the Citizens and Southern National Bank. This was described as "100 kids booklets". With respect to this contribution, the Committee stated that ". . . we have been unable to ascertain

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sufficient detail concerning this item to explain the basis for the record." The Committee refunded the \$300 contribution to the Citizens and Southern Corporation on June 14, 1990.

The information available thus far suggests that the Committee accepted contributions from the First National Bank of Atlanta, Citibank, the Bankers Trust Company, and the Citizens and Southern National Bank. Therefore, this Office recommends that the Commission find reason to believe that the Atlanta '88 Committee, Inc. and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

This Office also recommends that the Commission find reason to believe that the First National Bank of Atlanta and Citibank, N.A. violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

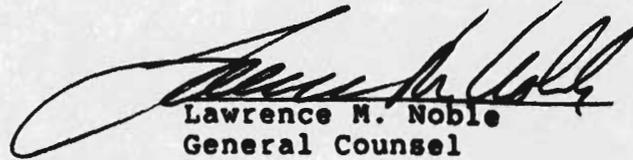
III. RECOMMENDATIONS

1. Find reason to believe that Production Arts Lighting, Inc., Pro-Mix, Inc., the First National Bank of Atlanta, and Citibank, N.A. violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).
2. Find reason to believe that Kimball Audio Visual violated 11 C.F.R. § 9008.7(d)(2)(i).
3. Find reason to believe that the Atlanta '88 Committee and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

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4. Approve the appropriate letters and attached Factual and Legal Analyses.

8/22/91
Date


Lawrence M. Noble
General Counsel

Attachments:

1. Referral Materials
2. Letter dated June 15, 1990 from C. Henning Studios, Inc. to The Atlanta '88 Committee, Inc.
3. Contract between The Atlanta '88 Committee, Inc. and C. Henning Studios, Inc.
4. Factual and Legal Analyses (6)

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FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. FAISON *BJF*
COMMISSION SECRETARY

DATE: AUGUST 28, 1991

SUBJECT: MUR 3124 - FIRST GENERAL COUNSEL'S REPORT
DATED AUGUST 22, 1991.

The above-captioned document was circulated to the
Commission on MONDAY, AUGUST 26, 1991, 11:00 a.m.

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

- Commissioner Aikens _____
- Commissioner Elliott _____ XXX
- Commissioner Josefiak _____ XXX
- Commissioner McDonald _____ XXX
- Commissioner McGarry _____
- Commissioner Thomas _____ XXX

This matter will be placed on the meeting agenda
for TUESDAY, SEPTEMBER 17, 1991.

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 3124
The Atlanta '88 Committee, Inc.,)	
and Michael Lomax, as treasurer;)	
Production Arts Lighting, Inc.;)	
Pro-Mix, Inc.;)	
Kimball Audio Visual;)	
Quibell Corp.;)	
Innovative Resources;)	
First National Bank of Atlanta;)	
Citibank, N.A.;)	
Bankers Trust Company;)	
Citizens and Southern National Bank))	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on September 26, 1991, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions in MUR 3124:

1. Find reason to believe that the First National Bank of Atlanta and Citibank, N.A. violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).
2. Take no action against Production Arts Lighting, Inc. and Pro-Mix, Inc. with respect to 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).
3. Take no action against Kimball Audio Visual with respect to 11 C.F.R. § 9008.7(d)(2)(i).

(continued)

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4. Find reason to believe that the Atlanta '88 Committee and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) in connection only with the First National Bank of Atlanta and Citibank, N.A.

5. Direct the Office of General Counsel to send appropriate letters and appropriate Factual and Legal Analyses pursuant to the actions noted above.

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

Attest:

10-1-91
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 10, 1991

Michael Lomax, Treasurer
The Atlanta '88 Committee, Inc.
1100 Spring Street
Suite 350
Atlanta, Georgia 30367

RE: MUR 3124
The Atlanta '88 Committee, Inc.
and Michael Lomax, as treasurer

Dear Mr. Lomax:

On September 26, 1991, the Federal Election Commission found that there is reason to believe the Atlanta '88 Committee, Inc. ("the Committee") and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. § 9008.7(d)(2)(i). 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

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Michael Lomax
Page 2

pre-probable cause conciliation after briefs on probable cause have 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 Mary P. Mastrobattista, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,


John Warren McGarry
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: The Atlanta '88 Committee, Inc. MUR: 3124

In the normal course of carrying out its supervisory responsibilities, the Commission ascertained that there was a possibility of a violation of the Federal Election Campaign Act of 1971, as amended, by the Atlanta '88 Committee, Inc. ("the Committee") and Michael Lomax, as treasurer. This possible violation concerns the acceptance of contributions from several banks.

Under 2 U.S.C. § 441b(a), it is unlawful for a national bank to make a contribution or expenditure in connection with any political convention or caucus held to select candidates for any political office, and for any other corporation, including incorporated state banks, to make a contribution or expenditure in connection with a political convention or caucus held to select candidates for federal office. Although 11 C.F.R. § 9008.7(d)(2) provides that local businesses may make contributions to a host committee to promote the convention city and its commerce, banks are excluded from this permissive regulation. Therefore, contributions to a host committee from national banks and incorporated state banks are prohibited by 11 C.F.R. § 9008.7(d)(2)(i) and 2 U.S.C. § 441b(a).

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The Committee reported receiving four contributions totaling \$8,530 from the following contributors:

<u>Bank</u>	<u>Date</u>	<u>Amount</u>
First Atlanta Corp.	05-31-88	\$5,000
Citibank, N.A.	07-15-88	\$2,500
Bankers Trust Company	09-22-88	\$ 730
Citizens and Southern Corp.	04-26-88	\$ 300
Total		\$8,530

According to the Committee's response to the Interim Audit Report, the \$5,000 contribution reported as received from First Atlanta Corporation was "inadvertently charged to an account of the First National Bank of Atlanta, although it was the intention to charge an account of the First Atlanta Corporation." It appears that the First Atlanta Corporation is a bank holding company of the First National Bank of Atlanta. The Committee refunded the \$5,000 contribution to First Atlanta Corporation on October 16, 1989.

Citibank is a national bank located in New York. Regarding the contribution received from Citibank, the Committee offered the following explanation: ". . . it was the understanding of Atlanta '88 that the Citibank contribution originated from a holding company, not a national bank. It appears that this understanding was in error." The Committee does not state whether the holding company which it believed to have made the contribution was a local business within the meaning of 11 C.F.R. § 9008.7(d)(2). In any event, the Committee refunded the \$2,500 contribution to Citibank on December 29, 1989.

Bankers Trust Company is a state bank located in New York.

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The \$730 contribution from Bankers Trust Company was refunded by the Committee on May 25, 1990. The Committee offered no explanation regarding this contribution.

The fourth contribution concerns a \$300 in-kind contribution received by the Committee on April 26, 1988. The Committee reported this contribution as received from the Citizens and Southern Corporation, a bank holding company of the Citizens and Southern National Bank. This was described as "100 kids booklets". With respect to this contribution, the Committee stated that ". . . we have been unable to ascertain sufficient detail concerning this item to explain the basis for the record." The Committee refunded the \$300 contribution to the Citizens and Southern Corporation on June 14, 1990.

