



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3384

DATE FILMED 8-12-92 CAMERA NO. 4

CAMERAMAN EES

92040921642

# Salomon for Congress

06-C 2337  
RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIN COPY ROOM

91 AUG 28 PM 1:47

22 August 1991

MUR 3384

91 AUG 29 AM 10:49

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

Mr. Lawrence M. Noble  
General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Dear Mr. Noble:

We wish to file a complaint with the Federal Election Commission against the Beilenson Campaign Committee, the principal campaign committee during the 1990 election cycle for Anthony Beilenson, Member of Congress from the 23rd Congressional District of California, and against Anthony Beilenson personally and those members of his Congressional staff who acted on his behalf to assist his campaign committee during that election cycle. The address of the Beilenson Committee should be on file with you. If it is not, the committee may be addressed at 11000 Wilshire Blvd., Room 12230, Los Angeles, CA 90024, or care of Julius Glazer, Treasurer, 444 S. Occidental Blvd., Suite 421, Los Angeles, CA 90057. Mr. Beilenson and his staff may be reached at 1025 Longworth House Office Building, Washington, DC 20515, or at the Wilshire Boulevard address in Los Angeles.

During the first week of October, 1990, the contributors to the campaign of Jim Salomon, Mr. Beilenson's opponent, received by first class mail a xerox copy of an article which had appeared in the Los Angeles Times on September 30, 1990. In the article was personal information about Mr. Salomon which, though innocent in itself, was presented in an unfavorable and damaging manner. With the xerox of the article was enclosed a typed note as follows: "In case you missed it ... imagine what his opponent will do with this." This was a clear effort to incite the addressee to abandon his support of Jim Salomon.

In apparent violation of 11 CFR 110.11(a) the mailing was wholly anonymous. No identification of the sender or authorization notice was included.

I believe Mr. Beilenson or his campaign was responsible for this mailing for the following reasons:

1. The article which appeared in the Times and which was the essence of the mailer had been "planted" by the Beilenson campaign. By this I mean that persons in

WESTSIDE OFFICE  
146 Spalding Drive  
Beverly Hills, CA 90212  
(213) 859-8178

HEADQUARTERS  
20969 Ventura Blvd., Suite 7  
Woodland Hills, CA 91364  
(818) 592-6083 FAX (818) 592-6662

FINANCE OFFICE  
1047 Gayley Avenue  
Los Angeles, CA 90024  
(213) 824-7077

92040921643

Beilenson's employ, whether as his Congressional or his campaign staff, gave to the *Times* the information on which the article was based and exerted whatever pressure and influence they could to induce the *Times* to print the article. A high-ranking editor of the *Times* volunteered this information in a telephone conversation with Mr. Salomon;

2. The contributors whose names were listed on our FEC reports were the ones who received this communication. This includes persons who appeared in no other public manner as supporters of Mr. Salomon;

3. Apparently no person who did not appear on our FEC reports received a mailing, although there were many publicly known supporters of Jim Salomon who did not contribute funds or whose contributions were less than the amount which would have required them to be listed individually;

4. So far as we are aware our FEC reports were available for inspection only in Washington, DC, and like all such reports were readily and conveniently available to any Member of Congress and his staff;

5. Mr. Beilenson's staff and committee did in fact make a practice of examining our FEC reports very carefully; and finally

6. No other person or entity had any motive to create, pay for, and send such a mass mailing. Therefore, Mr. Beilenson, his committee, and his staff were the only ones who had the classic combination of motive, opportunity (by being in Washington), and means.

If you need any additional information, I can be reached at (213) 859-8178. Please address any correspondence to the Westside Office.

Signed and sworn on this 23 day of August, 1991.

*Paul Morgan Fredrix*  
Paul Morgan Fredrix  
Assistant Treasurer  
Salomon for Congress

SUBSCRIBED AND SWORN TO BEFORE ME  
THIS 23 DAY OF August, 1991

*Alicia R. Sempier*  
.....  
NOTARY PUBLIC

Commission Expires: 7-25-94

92040921644



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 6, 1991

Mr. Shelby Coffey, III  
Executive Vice President and Editor  
Los Angeles Times  
Times Mirror Square  
Los Angeles, CA 90053

RE: MUR 3384

Dear Mr. Coffey:

The Federal Election Commission received a complaint which alleges that the Los Angeles Times may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3384. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Times in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

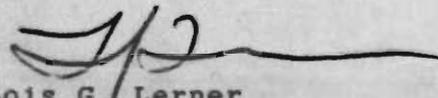
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

92040921645

If you have any questions, please contact Richard M. Denholm II, the staff member assigned to this matter, at (202) 219-3690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosures

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

92040921646



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 6, 1991

Mr. Julius Glazier, Treasurer  
Beilenson Campaign Committee  
444 S. Occidental Blvd. #421  
Los Angeles, CA 90057

RE: MUR 3384

Dear Mr. Glazier:

The Federal Election Commission received a complaint which alleges that the Beilenson Campaign Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3384. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

92040921647

If you have any questions, please contact Richard M. Denholm II, the staff member assigned to this matter, at (202) 219-3690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

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

cc: Honorable Anthony C. Beilenson

92040921648



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

September 6, 1991

The Honorable Anthony C. Beilenson  
United States House of Representatives  
1025 Longworth House Office Bldg.  
Washington, D.C. 20515

RE: MUR 3364

Dear Mr. Beilenson:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3384. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

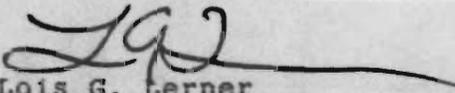
92040921649

If you have any questions, please contact Richard M. Denholm II, the staff member assigned to this matter, at (202) 219-3690. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Lerner  
Associate General Counsel

Enclosures

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

92040921650



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

September 6, 1991

Mr. Paul Morgan Fredrix  
Assistant Treasurer  
Salomon for Congress  
Westside Office  
146 Spalding Drive  
Beverly Hills, CA 90212

RE: MUR 3384

Dear Mr. Fredrix:

This letter acknowledges receipt on August 29, 1991, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by the Beilenson Campaign Committee, Anthony Beilenson, and the Los Angeles Times. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3384. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

If you have any questions, please contact Retha Dixon, Docket Chief, at (202) 219-3410.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
Procedures

92040921651

06C 2807

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIN COPY ROOM

**Los Angeles Times** 91 SEP 19 AM 11:03

Times Mirror Square  
Los Angeles, CA 90053  
213 237-3760

September 16, 1991

Glen A. Smith  
Senior Staff Counsel

Mr. Lawrence M. Noble  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 3384

Dear Mr. Noble:

On September 9, 1991, Shelby Coffey, Executive Vice President and Editor of the Los Angeles Times, received a letter from your office notifying the Times that a complaint had been filed against it with the Federal Election Commission. We were surprised by the letter since the Times has never been a candidate for office, has not contributed to candidates for office, and as far as we know, is beyond the jurisdiction of the FEC. Further, upon a careful reading of the complaint (an August 22, 1991 letter from Salomon for Congress Assistant Treasurer Paul Morgan Fredrix), it is clear that no actionable complaint has been filed against the Times and that any proceeding with respect to the newspaper should be terminated.