The information available thus far suggests that the Committee accepted contributions from the First National Bank of Atlanta, Citibank, the Bankers Trust Company, and the Citizens and Southern National Bank. Therefore, there is reason to believe the Atlanta '88 Committee, Inc. and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 10, 1991

D. Raymond Riddle, President
First National Bank of Atlanta
P.O. Box 4148
Atlanta, Georgia 30302

RE: MUR 3124
First National Bank of
Atlanta

Dear Mr. Riddle:

On September 26, 1991, the Federal Election Commission found that there is reason to believe the First National Bank of Atlanta violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. § 9008.7(d)(2)(i). 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 First National Bank of Atlanta. 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 First National Bank of Atlanta, 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 cause conciliation after briefs on probable cause have been mailed to the respondent.

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D. Raymond Riddle
Page 2

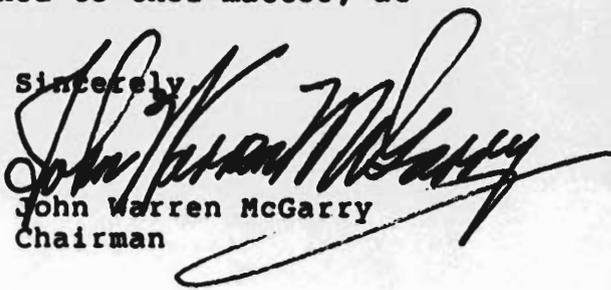
Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

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 Mary P. Mastrobattista, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,


John Warren McGarry
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: First National Bank of Atlanta MUR: 3124

In the normal course of carrying out its supervisory responsibilities, the Commission ascertained that there was a possibility of a violation of the Federal Election Campaign Act by First National Bank of Atlanta. This possible violation concerns a \$5,000 contribution to the Atlanta '88 Committee, Inc. ("the Committee") on May 31, 1988.

Under 2 U.S.C. § 441b(a), it is unlawful for a national bank to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office. Although 11 C.F.R. § 9008.7(d)(2)(i) provides that local businesses may make contributions to a host committee to promote the convention city and its commerce, banks are excluded from the regulations which permit local businesses to make contributions to a host committee.

The Committee reported receiving a contribution in the amount of \$5,000 from First Atlanta Corporation on May 31, 1988. In response to an inquiry from the Audit Division, the Committee stated that the \$5,000 contribution reported as received from First Atlanta Corporation was inadvertently charged to an account of the First National Bank of Atlanta. It appears that the First Atlanta Corporation is a bank holding company of the

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First National Bank of Atlanta. The Committee refunded the \$5,000 contribution to First Atlanta Corporation on October 16, 1989.

From the information available, it appears that the First National Bank of Atlanta made a \$5,000 contribution to the Committee on May 31, 1988. Therefore, there is reason to believe the First National Bank of Atlanta violated 2 U.S.C. § 441b(a) and 11 C.F.R. 9008.7(d)(2)(i).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 10, 1991

Richard S. Braddock, President
Citibank, N.A.
399 Park Ave.
Floor 2, Zone 1
New York, N.Y. 10043

RE: MUR 3124
Citibank, N.A.

Dear Mr. Braddock:

On September 26, 1991, the Federal Election Commission found that there is reason to believe Citibank, N.A. violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. § 9008.7(d)(2)(i). 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 Citibank, N.A. 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 Citibank, N.A., 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 cause conciliation after briefs on probable cause have been mailed to the respondent.

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Richard S. Braddock
Page 2

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 Mary P. Mastrobattista, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,


John Warren McGarry
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION
FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Citibank, N.A. MUR: 3124

In the normal course of carrying out its supervisory responsibilities, the Commission ascertained that there was a possibility of a violation of the Federal Election Campaign Act by Citibank, N.A. ("Citibank"). This possible violation concerns a \$2,500 contribution to the Atlanta '88 Committee, Inc. ("the Committee") on July 15, 1988.

Under 2 U.S.C. § 441b(a), it is unlawful for a national bank to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office. Although 11 C.F.R. § 9008.7(d)(2)(i) provides that local businesses may make contributions to a host committee to promote the convention city and its commerce, banks are excluded from the regulations which permit local businesses to make contributions to a host committee.

The Committee reported receiving a contribution in the amount of \$2,500 from Citibank on July 15, 1988. The Committee refunded the \$2,500 contribution to Citibank on December 29, 1989 as a result of an inquiry from the Audit Division.

From the information available, it appears that Citibank

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made a \$2,500 contribution to the Committee on July 15, 1988. Therefore, there is reason to believe Citibank, N.A. violated 2 U.S.C. § 441b(a) and 11 C.F.R. 9008.7(d)(2)(i).

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EPSTEIN BECKER & GREEN, P.C.

ATTORNEYS AT LAW

1227 25TH STREET, N.W.

WASHINGTON, D.C. 20037-11561

(202) 861-0900

TELECOPIER: (202) 296-2662

DIRECT LINE

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SAN FRANCISCO, CALIFORNIA 94111-5884
(415) 398-3800

12201 MERIT DRIVE
DALLAS, TEXAS 75221-22131
(214) 490-3143

116 SOUTH MONROE STREET
TALLAHASSEE, FLORIDA 32301-1530
(904) 681-0888

2400 SOUTH DIXIE HIGHWAY, SUITE 100
MIAMI, FLORIDA 33133
(305) 856-1100

510 KING STREET, SUITE 301
ALEXANDRIA, VIRGINIA 22314-3121
(703) 684-1204

LEGAL & CONFIDENTIAL

October 22, 1991

P.C. NEW YORK, WASHINGTON, D.C.
CONNECTICUT, VIRGINIA AND
TEXAS ONLY

HAND-DELIVERED

Mary P. Mastrobattista
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 OCT 22 PM 4: 57

RE: M.U.R. 3124: Respondent Citibank, N.A.

Dear Ms. Mastrobattista:

We hereby request an extension-of-time of fifteen days, from November 4, 1991¹ until November 19, 1991, to respond to the allegations against Citibank, N.A. (M.U.R. 3124).

This additional time is essential for us to obtain the necessary information to fully respond to the allegations in the Federal Election Commission finding.

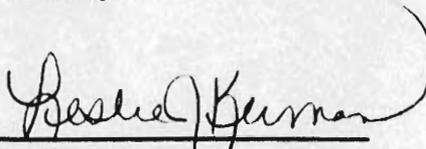
¹Chairman McGarry's letter of October 10, 1991 was received by our client in the mail on October 16, 1991. Thus, the due date for the response is November 4, 1991. See 11 C.F.R. §§111.2(a) and (c).

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Mary P. Mastrobattista
October 22, 1991
Page 2

Please do not hesitate to contact me at 202/861-1877 if you have any questions regarding our extension-of-time request and any information which you require to resolve this matter.

Sincerely,



Leslie J. Kerman
Counsel for Respondent,
Citibank, N.A.

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EPSTEIN BECKER & GREEN, P.C.

ATTORNEYS AT LAW

1227 25TH STREET, N.W.

WASHINGTON, D.C. 20037-1156†

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1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-2501
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SIX LANDMARK SQUARE
STAMFORD, CONNECTICUT 06901-2704†
(803) 348-3737

ONE RIVERFRONT PLAZA
NEWARK, NEW JERSEY 07102-8401
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DALLAS, TEXAS 75281-2213†
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116 SOUTH MONROE STREET
TALLAHASSEE, FLORIDA 32301-1530
(904) 681-0888

2400 SOUTH DIXIE HIGHWAY, SUITE 100
MIAMI, FLORIDA 33133
(305) 856-1100

510 KING STREET, SUITE 301
ALEXANDRIA, VIRGINIA 22314-3132†
(703) 684-1204

LEGAL & CONFIDENTIAL

October 22, 1991

†P.C. NEW YORK, WASHINGTON, D.C.
CONNECTICUT, VIRGINIA AND
TEXAS ONLY

HAND-DELIVERED

Mary P. Mastrobattista
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C. 20463

RE: M.U.R. 3124: Respondent Citibank, N.A.

Dear Ms. Mastrobattista:

Enclosed please find a designation-of-counsel statement from Respondent Citibank, N.A.
in connection with M.U.R. 3124.

Please address all future correspondence concerning the matter to:

Leslie J. Kerman, Esquire
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Suite 700
Washington, D.C. 20037
Tel. 202/861-1877
Fax. 202/296-2882

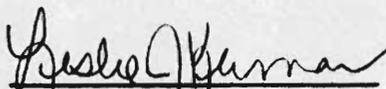
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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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Mary P. Mastrobattista
October 22, 1991
Page 2

Please do not hesitate to contact me if you have any questions.

Sincerely,



Leslie J. Kerman
Counsel for Respondent,
Citibank, N.A.

Enclosure

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STATEMENT OF DESIGNATION OF COUNSEL

NO: 3124

NAME OF COUNSEL: Leslie Kerman

ADDRESS: Epstein Becker & Green, P.C.
1227 25th Street, N.W., Suite 800
Washington, DC 20037

TELEPHONE: (202) 861-1877

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FEDERAL ELECTION COMMISSION
OFFICE OF FEDERAL COUNSEL
91 OCT 22 PM 4:59

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.

10/22/91
Date

Martha A. Golden
Signature

RESPONDENT'S NAME: Martha A. Golden

ADDRESS: Citicorp Washington, Inc.
1101 Pennsylvania Avenue, NW
Washington, DC 20004

HOME PHONE: (301) 907-9377

BUSINESS PHONE: (202) 879-6830

9 2 0 4 0 9 0 2 3 4 0



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 30, 1991

Leslie J. Kerman, Esq.
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Suite 700
Washington, D.C. 20037

RE: MUR 3124
Citibank, N.A.

Dear Ms. Kerman:

This is in response to your letter dated October 22, 1991, which we received that same day, requesting an extension of fifteen days to respond to the Commission's reason to believe notification. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by the close of business on November 15, 1991.

If you have any questions, please contact Mary P. Mastrobattista, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Jonathan A. Bernstein
Assistant General Counsel

92040902341

06-C 3265
WACHOVIA

RECEIVED
FEDERAL ELECTION COMMISSION
MAIN

Michael E. Ray
General Counsel
and Secretary

91 OCT 28 AM 11:03

Wachovia Bank of Georgia, N.A.
Post Office Box 4148
Atlanta, Georgia 30302

October 22, 1991

Federal Election Commission
Attn: Mary P. Mastrobattista
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 OCT 28 AM 10 20

Re: MUR 3124 - Wachovia Bank of Georgia, N.A. (the "Bank") f/k/a The First National Bank of Atlanta - Your letter dated October 10, 1991 to Mr. Raymond Riddle - Received October 16, 1991

Dear Ms. Mastrobattista:

Please find enclosed the form "statement of designation of counsel" designating the undersigned as counsel for the Bank.

Please be advised that the Bank hereby elects to enter into negotiations for "pre-probable cause conciliation". However, the Bank specifically reserves the right to dispute any and all allegations of wrongdoing or violations of the Federal Election Campaign Act. The Bank's willingness to enter into such negotiations are for the purpose of settlement only and should not be construed as an admission of culpability or liability by the Bank.

Without going into any detail at the present time, I would like to reiterate my conversation with you that this entire matter arises solely by reason of a clerical error. Specifically, the officer of the Bank that authorized the specific \$5,000 payment to Atlanta '88 was the very person who first raised the issue of whether a local bank could make such a payment. As I am sure the records of Atlanta '88 will show, several other payments made to Atlanta '88 were properly charged to First Atlanta Corporation (n/k/a Wachovia Corporation of Georgia). Further, First Atlanta Corporation, the bank holding company parent of the Bank, had more than adequate revenue from sources other than bank income to fund all of these payments.

We believe that it is inequitable, and certainly contrary to the letter and spirit of the law, to assess a penalty against the Bank due to the simple mistake of placing the wrong cost center number on an accounts payable voucher. As evidenced by the other payments made to Atlanta '88 by the Bank holding company, there was no reason or motivation to treat the subject payment any differently. I respectfully request that this matter be reconsidered and that no further action be taken.

As we discussed, I will be out of the city for the remainder of the week but will call you on Monday, October 28, 1991 to discuss this matter further. Should you need to reach me in the interim, please contact my assistant, Jill Towler, at (404) 332-6542.

Very truly yours,



MER:jdt

92040902342

STATEMENT OF DESIGNATION OF COUNSEL

NR 3124

NAME OF COUNSEL: Michael E. Ray, General Counsel & Secretary

ADDRESS: 2 Peachtree Street, NW

Suite 715

Atlanta, Georgia 30383

TELEPHONE: (404) 332-6661

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.

October 21, 1991
Date


Signature D. Raymond Riddle
President and CEO

RESPONDENT'S NAME: Wachovia Bank of Georgia, N.A. f/k/a The First National Bank of Atlanta

ADDRESS: 2 Peachtree Street, NW

Suite 715

Atlanta, Georgia 30383

HOME PHONE: _____

BUSINESS PHONE: (404) 332-6661

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LOUGHRAN, RIDGE & NORMAN

ATTORNEYS AT LAW

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1500 MARQUIS TWO TOWER
285 PEACHTREE CENTER AVENUE, N.E.
ATLANTA, GEORGIA 30303-1257

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

91 OCT 30 AM 9:49

NORTHSIDE OFFICE
TWO CONCOURSE PARKWAY
SUITE 750
ATLANTA, GEORGIA 30328-5347
TELECOPIER 404 527-8398

October 29, 1991

TELEPHONE 404 527-4000
TELECOPIER 404 527-4198
TELEX 154183
WRITER'S DIRECT DIAL NUMBER

(404) 527-4020

Federal Election Commission
Washington, D.C. 20463

Attention: Ms. Mary P. Mastrobattista

Re: MUR 3124 - The Atlanta '88 Committee, Inc.

Dear Ms. Mastrobattista:

This letter will formally request an extension to file a response to the matters addressed in the October 10, 1991 letter from the Chairman of the Federal Election Commission to The Atlanta '88 Committee, Inc. with respect to the above-referenced MUR.

Since the conclusion of the 1988 Democratic National Convention, the Atlanta '88 Committee, Inc., as you might imagine, no longer maintains a permanent staff. Further, no one who retains any level of responsibility for the affairs of The Atlanta '88 Committee, Inc. is located at the 1100 Spring Street address to which the October 10, 1991 letter, along with its enclosure, was transmitted. As a consequence, due to delays in forwarding these materials, it has only recently come to the attention of the attorneys for The Atlanta '88 Committee, Inc. At that time, we promptly acted to file the form with you office appointing myself and my law firm as attorneys for The Atlanta '88 Committee, Inc. with respect to this matter.