The first sentence of the complaint states that it is being filed against the Beilenson Campaign Committee, and not the Los Angeles Times. The basis of the complaint is the allegation that the Beilenson Campaign Committee anonymously mailed a reprint of a September 30, 1990 Los Angeles Times' article to Mr. Solomon's supporters. There is no allegation that the Los Angeles Times mailed the reprint or did anything else which can be construed as a violation of the Federal Election Campaign Act.

The complaint also alleges, based on information from an unnamed Times editor, that the Beilenson campaign supplied information to the Times which was used in the September 30 article. The Times will neither confirm nor deny the sources of information it receives pursuant to its federal common law privilege for the protection of news sources. The editorial process used by the Times to publish this article enjoys the highest protection under

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 SEP 19 PH 3:43

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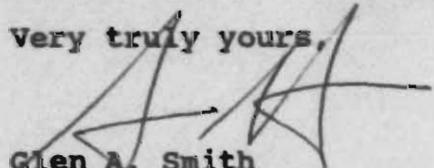
Mr. Lawrence M. Noble  
September 16, 1991  
Page 2

the First Amendment and is not subject to the jurisdiction or review of the Commission.

The article, a copy of which is enclosed, states that it is based on court records and an interview with Mr. Salomon. The complaint does not allege that the article is false or misleading.

Since the complaint does not allege the existence of any facts which constitute a violation of the Federal Election Campaign Act by the Los Angeles Times, there is no basis for any further proceedings involving the Times and we respectfully request that this proceeding be terminated with respect to the Times.

Very truly yours,



Glen A. Smith

GAS/cas

cc: Shelby Coffey, III

92040921653

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3384

NAME OF COUNSEL: Glen A. Smith

ADDRESS: Senior Staff Counsel

The Times Mirror Co.

Times Mirror Square  
Los Angeles, California 90053

TELEPHONE: (213) 237-3760

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.

9/16/91  
Date

Shelby Coffey III  
Signature Shelby Coffey, III  
for the Los Angeles  
Times

RESPONDENT'S NAME: Los Angeles Times

ADDRESS: c/o Glen A. Smith, Legal Dept.

Times Mirror Square

Los Angeles, California 90053

HOME PHONE: \_\_\_\_\_

BUSINESS PHONE: (213) 237-3760

92040921654

Copyright (c) 1990 The Times Mirror Company;  
Los Angeles Times

September 30, 1990, Sunday, Valley Edition

SECTION: Metro; Part 8; Page 3; Column 5

LENGTH: 1060 words

HEADLINE: ELECTION 23RD CONGRESSIONAL DISTRICT;  
CANDIDATE HAS IMAGE OF SUCCESS BUT LIVES ON FINANCIAL EDGE

BYLINE: By JEFFREY L. RABIN, TIMES STAFF WRITER

BODY:

In campaign literature and on the stump, Republican congressional candidate Jim Salomon is the very model of a Westside yuppie: a successful, pin-striped businessman, a "recognized leader in the field of foreign trade," a resident of a Beverly Hills apartment and the driver of a \$60,000 Cadillac Allante convertible.

In his mid-30s, Jewish and handsome, he seems like a candidate from central casting, ideally suited to the wealthy, largely Jewish, Westside-San Fernando Valley district now represented by veteran Democrat Anthony C. Beilenson, 57.

His challenge to Beilenson has attracted the backing of top corporate executives. The district's most famous Republican resident, Ronald Reagan, not only endorsed Salomon, he also starred at a fund-raising reception for the candidate in Century City.

Behind the campaign image, however, is a man living on the financial edge. The Allante is leased. Salomon has had no income for more than a year and says he is living on credit. He is involved in a dispute with his ex-wife over child support and has been sued by a former business partner who alleges that Salomon failed to repay \$50,000 in promissory notes.

"I have had no income whatsoever since June of 1989," Salomon declared in court papers filed little more than a week ago in connection with the dispute with his ex-wife. "I have no assets except personal property . . . I am living solely upon credit."

Salomon made the statements in response to his ex-wife's request for a contempt order against him for failure to pay \$1,200 in child support and \$3,000 in attorney's fees arising from a child custody dispute.

Angela Bromstad contended that her ex-husband "spends much money on his campaign while ignoring court-ordered obligations to his family."

In court papers, Salomon replied that he inadvertently bounced a check for \$600 of the child support payments in August, because he failed to reconcile his bank statements and was unaware he was over his credit limit. He said he withheld another \$300 payment because he was denied custody of his daughter during spring vacation.

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In a lengthy interview last week at the apartment that doubles as his campaign headquarters, Salomon said he has now made good on all of his late child support payments. He pledged that he will continue to meet his child support obligations in the future. Payment of the attorney's fees, ordered by a Los Angeles Superior Court judge last year, gets a "very low priority" given his financial situation, he said.

Once the election is over, Salomon faces a February court date on a lawsuit filed by a former partner in a firm called International Financial Associates.

Salomon has countersued for \$200,000, arguing that his associate breached an agreement by not providing him leads on clients seeking financing and foreign markets.

To support himself while a candidate, Salomon said he has been liquidating his assets "to the point where literally I have no net worth except for personal property.

"I have no stock . . . no bonds, no savings accounts," he said. "All of that kind of stuff is gone, sold, cashed out and used to pay living expenses."

In financial disclosure statements to the clerk of the House of Representatives, Salomon reported that he earned \$75,000 as an international trade consultant in 1987 and \$60,000 in 1988. His income from the work, which he said involved helping American businesses establish foreign markets for their products, declined to \$25,000 last year. Since mid-1989, he said, he has been campaigning full time and so has been making no money.

Salomon said he is now living on unsecured lines of credit. He suggested that such a sacrifice is a measure of his dedication to defeating Beilenson.

"What you are looking at is a candidate who is absolutely doing everything he can to the limit of his own abilities to win this thing and make people feel I'm giving 100%," Salomon said.

"I don't like what's going on, and I don't like what our congressman is doing. And I'm willing to stand up and be counted."

It will be an uphill fight -- just as it was two years ago when Beilenson crushed Salomon's first challenge.

The oddly shaped 23rd Congressional District, which runs from Beverly Hills to Malibu and Encino to Reseda is solidly Democratic and liberal, notwithstanding a pocket of conservative Republican voters in the upper reaches of its San Fernando Valley portion.

With the exception of the Reagan presidential landslide of 1984, the area has been safe Democratic turf for years. So safe that Salomon fails to mention in his billboards and campaign signs that he's a Republican. His campaign brochure mentions the Republican allegiance only obliquely at the end of a long biography.

"I hate this party prejudice," Salomon said.

Failing to mention that he's a Republican "forces people to be curious about me before they close their mind to the party label," he said.

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Salomon's second challenge to Beilenson -- a congressman since 1976 who, before that, represented much of the district in the state Legislature -- has attracted hundreds of well-heeled contributors. The reception last month featuring Reagan raised \$40,000.