Although I understand that it is not as a matter of right, I respectfully request, on behalf of The Atlanta '88 Committee, Inc. an extension of time to file responsive materials of ten days. Without such an extension, due to the limited time during which these materials have actually been in my possession, we will have difficulty providing the Commission with a full and meaningful response. By my calculations, without an extension, our response would be due on October 31, 1991. The ten day extension which we are hereby requesting would make our response due on November 10, 1991.

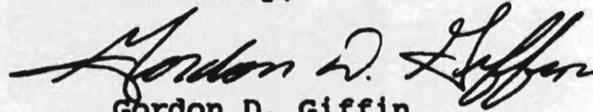
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OFFICE OF GENERAL COUNSEL

I appreciate your consideration of this request and if I can provide you with any additional information in this connection, please let me know. I can be reached at (404) 527-4020. Unless notified otherwise, I will assume that this extension meets with your and the Commission's approval.

Sincerely,



Gordon D. Giffin
For Long, Aldridge & Norman
Attorneys for The Atlanta '88
Committee, Inc.

GDG/jjp

cc: Bobby Kahn
Michael Lomax

92040902345

86 C 3277

FEDERAL ELECTION COMMISSION

STATEMENT OF DESIGNATION OF COUNSEL

91 OCT 28 AM 11:56

NR 3124

NAME OF COUNSEL: Gordon D. Giffin, Esq.

ADDRESS: Long Aldridge & Norman
1500 Marquis II Tower; 285 Peachtree Center Avenue
Atlanta, GA 30303-1257

TELEPHONE: 404/527-4020

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.

10-25-91
Date

Robert S. Kahn
Signature

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FEDERAL ELECTION COMMISSION
OFFICE OF FEDERAL COUNSEL
91 OCT 28 PM 3:11

RESPONDENT'S NAME: Atlanta '88 Committee, Inc.

ADDRESS: Robert S. Kahn, President
166 Anderson Street, Suite 225
Marietta, GA 30060

HOME PHONE: 404/874-1529

BUSINESS PHONE: 404/424-1500

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

October 31, 1991

Gordon D. Giffin, Esq.
Long, Aldridge & Norman
1500 Marquis Two Tower
285 Peachtree Center Ave., N.E.
Atlanta, Ga. 30303-1257

RE: MUR 3124
The Atlanta '88 Committee, Inc.
and Michael Lomax, as treasurer

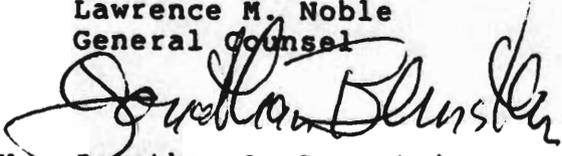
Dear Mr. Giffin:

This is in response to your letter dated October 29, 1991, which we received on October 30, 1991, requesting an extension of ten days to respond to the Commission's reason to believe notification. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by the close of business on November 12, 1991.

If you have any questions, please contact Mary P. Mastrobattista, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Lawrence M. Noble
General Counsel


BY: Jonathan A. Bernstein
Assistant General Counsel

92040902347

08C 3383

LONG, ALDRIDGE & NORMAN

ATTORNEYS AT LAW

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1500 MARQUIS TWO TOWER
285 PEACHTREE CENTER AVENUE, N.E.
ATLANTA, GEORGIA 30303-1257

NORTHSIDE OFFICE
TWO CONCORSE PARKWAY
SUITE 750
ATLANTA, GEORGIA 30328-5347
TELECOPIER 404 527-6388

TELEPHONE 404 527-4000
TELECOPIER 404 527-4100
TELEX 154100
WRITER'S DIRECT DIAL NUMBER

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OFFICE OF GENERAL COUNSEL
91 NOV 12 5:43:38

November 11, 1991

(404) 527-4000

BY FEDERAL EXPRESS

MUR 3124

Federal Election Commission
999 E Street, N.W.
6th Floor
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
91 NOV 12 AM 10:03

Attention: Mary P. Mastrobattista

RE: The Atlanta '88 Committee, Inc.

Dear Ms. Mastrobattista:

The Atlanta '88 Committee, Inc. ("Atlanta '88"), by and through its attorneys, hereby responds to the letter from Mr. John Warren McGarry, Chairman of the Federal Election Commission ("FEC"), dated October 10, 1991 ("Chairman's Letter") regarding the above-referenced matter. An extension until November 12, 1991 to file this response was granted by a letter from Lawrence M. Noble dated October 31, 1991.

Atlanta '88, a nonprofit corporation formed pursuant to the Georgia Nonprofit Corporation Code, acting as an instrumentality of the City of Atlanta, County of Fulton, and State of Georgia, hosted the 1988 Presidential Nominating Convention of the Democratic Party ("Convention"). In so doing, as has been described in detail to the Commission previously, Atlanta '88 received public funds from the interested governments and limited private funds and in-kind contributions from private sector donors. At all times, it was the policy and practice of Atlanta '88 to ensure that all contributions and expenditures, in connection with hosting the Convention, were consistent with the applicable terms of the Federal Election Campaign Act of 1971, as amended ("FECA") and the regulations promulgated pursuant thereto ("Regulations").

Following the conclusion of the Convention, Commission audit staff undertook a thorough review of the books and records of

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Atlanta '88. This process involved several informal meetings with Atlanta '88 personnel, accountants and attorneys. This analysis culminated in an Interim Report of the Audit Division ("Audit Report"), which was transmitted to Atlanta '88 by a letter dated May 10, 1990. Atlanta '88 submitted its written Response to the Audit Report ("Audit Response") to the Commission audit staff on June 21, 1990. The Chairman's Letter is the first responsive analysis received by Atlanta '88 from the Commission to that Audit Response.

The issues with respect to the possible acceptance of contributions from banks raised in the Factual and Legal Analysis which accompanied the Chairman's Letter ("Analysis") were also raised in the Audit Report. Specific responses to each of the questioned contributions were set forth in the Audit Response. The Analysis makes use of certain portions of those specific responses. At this point, Atlanta '88 specifically incorporates by reference herein pages 15-18 of the Audit Response, along with the exhibits discussed on those pages.

The Analysis concludes that there is reason to believe that Atlanta '88 violated 2 U.S.C. §441b(a) and 11 C.F.R. §9008.7(d)(2)(i) based upon a preliminary conclusion that Atlanta '88 accepted contributions from four banks. The applicable law requires the knowing receipt or acceptance of a contributions prohibited by that section. The facts clearly establish that no such knowing receipt or acceptance occurred. In each instance, Atlanta '88 exercised all reasonable efforts to ensure that applicable standards were complied with. The following represents the additional responses of Atlanta '88 to each of the allegations:

1. First Atlanta Corporation - Atlanta '88 received five separate contributions from First Atlanta Corporation. While the law and the regulations proscribe contributions to a host committee from a bank, they do not prohibit contributions from a bank holding company with adequate resources, other than bank income, to fund the contributions. To the knowledge of Atlanta '88 all of these contributions were from a corporate holding company. Apparently, the fact is that four of the five were technically from the funds of the holding company and the fifth, due to an inadvertent accounting error at the bank, was paid from bank funds. It is clear that all persons involved were aware of the legal limitations since four of the five contributions were handled correctly. It is clear that Atlanta '88 had no reason to know, and in fact did not know, that an internal accounting error at the bank caused the source of the funds for the one contribution at issue to be the account of a national bank. Rather, the fact that four

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other contributions were received from the holding company gave every reason to believe that each of the contributions was appropriate. It is clear that when Atlanta '88 became aware of the error it acted to refund the funds. Atlanta '88 could not have taken any additional actions to ensure compliance with the law. It certainly exercised best efforts, as required by the regulations. Under the facts, it would be particularly inequitable, if not erroneous, to conclude that Atlanta '88 violated the law or the regulations in connection with this contribution.