The challenger's aggressive pursuit of campaign cash last year also forced Beilenson to abandon his own self-imposed moratorium on off-year fund-raising.

Salomon's campaign chairman, Irving Mitchell Felt, is indicative of the kind of support the candidate has been able to attract.

Felt, a developer whose projects included the rebuilding of New York's Madison Square Garden in the 1960s, has long been active in Jewish and civic organizations.

"I find Jim to be a very forthright, knowledgeable, honorable young man who . . . has determined he would like to devote time to public service," Felt said.

The fact that Salomon is not working, except on the campaign, did not deter Felt from supporting the candidate. "Jim gave up an awful lot to go into the public arena," he said. "It's hard not to have an income or much of an income and to be after political office."

Despite having raised more than twice as much money for his campaign as Beilenson, Salomon said he has only about \$30,000 on hand as the campaign enters its final stretch. Heavy spending on campaign consultants, billboards, phone banks, and a direct mail campaign to Republicans has depleted his resources.

GRAPHIC: Photo, Prominent Republicans support the candidacy of Jim Salomon. BRIAN GADBERY / Los Angeles Times

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06C 2901



FEDERAL

91 SEP 25 PM 2:04

Congress of the United States  
House of Representatives  
Washington, D. C.

Anthony C. Beilenson  
23rd District  
California

September 24, 1991

Mr. Lawrence M. Noble  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 3384

Dear Mr. Noble:

In response to your letter dated September 6, 1991, regarding the above-referenced matter, I hereby state that I have absolutely no knowledge of the alleged mailing, and that neither I--nor any of my staff--sent such a mailing.

Signed and sworn on this 24th day of September, 1991.

Sincerely,

ANTHONY C. BEILENSEN  
Member of Congress

*Notarost of Columbia:*  
*Subscribed and sworn before me*  
*this 24th day of September 1991*

My Commission Expires August 31, 1996

92040921658

91 SEP 25 PM 4:00

FEDERAL ELECTION COMMISSION

066 3039

**JULES GLAZER**  
BUSINESS MANAGEMENT

444 S. OCCIDENTAL BLVD., SUITE 421  
LOS ANGELES, CA 90057  
(213) 384-7030  
FAX: (213) 384-5548

77-731 LOS ARBOLES  
LA QUINTA, CALIFORNIA 92253  
(619) 564-4972

October 3, 1991

Mr. Lawrence M. Noble  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

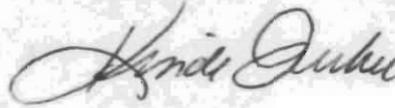
Re: MUR 3384

Dear Mr. Noble:

This is in response to your letter dated September 6, 1991 regarding the above referenced MUR. We received your letter on September 18, 1991, thereby giving us until October 3 to prepare a response. Mr. Glazer has been out of town during that period, and although he has a response prepared, he has not been able to sign and notarize it. I anticipate his arrival to the office of Tuesday, October 8, at which time I will have him sign and notarize his response and return it to you by next day delivery.

If you have any questions, please contact me.

Sincerely,



Kinde Durkee

cc: Richard M. Denholm, II

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 OCT -7 PM 4:08

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FEDERAL ELECTION COMMISSION  
91 OCT -7 AM 10:16

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91 OCT -9 PM12:50

Salomon for Congress  
146 Spalding Drive  
Beverly Hills, CA 90212  
(213) 859-8178  
October 3, 1991

Richard Denholm  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

RE: MUR 3384

Dear Mr. Denholm:

I am sorry it has taken me almost a month to get back to you with the additional information you requested. What with our new campaign beginning to gear up, I've been a bit distracted.

At any rate, enclosed please find two exhibits as described below.

Exhibit A - Copies of the material on which our complaint is based. Page 1 is a copy of the envelope and enclosed covering note by which the material was transmitted to us from Richard Phillips. Page 2 is a copy of the envelope which he forwarded and of the unsigned note which was inside it. (Please note that the letter was addressed to Mr. Phillips's wife Judith, who had signed the checks and who was therefore listed in our FEC reports as a contributor. Mrs. Phillips appeared in no other public way as a supporter of Jim Salomon; on the other hand, Mr. Phillips, whose name was disseminated as a supporter but who did not appear on the FEC reports as a contributor, did not get a mailing. Also worth noting is the fact that, while the envelope addressed to Mrs. Phillips had no return address, it was postmarked Van Nuys. Mr. Beilenson had a Valley Office which, I believe, was not far from the Van Nuys Post Office.) Also inside was a copy of the article which had appeared in the Times; the enclosed "copy of the copy" is labeled page 3a and 3b. The original envelopes and their contents are in Mr. Salomon's possession in their original condition and are available to you if you want them.

Exhibit B - Copies of the exterior and contents of a "packet" which confirms at least that the Beilenson forces were creating copies of the article at a furious rate and were attempting to give it widespread distribution. The history of this packet is as follows: Dr. Larry May hosted a function at his office for Jim Salomon. One of the invitees (I don't have his name but I could probably get it if it's important) had his office in the same building as

91 OCT -9 PM 3:28

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

92040921660

the Valley Office of Congressman Beilenson. This guest saw one of Mr. Beilenson's Congressional staffers in the elevator and mentioned to her that he was about to attend an event for Jim Salomon. She then took him up to the Beilenson office, stuffed an envelope with campaign materials that were lying ready to hand in this Congressional field (not campaign) office, and urged him to distribute the contents at the pro-Salomon function. The guest gave the envelope to Dr. May, who handed it to Jim Salomon in front of several witnesses. The envelope, by the way, was an official government envelope bearing the Congressman's frank (page 1 of the exhibit is a copy of the front of the envelope). The contents of the envelope were as follows:

- \* 56 "Re-elect" brochures (page 2);
- \* 66 copies, *Jewish Journal* article (page 3 is a copy of just the front page of this item);
- \* 14 copies, montage repro from *Roll Call* (page 4);
- \* 14 copies, "Pandering" article from the *Forward*, a Jewish weekly out of New York (page 5). This article also was apparently planted by our opponent;
- \* 84 copies of the *Times* article, a copy of which you have in Exhibit A.

Again, the original envelope and its contents are in Mr. Salomon's possession in their original condition.

The *Times* editor who told Mr. Salomon that the article had been planted by the Beilenson forces was suburban editor Bill Rood. His words were, as Mr. Salomon recalls, "Someone else would have done it anyway, because Beilenson was really pushing it!"

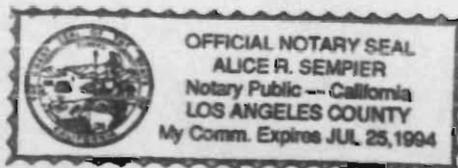
If you have any more questions, just holler.