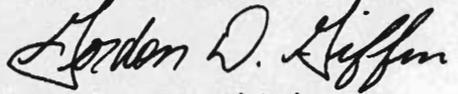
2. Citibank N.A. and Bankers Trust Company - the above discussion regarding the Atlanta '88 policy of accepting contributions from holding companies also applies in these instances. Atlanta '88 was given to understand that both of these contributions came from bank holding companies. When it came to the attention of Atlanta '88 that the understanding was inaccurate the funds were returned. Again, it is clear that the Atlanta '88 policies and procedures were developed and implemented so as to ensure that best efforts were exerted to comply with the requirements. The facts establishing that these contributions were not emanating from a holding company were known only to these banks. Nothing further reasonably could have been done by Atlanta '88 under the circumstances. Further, with respect to the local business issue, both of the enterprises had substantial operations and senior personnel in Atlanta at that time.
3. Citizens and Southern Corp. - Although the Atlanta '88 records with respect to this item are not complete, it is believed that the booklets at issue were donated pursuant to the provisions of 11 C.F.R. §9008.7(c)(2)(i). In any event, in an abundance of caution, \$300 was returned to the bank by Atlanta '88.

In the final analysis, Atlanta '88 believes that the Commission should not conclude that Atlanta '88 is responsible for any violations of the FECA. Atlanta '88 exerted as reasonable efforts more than best efforts, to comply with applicable standards. To the extent that any errors occurred, the facts establishing the noncompliance were not known to Atlanta '88 and Atlanta '88 had no reason to know those facts. Furthermore, to the extent that any errors occurred, they were corrected more than a year ago.

92040902350

In order to undertake to resolve these matters, Atlanta '88 hereby requests to engage in pre-probable cause conciliation pursuant to 11 C.F.C. §111.18. Please advise the undersigned counsel for Atlanta '88 regarding the procedure and schedule which will be followed in connection with such conciliation.

Respectfully submitted,



Gordon D. Giffin
For Long, Aldridge & Norman
Attorneys for The Atlanta '88
Committee, Inc.

GDG/jjp
cc: Michael Lomax, Treasurer
Bobby Kahn, President

92040902351

EPSTEIN BECKER & GREEN, P.C.

ATTORNEYS AT LAW

1027 26TH STREET, N.W.

WASHINGTON, D.C. 20037-1107

(202) 661-2000

TELECOPIER: (202) 699-8002

DIRECT LINE

LEGAL & CONFIDENTIAL

November 13, 1991

200 PASH AVENUE
NEW YORK, NEW YORK 10027-6671
(212) 504-2000

1070 BROADWAY SUITE 2207
NEW YORK, NEW YORK 10018-3001
(212) 690-2001

100 LAWRENCE SQUARE
ATLANTA, GEORGIA 30303-3204
(404) 524-3700

ONE UNIVERSITY PLAZA
NEWARK, NEW JERSEY 07102-4001
(201) 836-3000

82 SCHOOL STREET
BOSTON, MASSACHUSETTS 02109-1000
(617) 452-2000

100 SOUTH BROADWAY
NEW YORK, NEW YORK 10038-3000
(212) 690-2000

100 SOUTH BROADWAY
NEW YORK, NEW YORK 10038-3000
(212) 690-2000

100 SOUTH BROADWAY
NEW YORK, NEW YORK 10038-3000
(212) 690-2000

100 SOUTH BROADWAY
NEW YORK, NEW YORK 10038-3000
(212) 690-2000

THE NEW YORK WASHINGTON DC
COMMUNICATIONS CENTER
1000 10TH AVENUE
NEW YORK, NY

HAND-DELIVERED

Mary P. Mastrobianco
Office of the General Counsel
Federal Election Commission
909 E Street, N.W.
Room 657
Washington, D.C. 20543

RE: M.U.R. 3124: Respondent Citibank, N.A.

Dear Ms. Mastrobianco:

As discussed, we hereby request an additional extension of time of seven days, from November 15, 1991 until November 22, 1991, to respond to the allegations against Citibank, N.A. (M.U.R. 3124).

This additional time is necessary for us to be able to secure the information required to fully respond to the Federal Election Commission's reason-to-believe determination.

In addition, we request a copy of the cancelled refund check which was issued by Aflac, Inc. on or about December 29, 1989 to our client. Please call me once the check copy is available, and I will send a messenger for it.

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9:10 AM 11/13/91
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

Mary P. Administration
November 11, 1991

Thank you for your assistance with this matter. If you have any questions regarding the
response, please do not hesitate to contact me at 202/661-1877.

Sincerely,



Leslie J. Kerman
Counsel for Respondent,
Citibank, N.A.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 14, 1991

Leslie J. Kerman, Esq.
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Suite 700
Washington, D.C. 20037

RE: MUR 3124
Citibank, N.A.

Dear Ms. Kerman:

This is in response to your letter dated November 13, 1991, which we received that same day, requesting an additional extension of seven days to respond to the Commission's reason to believe notification. After considering the circumstances presented in your letter, the Federal Election Commission has granted the requested extension. Accordingly, your response is due by the close of business on November 22, 1991.

In addition, you also requested a copy of the canceled refund check which was issued by the Atlanta '88 Committee, Inc. to Citibank on December 29, 1989. Pursuant to your telephone conversation with Mary P. Mastrobattista of this Office, a copy of the canceled check will be made available for your messenger.

If you have any questions, please contact Mary P. Mastrobattista, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Jonathan A. Bernstein
Assistant General Counsel

92040902354

060 3477

EPSTEIN BECKER & GREEN, P.C.

ATTORNEYS AT LAW

1227 25TH STREET, N.W.

WASHINGTON, D.C. 20037-1156†

(202) 661-0900

TELECOPIER: (202) 296-2882

DIRECT LINE

250 PARK AVENUE
NEW YORK, NEW YORK 10177-0077†
(212) 351-4800

1875 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067-2501
(213) 558-8861

SIX LANDMARK SQUARE
STAMFORD, CONNECTICUT 06901-2704†
(203) 348-3737

ONE RIVERFRONT PLAZA
NEWARK, NEW JERSEY 07102-8401
(201) 642-1800

27 SCHOOL STREET
BOSTON, MASSACHUSETTS 02108-4303
(617) 720-3888

FOUR EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94111-8884
(415) 398-3500

12201 MERIT DRIVE
DALLAS, TEXAS 75251-2213†
(214) 480-3143

116 SOUTH MONROE STREET
TALLAHASSEE, FLORIDA 32301-1830
(904) 661-0596

2400 SOUTH DIXIE HIGHWAY, SUITE 100
MIAMI, FLORIDA 33133
(305) 556-1100

510 KING STREET, SUITE 301
ALEXANDRIA, VIRGINIA 22314-3132†
(703) 684-1204

LEGAL & CONFIDENTIAL

November 22, 1991

†P.C. NEW YORK, WASHINGTON, D.C.
CONNECTICUT, VIRGINIA AND
TEXAS ONLY

HAND-DELIVERED

Mary P. Mastrobattista
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Room 657
Washington, D.C. 20463

RE: M.U.R. 3124: Respondent Citibank, N.A.