Sincerely,

*Paul Morgan Fredrix*

Paul Morgan Fredrix  
Assistant Treasurer

SUBSCRIBED AND SWORN TO BEFORE ME  
THIS 4<sup>th</sup> DAY OF October, 1991  
*Alice R. Semper*



92040921661



P.O. Box 807 • El Segundo, CA 90245



Jim Salomon  
146 Spaulding Dr.  
Beverly Hills, Calif.  
90212



Dick Phillips  
President

10/19/80

Jim:

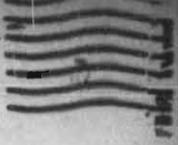
This arrived yesterday -  
Must be from a loyal  
supporter! Notice that it  
was sent to Judy - who  
had signed the checks?  
Hope everything is going OK.

Good luck  
Dick

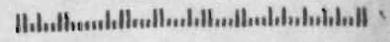
92040921662

POST OFFICE BOX 807, EL SEGUNDO, CALIFORNIA 90245 • (213) 772-3231

Exhibit A - legal



Ms. Judith Phillips  
153 Via Pasqual  
Redondo Beach, CA 90277



92040921663

In case you missed it...  
imagine what his opponent will do with this.

## LOCAL NEWS

SECTION

J

SUNDAY

SEPTEMBER 30, 1990

## Westside

Los Angeles Times

## HIGHLIGHTS

**FINANCIAL WOES:** The image put forth by GOP congressional candidate Jim Salomon is that of a young, affluent Westside professional: a successful consultant, an international trade expert, a Beverly Hills resident. But the challenger to Democrat Anthony C. Beilenson acknowledges he has had no income for more than a year, is living on credit and has legal problems. **J1**

## LOCAL ELECTIONS / CONGRESS

## Behind Salomon Campaign Image

■ **Politics:** The Republican challenger to incumbent Anthony Beilenson has all the trappings of success. But he is a man living on the financial edge.

By JEFFREY L. RABIN  
TIMES STAFF WRITER

In campaign literature and on the stump, Republican congressional candidate Jim Salomon is the very model of a Westside yuppie: A successful, pin-striped businessman, a "recognized leader in the field of foreign trade," a resident of a Beverly Hills apartment and the driver of a \$60,000 Cadillac Allante convertible.

Young (he turns 35 Monday), Jewish and handsome, he seems like a candidate from central casting, ideally suited to the wealthy, largely Jewish, Westside-San Fernando Valley district now represented by veteran Democrat Anthony C. Beil-

son, 57.

His challenge to Beilenson has attracted the backing of top corporate executives. The district's most famous Republican resident, Ronald Reagan, not only endorsed Salomon, he also starred at a fund-raising reception for the candidate in Century City.

Behind the campaign image, however, is a man living on the financial edge. The Allante is leased. Salomon has had no income for more than a year and says he is living on credit. He is involved in a dispute with his ex-wife over child support and has been sued by a former business partner who alleges that Salomon failed to repay \$50,000 in promissory notes.

"I have had no income whatsoever since June of 1989," Salomon declared in court papers filed little more than a week ago in connection with the dispute with his ex-wife. "I have no assets (except personal property) and I am living solely upon credit."

Salomon made the statements in response to his ex-wife's request for a contempt order against him for failure to pay \$1,200 in child support and \$3,000 in attorney's fees arising from a child custody dispute.

Anjela Bromstad contended that her ex-husband "spends much money on his campaign while ignoring court-ordered obligations to his family."

In court papers, Salomon replied that he inadvertently bounced a check for \$600 of the child support payments in August, because he failed to reconcile his bank statements and was unaware he was over his credit limit. He said he withheld another \$300 payment because he was denied custody of his daughter during spring vacation.

In a lengthy interview last week at the apartment that doubles as his campaign headquarters, Salomon said he has now made good on all of his late child support payments. **Please see SALOMON, J10**



WHELAN GADSBY - Los Angeles Times

Prominent Republicans support the candidacy of Jim Salomon.

EXHIBIT A - Page 3a

# SALOMON: U.S. Rep. Beilenson's Full-Time Challenger Lives on Credit

Continued from J1  
payments. He pledged that he will continue to meet his child support obligations in the future. Payment of the attorney's fees, ordered by a Los Angeles Superior Court judge last year, gets a "very low priority" given his financial situation, he said.

Once the election is over, Salomon faces a February court date on a lawsuit filed by a former partner in a firm called International Financial Associates. Salomon has countersued for \$200,000, arguing that his associate breached an agreement by not providing him leads on clients seeking financing and foreign markets. Though not a lawyer, Salomon is representing himself in both legal disputes.

To support himself while a candidate, Salomon said he has been liquidating his assets "to the point where literally I have no net worth except for personal property."

"I have no stock . . . no bonds, no savings accounts," he said. "All of that kind of stuff is gone, sold, cashed out and used to pay living expenses."

In financial disclosure statements to the clerk of the House of Representatives, Salomon reported that he earned \$75,000 as an international trade consultant in 1987 and \$80,000 in 1988. His income from the work, which he said involved helping American businesses establish foreign markets for their products, declined to \$25,000 last year. Since mid-1989, he said, he has been campaigning full time and so has been making no money.

Salomon said he is now living on unsecured lines of credit. He suggested that such a sacrifice is a measure of his dedication to defeating Beilenson.

"What you are looking at is a candidate who is absolutely doing everything he can to the limit of his own abilities to win this thing and make people feel I'm giving 100%," Salomon said.

"I don't like what's going on, and I don't like what our congressman is doing. And I'm willing to stand up and be counted."

It will be an uphill fight—just as it was two years ago when Beilenson crushed Salomon's first challenge.

The oddly-shaped 23rd congressional district, which runs from Beverly Hills to Malibu and Encino to Reseda is solidly Democratic and liberal, notwithstanding a pocket of conservative Republican voters in the upper reaches of its San Fernando Valley portion.

With the exception of the Reagan presidential landslide of 1984, the area has been safe Democratic turf for years. So safe that Salomon fails to mention in his billboards and campaign signs that he's a Republican. His campaign brochure mentions the Republican allegiance only obliquely at the end of a long biography.

"I hate this party prejudice," Salomon said. "I wish the race were Jim Salomon versus Anthony Beilenson."

Failing to mention that he's a Republican "forces people to be curious about me before they close their mind to the party label," he said.

Salomon's second challenge to Beilenson—a congressman since 1976 who, before that, represented much of the district in the state Legislature—has attracted hundreds of well-heeled contributors. The reception last month featuring Reagan raised \$40,000.

The challenger's aggressive pur-

suit of campaign cash last year also forced Beilenson to abandon his own self-imposed moratorium on off-year fund-raising.

Salomon's campaign chairman, Irving Mitchell Felt, is indicative of the kind of support the candidate has been able to attract.

Felt, a developer whose projects included the rebuilding of New York's Madison Square Garden in the 1980s, has long been active in Jewish and civic organizations. Felt said he was very impressed

with Salomon's independence and his manner.

"I find Jim to be a very forthright, knowledgeable, honorable young man who . . . has determined he would like to devote time to public service," Felt said.

The fact that Salomon is not working, except on the campaign, did not deter Felt from supporting the candidate. "Jim gave up an awful lot to go into the public arena," he said. "It's hard not to

have an income or much of an income and to be after political office."