Dear Ms. Mastrobattista:

This letter constitutes the response of Citibank, N.A. to the Federal Election Commission's reason-to-believe finding dated October 10, 1991 (the "Finding").

The Finding alleges that Citibank, N.A. ("Citibank") may have violated 2 U.S.C. §441b(a) of the Federal Election Campaign Act of 1971, as amended (the "Act"), and 11 C.F.R. §9008.7(d)(2)(i) by making a \$2500 contribution to The Atlanta '88 Committee, Inc. (the "Committee") on or around July 15, 1988.

I. ALLEGED CONTRIBUTION TO THE ATLANTA '88 COMMITTEE

Specifically, 2 U.S.C. § 441b(a) provides that it is unlawful for a national bank to make a contribution or expenditure in connection with any election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office. The Code of Federal Regulations (the "Regulations") states that local businesses may make contributions to a host committee to promote the convention city and its

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Mary P. Mastrobattista
November 22, 1991
Page 2

commerce. 11 C.F.R. §9008.7(d)(2)(i)(1991). However, banks are excluded from the category of local businesses permitted to make such contributions. *Id.* The Finding alleges that Citibank may have violated these provisions by making a \$2500 contribution to the Committee on or around July 15, 1988.

Citibank did not knowingly or intentionally violate the above provisions of the Act or Regulations since it was not aware that making a contribution to the Committee was either governed, or prohibited, by the Act. Citibank received a solicitation letter dated June 22, 1988 (attached hereto as Exhibit A) regarding a reception to be hosted by Michael L. Lomax, Chairman of the Board of Commissioners of Fulton County ("the Solicitation"). The Solicitation requested that Citibank make a contribution to aid the Committee in covering reception expenses. The Solicitation explicitly stated that the Committee was a § 501(c)(3) organization; that contributions were tax deductible and non-partisan; and that the Committee was permitted to accept contributions from corporations doing business in the metropolitan Atlanta area. Based upon these representations, Citibank contributed \$2,500 to the Committee. Significantly, Citibank was not aware that it was making a contribution to an entity which was governed by the Act.

Citibank devotes considerable manpower and resources to administering an internal compliance system which ensures that Citibank does not engage in any political activity in violation of federal or state law. Unfortunately, in the instant situation, because the Solicitation which Citibank received emphasized the Committee's §501(c)(3), tax-exempt, non-partisan status, the Solicitation did not trigger Citibank's internal compliance review process. The Solicitation should have more clearly identified the status of the Committee and, specifically, that contributions to the Committee were governed by the Act. Had the Solicitation provided Citibank with more accurate information, Citibank's internal compliance review process would have been triggered, resulting in a determination that a contribution to the Committee would be in violation of the Act. Thus, Citibank, in making the contribution, was only responding in good faith to a misleading solicitation.

II. CONCLUSION

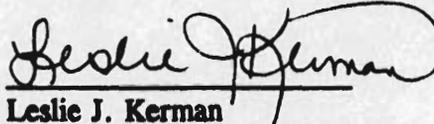
As demonstrated herein, Citibank did not knowingly or intentionally violate 2 U.S.C. §441b(a) and 11 C.F.R. §9008.7(d)(2)(i). The Solicitation which Citibank received clearly stated that the Committee was a §501(c)(3) organization; that contributions were tax-deductible and nonpartisan; and that it was permitted to accept contributions from corporations doing business in the area. Nowhere in the Solicitation did it indicate that banks were precluded from making contributions to the Committee. Thus, Citibank, relying upon the representations in the Solicitation, was unaware that a contribution the Committee might be in violation of, or even governed by, the Act.

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Mary P. Mastrobattista
November 22, 1991
Page 3

Therefore, we respectfully request that the Federal Election Commission take no further action against Citibank for alleged violations of 2 U.S.C. §441b(a) and 11 C.F.R. §9008.7(d)(2)(i) and, accordingly, close this matter under review.

Sincerely,



Leslie J. Kerman
Counsel to Respondent,
Citibank, N.A.

Enclosure

9 2 0 4 0 9 0 2 3 5 7

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
91 NOV 22 PM 3 12

MICHAEL L. LOMAX
CHAIRMAN
BOARD OF COMMISSIONERS OF FULTON COUNTY



91 NOV 22 PM 3 13

June 22, 1988

Ms. Edie McConville
Citicorp Investment Bank
33 Water Street, 43rd floor
New York, New York 10240

Dear Ms. McConville:

On Saturday, July 16, 1988 from 7 to 9 P.M., I am hosting a black-ribbon reception at Atlanta Life Insurance Company honoring Sam Rums and the Democratic Leadership Council (D.L.C.). This event, which will also be hosted by Mayor Andrew Young and Congressman John Lewis, is estimated to cost \$12,000.

We plan to invite a select group of between 100 and 150 national political leaders and businessmen to attend. The invitation list includes leading members of Atlanta's business community, and then 17 governors, 10 senators and 157 state representatives that are members of the D.L.C. Former Governor Chuck Cobb will be one of the honorees also.

I am grateful for your willingness to join me in hosting this reception by contributing \$2,500 to Atlanta '88 to help cover expenses. Citicorp will receive favorable publicity as we plan to list each of the sponsors in a prominent place.

Atlanta '88 is a 501(c)3 organization formed to manage the convention. A contribution to Atlanta '88 is tax deductible and nonpartisan. A form to use in filing for this deduction is attached.

Please send your check made payable to Atlanta '88 to me at my office, 145 Central Avenue, Suite 200, Atlanta, GA 30301. If you have any questions, please call me or my assistant Leonard Lucas at 404-661-7372. I look forward to hearing from you.

Sincerely,

Michael L. Lomax
Michael L. Lomax

MLL/CS

COUNTY ADMINISTRATOR CLARENCE L. ...

Tappay # 58-1728806

EXHIBIT A

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MICHAEL L. LOMAX
CHAIRMAN
BOARD OF COMMISSIONERS OF FULTON COUNTY



91 NOV 22 PM 3 13

JUNE 22, 1968

Mr. Edie McConville
Citicorp Investment Bank
33 Water Street, 43rd floor
New York, New York 10260

Dear Mr. McConville:

On Saturday, July 16, 1968 from 6 to 7 p.m., I am hosting a blue-ribbon reception at Atlanta Life Insurance Company honoring Sam Rynn and the Democratic Leadership Council (D.L.C.). This event, which will also be hosted by Mayor Andrew Young and Congressman John Lewis, is estimated to cost \$12,000.

We plan to invite a select group of between 300 and 400 national political leaders and businessmen to attend. The invitation list includes leading members of Atlanta's business community, and then 17 governors, 10 senators and 107 state representatives that are members of the D.L.C. Former Governor Chuck Robb will be one of the honorees also.

I am grateful for your willingness to join me in hosting this reception by contributing \$2,500 to Atlanta '68 to help cover expenses. Citicorp will receive favorable publicity as we plan to list each of the sponsors in a prominent place.

Atlanta '68 is a 501(c)3 organization formed to manage the convention. A contribution to Atlanta '68 is tax deductible and nonpartisan. A form to use in filing for this deduction is attached.

Please send your check made payable to Atlanta '68 to me at my office, 163 Central Avenue, Suite 100, Atlanta, GA 30301. If you have any questions, please call me or my assistant Leonard Lucas at 404-521-7372. I look forward to hearing from you.

Sincerely,

Michael L. Lomax
Michael L. Lomax

MLL/CS

Taxpayer ID # 58-1728806

RECEIVED
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SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION 08/26/91 5 PM 4:10

In the Matter of)
)
Citibank, N.A.,)
The First National Bank of Atlanta n/k/a)
Wachovia Bank of Georgia, N.A.,)
The Atlanta '88 Committee, Inc.)
and Michael Lomax, as treasurer)

MUR 3124

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On September 26, 1991, the Commission found reason to believe that Citibank, N.A. ("Citibank"), the First National Bank of Atlanta, and the Atlanta '88 Committee, Inc. ("the Committee") and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i). The First National Bank of Atlanta is now known as Wachovia Bank of Georgia, N.A. ("Wachovia Bank").¹ All three respondents submitted timely responses to the Commission's reason to believe notification. Citibank and Wachovia Bank requested that the Commission take no further action. In the alternative, Wachovia Bank requested that the Commission enter into pre-probable cause conciliation. The Committee also requested pre-probable cause conciliation.

II. ANALYSIS

This Report first will address the investigation regarding the Committee, and then will address the investigation regarding Wachovia Bank and Citibank. For the reasons stated below, this

1. According to a May 13, 1991 article in the Atlanta Business Chronicle, the First National Bank of Atlanta merged with Wachovia Corporation of North Carolina after the time of the alleged violations.

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Office recommends that the Commission approve the Committee's request to enter into pre-probable cause conciliation. This Office also recommends that the Commission deny the requests of Citibank and the Wachovia Bank to take no further action, but approve Wachovia Bank's request for pre-probable cause conciliation.

A. The Committee

The Commission's reason to believe finding against the Committee rested on evidence that the Committee received contributions totaling \$8,530 from four banks.² In response to the Commission's reason to believe notification, the Committee contends that it did not violate 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) because it did not knowingly accept contributions from four banks. The Committee further contends that it exerted reasonable efforts to comply with the Act and regulations. It adds that "to the extent that any errors occurred, the facts establishing the noncompliance were not known to Atlanta '88 and Atlanta '88 had no reason to know those facts." (Attachment 1, page 5). The Committee also notes that all four contributions ultimately were refunded.

Under 2 U.S.C. § 441b(a), it is unlawful for a national bank to make a contribution or expenditure in connection with any political convention or caucus held to select candidates for

2. In addition to the contributions received from four banks, the Committee also received eight contributions from bank holding companies. The contributions received from bank holding companies, totaling \$40,630, were not included as part of the referral to this Office.

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any political office, and for any other corporation, including incorporated state banks, to make a contribution or expenditure in connection with a political convention or caucus held to select candidates for federal office. Although 11 C.F.R. § 9008.7(d)(2)(i) provides that local businesses may make contributions to a host committee to promote the convention city and its commerce, banks are excluded from this permissive regulation. Therefore, contributions to a host committee from national banks and incorporated state banks are prohibited by 11 C.F.R. § 9008.7(d)(2)(i) and 2 U.S.C. § 441b(a).

With respect to the specific contributions at issue, the Committee incorporated pages 15 through 18 of its response to the Interim Audit Report. See General Counsel's Report, August 22, 1991, pages 16-18. The Committee also offered additional responses to each of the alleged prohibited contributions. Regarding the \$5,000 contribution received from the First National Bank of Atlanta, the Committee stated that an internal accounting error at the bank caused this contribution to be charged to the bank, rather than the bank's holding company. In response to the Commission's reason to believe notification, the Committee also stated that it received four other contributions from the bank's holding company and had no knowledge, or reason to know, that the source of funds for the \$5,000 contribution was the bank rather than the bank's holding company.

A review of the \$5,000 contribution check received by the Committee reveals that this check is identical in appearance to

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four other contribution checks that the Committee later received from the First National Bank of Atlanta's holding company. The name of the account holder on the face of the checks was "First Atlanta Corporation." There was no indication on the face of the \$5,000 check that the contribution was from the First National Bank of Atlanta. Thus, the evidence supports the Committee's assertion that it had no reason to know that the source of funds for the \$5,000 contribution was the First National Bank of Atlanta.

Regarding the contributions received from Citibank and Bankers Trust Company, \$2,500 and \$730 respectively, the Committee contends that it understood that both of these contributions similarly came from bank holding companies. The Committee also maintains that, with respect to the qualification at 11 C.F.R. § 9008.7(d)(2)(i) that only local businesses are allowed to make contributions to host committees, both Citibank and Bankers Trust Company "had substantial operations and senior personnel in Atlanta at that time." (Attachment 1, page 5). Presumably, the Committee is suggesting that Citibank and Bankers Trust Company's bank holding companies would qualify as local businesses under 11 C.F.R. § 9008.7(d)(2)(iv) and, therefore, would be permitted to contribute to the Committee. This argument is irrelevant, however, because these contributions did not come from the bank holding companies, but from the banks themselves.

The Committee reported the fourth contribution at issue, \$300, as received from Citizens and Southern Corporation, a bank

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holding company of the Citizens and Southern National Bank. The Committee offered the following additional response, but no supporting documentation, regarding this contribution:

"Although the Atlanta '88 records with respect to this item are not complete, it is believed that the booklets at issue were donated pursuant to the provisions of 11 C.F.R.

§ 9008.7(c)(2)(i)." (Attachment 1, page 5).

The evidence available in this matter supports the Commission's finding that the Committee violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i) by accepting contributions from three banks totaling \$3,530. Contrary to the Committee's assertions, it is unnecessary for the Commission to establish that the Committee knew that a contribution violated 2 U.S.C. § 441b(a) at the time of acceptance in order for a violation of that section of the Act to occur. Rather, it is merely necessary to establish that the Committee knowingly accepted the contribution in question. See FEC v. John A. Dramesi for Congress Committee, 640 F. Supp. 985, 987 (D.N.J. 1986) ("knowing" standard of 2 U.S.C. § 441a(f) "does not require knowledge that one is violating a law, but merely requires an intent to act"). In this matter, the Committee accepted contributions from Citibank, Bankers Trust Company, and Citizens and Southern National Bank. See General Counsel's Report, August 22, 1991, pages 15-18. Therefore, this Office recommends that the Commission grant the Committee's request to enter into pre-probable cause conciliation. The terms of a

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proposed conciliation agreement are discussed in Section III of this Report.

B. First National Bank of Atlanta

Regarding the \$5,000 contribution received from the First National Bank of Atlanta, the response received from Wachovia Bank to the Commission's reason to believe notification is consistent with that of the Committee. Wachovia Bank states that the contribution was charged to the First National Bank of Atlanta rather than the bank's holding company due to a "clerical error". (Attachment 1, page 1). Wachovia Bank further states that "it would be inequitable, and certainly contrary to the letter and spirit of the law, to assess a penalty against the Bank due to the simple mistake of placing the wrong cost center number on an accounts payable voucher." (Attachment 1, page 1).