Salomon's long list of campaign co-chairs includes actor Charlton Heston, movie producer Albert R. Broccoli, Arco Chairman Lodwick Cook, financier Marvin Davis, developer Jona Goldrich, movie theater magnate Henry Platt and investor and hotel owner Meshulam Riklis.

Despite having raised more than twice as much campaign funds as

Beilenson, Salomon said he only has about \$30,000 on hand as the campaign enters its final stretch. Heavy spending on campaign consultants, billboards, phone banks and a direct mail campaign to Republicans has depleted his resources.

In the closing weeks, Salomon plans to run campaign ads on cable television on both sides of the Santa Monica Mountains and maintain an ambitious schedule of campaign appearances.

EXHIBIT A - Page 26

U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515  
PUBLIC DOCUMENT  
OFFICIAL BUSINESS

9 2 0 4 0 9 2 1 6 6 6

*Andrew C. Besler*  
M.C.

Exhibit B - Page 1

---

**Congressman  
Anthony C. Beilenson**

---

**An Honest and Independent  
Voice in Congress**

Congressman Beilenson has earned an outstanding reputation for integrity and effectiveness. Throughout his entire career in Congress, he has never accepted contributions from lobbyists or special interest groups of any kind.

**His Record Is Outstanding**

Congressman Beilenson has an established record of championing environmental protection, consumers' rights, reduction of the budget deficit, women's rights, political campaign reform, and issues of concern to senior citizens. Widely recognized for his conservation efforts, he was the author of the legislation that created the Santa Monica Mountains National Recreation Area.



The Beilenson Family—Tony and Dolores Beilenson with their children, Adam, daughter-in-law Helen, Peter, and Dayna, and one of their three grandchildren, Valerie.

**Re-elect Congressman Beilenson**

Paid for by the Beilenson Campaign Committee  
P.O. Box 241683, Los Angeles, CA 90024



# Re-elect Congressman Tony Beilenson



## Tony Beilenson Provides Distinguished Leadership for Our Community

- Chairman of the House Intelligence Committee, which oversees the CIA and other U.S. intelligence agencies.
- Senior member of the powerful and strategic House Rules Committee.
- One of only four members of Congress who refuses to accept special interest contributions or honoraria.
- Named last year by U.S. News & World Report as one of the "12 Straightest Arrows in the House of Representatives, whose integrity is beyond question."
- "Few members of either party are as respected as Beilenson for their willingness to act out of conviction regardless of political interest."

-Politics in America

THE JEWISH JOURNAL  
OF GREATER LOS ANGELES

34 — 50¢

Candlelighting 4:43 p.m.

October 31-November 6, 1986



92040921668

# The Politics of Straight-Shooting

Congressman Tony Beilenson is in a tough race, but he still talks about issues and tells voters what he thinks p.12

*Exhibit B - Page 3*

# ROLL CALL



THE NEWSPAPER OF CONGRESS

Monday, March 5, 1990

## The 20 Smartest Members of Congress

Obviously, It's a Subjective List, But Here Are the 11 Democrats and 9 Republicans  
With the Most Raw Brainpower on the Hill: Not Wisdom, But Smarts

### Rep. Anthony Beilenson (D-Calif)

Beilenson makes the list not just because he is chairman of the House Intelligence Committee (the two kinds of intelligence aren't necessarily the same) but because he is an original and independent thinker. He's the Rules Committee's expert on the budget process. Holds two degrees from Harvard.

EXHIBIT 8-1.4

# Pandering to the Jews

**D**on't look now, but the political season is upon us yet again. Scarcely have we recovered from the last presidential election when it's time to vote for the 102nd Congress.

The first harbinger of the season is, of course, the mailbox stuffed with fund-raising letters. The scandal of our system of campaign financing, a system that compels candidates for office to spend huge chunks of their time and their energy foraging for funds, is a continuing affliction; it demeans and devalues the office and it damages the central institutions of our democracy.

Also, there's a particular Jewish twist to the solicitation of financial support. We Jews are, as is well known, both more affluent and more politically involved than most groups, and so we are a prime target community for campaigns in search of funds. And when it comes to selling a candidate to the Jews, pandering is the name of the game.

Between now and election day, I intend from time to time to examine in this space some of the more egregious cases of pandering to the Jews.

Case 1: I have before me a fund-raising packet from one Jim Salomon, the Republican challenger for California's 23rd Congressional district seat, which is now held by Tony Bellenson. Mr. Salomon's materials, contained in a shiny red folder and replete with color brochures, include 16 pages of "information" — nearly half of which are devoted to listing the names of the folks who have endorsed him: Pat Boone, Charlton Heston, Arnold Schwarzenegger, and 230 more, drawn overwhelmingly from the business community (40% are presidents or chairmen of the board of corporations; another 10% list their occupations as "investments;" and 20% more are vice-presidents, managing partners, or partners in business or professional firms), and, even more overwhelmingly, from the Jewish community.

As for the pandering: first we have the list of the nine people who not only endorse Mr. Salomon's bid, but also have signed the letter asking for financial support. Nine signers, and each and every one of them, below his or her signature, is identified by a Jewish communal affiliation. So, for example, Warren Ashman, who happens to be chairman of a firm called Butterfield and Mason, is identified only as "Board of Directors, AIPAC;" Lorna Auerbach, who is president of Auerbach Leasing and Management, is identified only as "V.P. Southern California Chapter, American Society for the Technion;" Jack Seiberg, who is chairman of the First Charter Bank, is identified as "Chair, Martyr's Memorial and Museum of the Holocaust." And so on.

Well, why not? In an appeal obviously directed to Jews, isn't the Jewish affiliation of the endorser more relevant than the endorser's profession? Here's

why not? Because nowhere in the letter is there the usual disclaimer, "Institutional affiliation for purposes of identification only." From the look of the letter, its unsuspecting recipient could easily infer that the Holocaust Museum, AIPAC, and all the rest, all endorse Jim Salomon. And they don't. They can't. They are prohibited by law from endorsing candidates. And there can be no question that the Salomon people know that, and knew it while they were preparing the materials for distribution.

The suspicion that Mr. Salomon is engaged less in a campaign on the issues than in pandering to Jewish sentiment is reinforced by the fact that the only mention that he's a Republican comes in a tiny reprint from a local Jewish newspaper and in a long profile — in Hebrew — reprinted from a regional Hebrew newspaper. In the materials his own people prepared, there's no mention at all of the fact — presumably because if you're appealing to Jews, it's best to play down your Republican affiliation. And the suspicion, finally, is confirmed by the slashing attack on Mr. Bellenson that forms the heart of Mr. Salomon's message.

Mr. Bellenson is a Jew, a low-profile but highly regarded congressman, and he's been serving in Congress for more than a decade. (His wife Dolores, incidentally, was the key mobilizer of congressional wives on behalf of Soviet Jewry.) Mr. Salomon's two-page indictment of Mr. Bellenson's record deals with one issue only: the issue of Israel. There's no other information whatsoever offered on Mr. Bellenson's record. Nor, for that matter, do we learn anything about what Mr. Salomon is for, except from his two-page paper on Israel and the Middle East. The Salomon people evidently believe that when you talk to Jews, all you have to talk about — all we care about — is Israel. Not child care, not the relation between church and state, not education, not anything except Israel.

And what is Mr. Salomon's gripe against Mr. Bellenson on Israel?

In more than ten years in the House of Representatives, the Salomon people find that Mr. Bellenson has voted the "wrong" way on Israel-related issues a total of four times. Every one of the four votes was in fact quite controversial, and Israel's friends in the House were split. But the nuances and the shades are quite lost in the indictment.

Ten times during those ten years, the indictment goes on, Mr. Bellenson failed to sign onto or cosponsor letters, statements, and bills that were pro-Israel. Little matter that not one of the ten alleged cases of nonassent was supported by anywhere near a majority of House members, nor that some of them were introduced by congressional botheads with no regard for anything save political posturing.

Against this effort to tar Mr. Bellenson with an anti-Israel brush, we have Mr. Salomon's position on Israel, which includes such enlightening statements as: "We should respect the fact that the Middle East situation is very complex," and such bold statements as "Jerusalem must remain united."

When a candidate asks me for my support, I want to know where he or she stands on Israel — and lots, lots more. With regard to Israel, I expect to be treated as an informed adult, not as a gullible, ignorant, manipulable idiot. A candidate who panders to the Jews doesn't respect the Jews — and doesn't get my vote.



92040921670

FORWARD, JULY 26, 1990

Exhibit B - Page 5



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 18, 1991

Mr. Glen A. Smith  
Senior Staff Counsel  
The Times Mirror Company  
Times Mirror Square  
Los Angeles, CA 90053

RE: MUR 3384  
Beilenson Campaign Committee  
and Julius Glazier,  
as treasurer

Dear Mr. Smith:

On September 6, 1991, the Los Angeles Times was notified that the Federal Election Commission received a complaint from the Salomon for Congress committee alleging that the Los Angeles Times may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). At that time the Los Angeles Times was given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

On October 9, 1991, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information. As this new information is considered an amendment to the original complaint, the Los Angeles Times is hereby afforded an additional 15 days in which to respond to the allegations.

If you have any questions, please contact Richard M. Denholm II, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure

92040921671



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 18, 1991

Julius Glazier, Treasurer  
Beilenson Campaign Committee  
444 S. Occidental Blvd. #421  
Los Angeles, CA 90057

RE: MUR 3384  
Beilenson Campaign Committee  
and Julius Glazier,  
as treasurer

Dear Mr. Glazier:

On September 6, 1991, you were notified that the Federal Election Commission received a complaint from the Salomon for Congress committee alleging that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

On October 9, 1991, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information. As this new information is considered an amendment to the original complaint, you are hereby afforded an additional 15 days in which to respond to the allegations.

If you have any questions, please contact Richard M. Denholm II, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure

92040921672



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 18, 1991

**PERSONAL AND CONFIDENTIAL**

The Honorable Anthony C. Beilenson  
United States House of Representatives  
1025 Longworth House Office Building  
Washington, D.C. 20515

RE: MUR 3384  
Anthony C. Beilenson

Dear Mr. Beilenson:

On September 6, 1991, you were notified that the Federal Election Commission received a complaint from the Salomon for Congress committee alleging that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). At that time you were given a copy of the complaint and informed that a response to the complaint should be submitted within 15 days of receipt of the notification.

On October 9, 1991, the Commission received additional information from the complainant pertaining to the allegations in the complaint. Enclosed is a copy of this additional information. As this new information is considered an amendment to the original complaint, you are hereby afforded an additional 15 days in which to respond to the allegations.

If you have any questions, please contact Richard M. Denholm II, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble  
General Counsel

BY: Lois G. Lerner  
Associate General Counsel

Enclosure

92040921673



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

October 18, 1991

Mr. Paul Morgan Fredrix  
Assistant Treasurer  
Salomon for Congress  
146 Spalding Drive  
Beverly Hills, CA 90212

RE: MUR 3384  
Beilenson Campaign Committee  
and Julius Glazier,  
as treasurer

Dear Mr. Fredrix:

This letter acknowledges receipt on October 9, 1991 of the amendment to the complaint the Commission received from you on August 29, 1991, against the Beilenson Campaign Committee, Congressman Beilenson, and the Los Angeles Times. The respondents will be sent copies of the amendment and you will be notified as soon as the Federal Election Commission takes final action on your complaint.

If you have any questions, please contact Richard M. Denholm II, the staff member assigned to this matter, at (202) 219-3690.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Lerner  
Associate General Counsel

92040921674

06-C 3186

**JULES GLAZER**  
BUSINESS MANAGEMENT

444 S. OCCIDENTAL BLVD., SUITE 421  
LOS ANGELES, CA 90057  
(213) 384-7030  
FAX: (213) 384-5548

77-731 LOS ARBOLES  
LA QUINTA, CALIFORNIA 92253  
(619) 564-4972

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 OCT 21 PM 4:02

October 15, 1991  
Mr. Lawrence Noble  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 3384

Dear Mr. Noble:

In response to your letter dated September 6, 1991, regarding the above referenced matter, I hereby state that I have absolutely no knowledge of the alleged mailing.

Signed and sworn on this 15th day of October, 1991.

Sincerely,

Julius Glazer  
Treasurer  
Beilenson Campaign Committee

10/15/91

92040921675

86-3275

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM

91 OCT 28 AM 11:58

Salomon for Congress  
146 Spalding Drive  
Beverly Hills, CA 90212  
(213) 859-8178  
October 23, 1991

Richard Denholm  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

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

RE: MUR 3384

Dear Mr. Denholm:

Thank you for your letter of October 18.

As I told you in our telephone conversation yesterday, there is a point in your letter which disturbs me greatly. I refer to the place where you allude to my complaint "against . . . the Los Angeles Times."

Please note the enclosed copy of the first page of my complaint letter; I have highlighted the relevant portion. It should be clear from this that I lodged no complaint against the *Times*.

For clarification, then, let me repeat what I told you on the telephone. We have no complaint whatever against the *Times*. That newspaper had every right to print its story, no matter how they were led to it (granted we could have wished that the story not been so misleading).

Our complaint is solely directed to the subsequent distribution of the story by persons in the Beilenson campaign. We have no reason to think the *Times* was in any way involved in that.

If you have notified the *Times* that they are the subject of a complaint, I should appreciate it if you would send them a copy of this clarification.

Sincerely yours,

Paul Morgan Fredrix  
Assistant Treasurer

92040921676

# Salomon for Congress

22 August 1991

Mr. Lawrence M. Noble  
General Counsel  
Federal Election Commission  
999 E Street NW  
Washington, DC 20463

Dear Mr. Noble:

We wish to file a complaint with the Federal Election Commission against the Beilenson Campaign Committee, the principal campaign committee during the 1990 election cycle for Anthony Beilenson, Member of Congress from the 23rd Congressional District of California, and against Anthony Beilenson personally and those members of his Congressional staff who acted on his behalf to assist his campaign committee during that election cycle. The address of the Beilenson Committee should be on file with you. If it is not, the committee may be addressed at 11000 Wilshire Blvd., Room 12230, Los Angeles, CA 90024, or care of Julius Glazer, Treasurer, 444 S. Occidental Blvd., Suite 421, Los Angeles, CA 90057. Mr. Beilenson and his staff may be reached at 1025 Longworth House Office Building, Washington, DC 20515, or at the Wilshire Boulevard address in Los Angeles.