Although the contribution made by the First National Bank of Atlanta to the Committee may have resulted from a clerical error, the evidence nevertheless establishes that the First National Bank of Atlanta made a \$5,000 contribution to the Committee. The Audit staff determined that the \$5,000 contribution which the Committee reported as received from the First Atlanta Corporation in fact was from the First National Bank of Atlanta. See General Counsel's Report, August 22, 1991, pages 16-17. Therefore, this Office recommends that the Commission deny Wachovia Bank's request that the Commission take no further action and, instead, grant Wachovia Bank's request to enter into pre-probable cause conciliation. A proposed

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conciliation agreement is attached for Commission approval and is discussed in Section III of this Report.

C. Citibank

In response to the Commission's reason to believe notification, Citibank asserts that it did not "knowingly or intentionally" violate 2 U.S.C. § 441(b)(a) or 11 C.F.R. § 9008.7(d)(2)(i) "since it was not aware that making a contribution to the Committee was either governed, or prohibited, by the Act." (Attachment 1, page 8). Citibank contends that a solicitation letter it received from the Committee was misleading in that the solicitation letter "should have more clearly identified the status of the Committee and, specifically, that contributions to the Committee were governed by the Act." (Attachment 1, page 8). Citibank admitted that it made a \$2,500 contribution to the Committee based upon representations made by the Committee in the letter, including representations that the Committee was permitted to accept contributions from corporations doing business in the metropolitan Atlanta area.

The investigation into this matter has supported the Commission's reason to believe findings against Citibank. Although Citibank may not have "knowingly or intentionally" violated section 441b(a) of the Act, these elements are unnecessary for a violation of section 441b(a) of the Act to occur. It is merely necessary to establish that Citibank made a contribution in connection with any political convention or caucus held to select candidates for any political office.

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Furthermore, although the solicitation letter failed to state that contributions to the Committee were governed by the Act, the solicitation letter clearly states that contributions were to be made to Atlanta '88, "a 501c3 (sic) organization formed to manage the convention." (Attachment 1, page 11). Citibank should have determined, prior to making a contribution, whether Atlanta '88 was a committee subject to the requirements of the Act. The Committee's reliance upon the solicitation letter may, however, be a mitigating factor to consider in determining the amount of a civil penalty.

The evidence in this matter establishes that Citibank made a \$2,500 contribution to the Committee in violation of 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i). See General Counsel's Report, August 22, 1991, pages 16-17. Therefore, this Office recommends that the Commission deny Citibank's request that the Commission take no further action.

III. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

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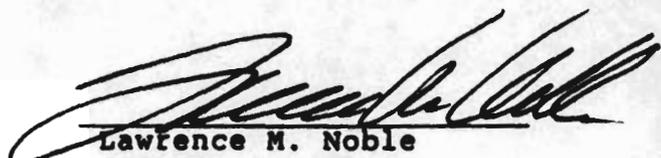
IV. RECOMMENDATIONS

1. Decline to take no further action against Citibank, N.A. and the First National Bank of Atlanta n/k/a Wachovia Bank of Georgia, N.A.

2. Enter into conciliation with the First National Bank of Atlanta n/k/a Wachovia Bank of Georgia, N.A and the Atlanta '88 Committee, Inc. and Michael Lomax, as treasurer, prior to a finding of probable cause to believe.

3. Approve the attached proposed conciliation agreements and the appropriate letters.

4/16/92
Date


Lawrence M. Noble
General Counsel

Attachments

- 1. Responses from Respondents
- 2. Proposed Conciliation Agreements (2)

Staff assigned: Mary P. Mastrobattista

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FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS /DONNA ROACHE *DR*
COMMISSION SECRETARY

DATE: APRIL 21, 1992

SUBJECT: MUR 3124 - GENERAL COUNSEL'S REPORT
DATED APRIL 16, 1992.

The above-captioned document was circulated to the
Commission on THURSDAY, APRIL 16, 1992 at 4:00 P.M.

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

Commissioner Aikens _____
Commissioner Elliott _____
Commissioner McDonald _____
Commissioner McGarry _____
Commissioner Potter XXX
Commissioner Thomas _____

This matter will be placed on the meeting agenda
for TUESDAY, APRIL 28, 1992 at 4:00 P.M.

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 3124
Citibank, N.A.;)
The First National Bank of Atlanta)
n/k/a Wachovia Bank of Georgia, N.A.;)
The Atlanta '88 Committee, Inc. and)
Michael Lomax, as treasurer)

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on April 28, 1992, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 3124:

1. Take no further action against the above-named respondents.
2. Close the file.
3. Direct the Office of General Counsel to send appropriate letters.

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

Attest:

4/29/92
Date

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

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

May 4, 1992

Gordon D. Giffin, Esq.
Long, Aldridge & Norman
1500 Marquis Two Tower
285 Peachtree Center Ave., N.E.
Atlanta, GA 30303-1257

RE: MUR 3124
The Atlanta '88 Committee, Inc.
and Michael Lomax, as treasurer

Dear Mr. Giffin:

By letter dated October 10, 1991, you were notified that the Federal Election Commission found reason to believe that the Atlanta '88 Committee, Inc. and Michael Lomax, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i). On November 12, 1991, you submitted a response to the Commission's reason to believe findings.

After considering the circumstances of the matter, the Commission determined on April 28, 1992, to take no further action against your clients and closed the file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact me at
(202) 219-3400.

Sincerely,

Mary P. Mastrobattista
Attorney

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
MAY 11 1992

May 4, 1992

Michael E. Ray, Esq.
Wachovia Bank of Georgia, N.A.
P.O. Box 4148
Atlanta, GA 30302

RE: MUR 3124
The First National Bank of Atlanta
n/k/a Wachovia Bank of Georgia, N.A.

Dear Mr. Ray:

By letter dated October 10, 1991, your client was notified that the Federal Election Commission found reason to believe that the First National Bank of Atlanta violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i). On October 28, 1991, you submitted a response to the Commission's reason to believe findings.

After considering the circumstances of the matter, the Commission determined on April 28, 1992, to take no further action against your client and closed the file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact me at
(202) 219-3400.

Sincerely,
Mary P. Mastrobattista
Mary P. Mastrobattista
Attorney

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 4, 1992

Leslie J. Kerman, Esq.
Epstein Becker & Green, P.C.
1227 25th Street, N.W.
Washington, D.C. 20037-1156

RE: MUR 3124
Citibank, N.A.

Dear Ms. Kerman:

By letter dated October 10, 1991, your client was notified that the Federal Election Commission found reason to believe that Citibank, N.A. violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 9008.7(d)(2)(i). On November 22, 1991, you submitted a response to the Commission's reason to believe findings.

After considering the circumstances of the matter, the Commission determined on April 28, 1992, to take no further action against your client and closed the file. The file will be made part of the public record within 30 days. Should you wish to submit any factual or legal materials to appear on the public record, please do so within ten days of your receipt of this letter. Such materials should be sent to the Office of the General Counsel.

If you have any questions, please contact me at
(202) 219-3400.

Sincerely,

Mary P. Mastrobattista
Attorney

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3124

DATE FILMED 5/29/92 CAMERA NO. 1

CAMERAMAN S.E.C.

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