During the first week of October, 1990, the contributors to the campaign of Jim Salomon, Mr. Beilenson's opponent, received by first class mail a xerox copy of an article which had appeared in the Los Angeles Times on September 30, 1990. In the article was personal information about Mr. Salomon which, though innocent in itself, was presented in an unfavorable and damaging manner. With the xerox of the article was enclosed a typed note as follows: "In case you missed it ... imagine what his opponent will do with this." This was a clear effort to incite the addressee to abandon his support of Jim Salomon.

In apparent violation of 11 CFR 110.11(a) the mailing was wholly anonymous. No identification of the sender or authorization notice was included.

I believe Mr. Beilenson or his campaign was responsible for this mailing for the following reasons:

1. The article which appeared in the Times and which was the essence of the mailer had been "planted" by the Beilenson campaign. By this I mean that persons in

WESTSIDE OFFICE  
146 Spalding Drive  
Beverly Hills, CA 90212  
(213) 859-8178

HEADQUARTERS  
20969 Ventura Blvd., Suite 7  
Woodland Hills, CA 91364  
(818) 592-6083 FAX (818) 592-6662

FINANCE OFFICE  
1047 Gayley Avenue  
Los Angeles, CA 90024  
(213) 824-7077

92040921677

06C 3339

FEDERAL ELECTION COMMISSION  
MAIN COPY ROOM

# Los Angeles Times

91 NOV -4 AM 10:36

Times Mirror Square  
Los Angeles, CA 90053  
213 237-3760

October 29, 1991

Glen A. Smith  
Senior Staff Counsel

Ms. Lois G. Lerner  
Associate General Counsel  
Federal Election Commission  
Washington, D.C. 20463

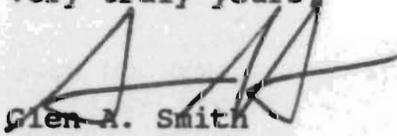
Re: MUR 3384

Dear Ms. Lerner:

This letter is in response to the amended complaint of the Salomon for Congress Committee which you sent to me under cover of letter dated October 18, 1991. The amended complaint does not contain any new allegations which, if proven, would constitute a violation of the Federal Election Campaign Act by the Times. The only thing which the Times is alleged to have done is publish a story about Mr. Salomon on September 30, 1990 -- an activity protected by the First Amendment. There has been no allegation that this story is inaccurate or in any way libelous. In short, there is no basis for any further legal or administrative action with respect to the Los Angeles Times.

The amended complaint, in the form of a letter signed on October 4, 1991, by Salomon for Congress Assistant Treasurer Paul Fredrix, contains the hearsay allegation that Los Angeles Times suburban editor Bill Rood told Mr. Salomon that, "Beilenson was really pushing it [the September 30 article]." Mr. Rood does not recall making this statement and the Times will neither confirm nor deny the sources of information it receives pursuant to its federal common law privilege for the protection of news sources. Again, this alleged statement is not evidence of any conduct by the Times or its employees which could be construed as a violation of the Election Campaign Act.

Very truly yours,



Glen A. Smith  
GAS/cas

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 NOV -5 AM 10:54

92040921678

06C 3396

**JULES GLAZER**  
BUSINESS MANAGEMENT

444 S. OCCIDENTAL BLVD., SUITE 421  
LOS ANGELES, CA 90057  
(213) 384-7030  
FAX: (213) 384-5548  
  
77-731 LOS ARBOLES  
LA QUINTA CALIFORNIA 92253  
(619) 564-4972

November 4, 1991

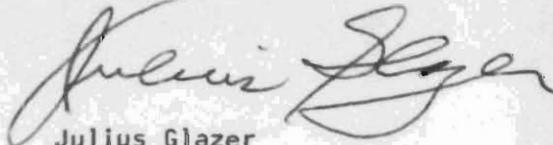
Mr. Lawrence Noble  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: MUR 3384

Dear Mr. Noble:

In response to your letter dated October 18, 1991,  
regarding the above referenced matter, I hereby state that  
I have absolutely no knowledge of the alleged mailing.

Sincerely,



Julius Glazer  
Treasurer  
Beilenson Campaign Committee

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIL ROOM  
91 NOV 13 PM 12:00

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
91 NOV 13 PM 3:19

92040921679



RECEIVED  
FEDERAL ELECTION COMMISSION

91 NOV 14 AM 10:07

*Congress of the United States  
House of Representatives  
Washington, D. C.*

*Anthony C. Reilenson  
23rd District  
California*

November 12, 1991

Mr. Lawrence M. Noble  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

RE: MUR 3384

Dear Mr. Noble:

Thank you for your letter of October 18, 1991, advising me of an amendment to the original complaint filed by the Salomon for Congress committee.

Regarding Exhibit A: As I stated in my earlier response, I have absolutely no knowledge of the alleged mailing, and neither I nor any member of my staff sent such a mailing. Both the Times article and the FEC reports of campaign receipts are in the public domain and available to anyone. In addition, the Salomon committee has presented no credible evidence whatsoever, let alone any proof, that such a mailing was actually sent. (Are we correct in our understanding of the complaint that only one individual is alleged to have received this "mailing?")

Regarding Exhibit B: It is not the policy of my office to use franked envelopes for political material. In October, 1990, one of my congressional staff members, who was not as familiar with campaign regulations as she should have been, temporarily stored some campaign materials in her office rather than leaving them in her car for transit to an

92040921680

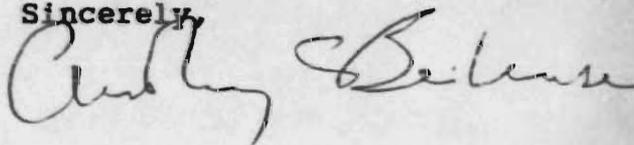
91 NOV 14 PM 3:36  
RECEIVED  
FEDERAL ELECTION COMMISSION  
GENERAL COUNSEL

evening political event. The hand-outs had been requested by The Women's Organization Coalition for distribution at a "Candidates Public Forum Ballot Nite," and she was going to transport them to Pierce College where the event was being held (see copy of enclosed invitation). Unfortunately, about the same time, she responded to another request for campaign hand-outs (from a tenant in the same building where our office is located), which she did not perceive to be substantially different from the request from The Women's Organization Coalition, and she provided some of the same campaign materials, placing them--without thinking about it--in a franked envelope, which was the closest thing at hand. My entire staff has now been reminded of the rules requiring separation of congressional work and campaign work.

Please let me know if you have any further questions. If not, I respectfully ask that the Commission act expeditiously to consider and close this harassing complaint. (You should be made aware of the fact that last year Mr. Salomon filed a patently frivolous lawsuit against my campaign. The suit was dismissed, as we knew it would be from the beginning, but it ended up costing my campaign over \$7,000 in legal fees.)

Signed and sworn on this 12th day of November, 1991.

Sincerely,



Enclosure

DISTRICT OF COLUMBIA

Subscribed and sworn before me this 12<sup>th</sup> day of November, 1991.



my commission expires:  
July 14, 1994

92040921681



AMERICAN ASSOCIATION OF UNIVERSITY WOMEN  
SAN FERNANDO VALLEY BRANCH

RECEIVED

SEP 20 1990

BEILENSON V.O.

August 28, 1990

Dear Candidate:

The American Association of University Women, the Business and Professional Women's Organization, National Women's Political Caucus, League of Women Voters, Valloy Area Zonta Clubs, 31st District PTSA and Pierce College Community Services invite you to participate in a CANDIDATES PUBLIC FORUM BALLOT NITE, to be held on Wednesday, October 17, 1990 at Pierce College Community Center from 7:30 p.m. to 10:00 p.m.

Our format will consist of informal meeting time with the candidates or their representatives and a formal presentation by the League of Women Voters on the ballot issues. During the informal meeting time, candidates will have the opportunity to meet members of the community on a one to one basis and to discuss issues of concern to them. Tables will be available to each candidate to facilitate the discussion and for the presentation of informational materials.

Our membership consists of approximately 500 women and men in the San Fernando Valley who are active in the community and concerned about issues affecting the quality of our lives. Our membership represents a wide variety of political views. We are presenting this CANDIDATES FORUM as a part of our continuing effort to encourage voters to be informed and to participate actively in the political process.

We would welcome your participating in the CANDIDATES FORUM. Please let us know if you (or one of your representatives) will attend the FORUM by returning the tear-off by September 14th. Thank you.

We look forward to meeting you and sharing our views with you.

Sincerely yours,

Shirley Titland  
American Association of University Women

Mary Stevens  
Business and Professional Women's Organization

Annette Hall  
League of Women Voters

Kathy Main  
Pierce College Community Services

Betty J. Morse  
National Women's Political Caucus

Mary B. Steinman  
Valley Area Zonta Club

Cecilia Marsfield  
31st District PTSA

Please answer as soon as possible. Thanks

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SECRETARIAT

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

**SENSITIVE**

FIRST GENERAL COUNSEL'S REPORT

MUR 3384  
DATE COMPLAINT RECEIVED  
BY OGC: August 29, 1991  
DATE OF NOTIFICATION TO  
RESPONDENTS: September 6, 1991  
STAFF MEMBER: Richard Denholm

COMPLAINANT: Paul Morgan Fredrix,  
Assistant Treasurer, Salomon for Congress

RESPONDENTS: Congressman Anthony C. Beilenson  
Beilenson Campaign Committee and Julius Glazer,  
as treasurer  
Los Angeles Times

RELEVANT STATUTES: 2 U.S.C. § 431(9)(A)(i)  
2 U.S.C. § 431(9)(B)(ii)  
2 U.S.C. § 431(17)  
2 U.S.C. § 434(b)  
2 U.S.C. § 434(b)(4)  
2 U.S.C. § 434(b)(5)  
2 U.S.C. § 434(c)  
2 U.S.C. § 438(a)(4)  
2 U.S.C. § 441b  
2 U.S.C. § 441d(a)(1)  
2 U.S.C. § 441d(a)(2)  
2 U.S.C. § 441d(a)(3)  
  
11 C.F.R. § 100.7(a)(1)(iii)  
11 C.F.R. § 104.15(b)  
11 C.F.R. § 109.2(a)  
11 C.F.R. § 110.11(a)

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On August 28, 1991, the Commission received a complaint from Paul Morgan Fredrix ("Complainant"), assistant treasurer of the Salomon for Congress committee. (Attachment 1). The

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complaint asserted that the Beilenson Campaign Committee, Congressman Beilenson, who represents California's 23rd District, and unnamed Congressional staff violated the Federal Election Campaign Act of 1971, as amended (the "Act"), during the 1990 election cycle. In addition, the complaint appeared to raise the possibility that the Los Angeles Times had violated the Act.

On October 9, 1991, the Commission received a supplement to the complaint from Complainant. (Attachment 2). The supplement provided additional facts and exhibits, but it did not make any new allegations or any allegations against new respondents. Although neither the complaint nor the supplement cited any specific provision of the Act, the complaint referred to 11 C.F.R. § 110.11(a) as a basis for potential violations.

All Respondents were notified of the complaint and the supplement to the complaint in this matter.

## II. FACTUAL AND LEGAL ANALYSIS

### A. Complaint

According to the complaint, during 1990 Congressman Beilenson and Jim Salomon were competing in the general election for the Congressional seat representing the 23rd District of California. The general election was held on November 6, 1990. On September 30, 1990, the Los Angeles Times printed an article entitled: "Behind Salomon Campaign Image." The sub-heading stated: "Politics: The Republican challenger to incumbent Anthony Beilenson has all the trappings of success. But he is a man living on the financial edge." The article described

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Salomon's financial status in detail, and it also discussed specific aspects of his campaign.<sup>1</sup> Several of Jim Salomon's contributors, who allegedly also were listed on reports filed with the Commission, received an anonymous mailing during the first week of October, 1990. The mailing consisted of this article and an unsigned note which said: "In case you missed it...imagine what his opponent will do with this." (Attachment 2). The complainant stated that this was "a clear effort to incite the addressee to abandon his support of Jim Salomon." Id.

The complaint concluded that the Beilenson Committee, or someone affiliated therewith, was responsible for the anonymous mailing and for the illegal use of names taken from reports filed with the Commission. As evidence of these propositions, the complaint stated, "FEC reports are in Washington, D.C., and Congressman Beilenson is also in Washington, D.C. Therefore,

1. For example, the Article states,

In campaign literature and on the stump, Jim Salomon is the very model of a Westside yuppie: A successful, pin-striped businessman, a recognized leader in the field of foreign trade, a resident of a Beverly Hills apartment and the driver of a \$60,000 Cadillac Allante convertible...Behind the campaign image is a man living on the financial edge. The Allante is leased. Salomon has had no income for more than a year and says he is living on credit. He is involved in a dispute with his ex-wife over child support and has been sued by a former business partner who alleges that Salomon failed to repay \$50,000 in promissory notes. (Attachment 2).

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Congressman Beilenson or his staff would have easy access to the contributor lists, and only Congressman Beilenson would have the motive to use the lists for the purpose of creating an anonymous mailing to smear Jim Salomon." In addition, Complainant asserted that only Salomon contributors listed on Commission reports received the anonymous mailing and that these contributors were in no other way connected to the Salomon campaign.

In a further attempt to link Congressman Beilenson with the mailing, the supplement related an entirely different set of circumstances. The supplement stated that prior to a Salomon fundraiser, a member of Congressman Beilenson's Congressional staff gave Beilenson campaign literature, including eighty-four (84) copies of the Los Angeles Times article, to a supporter of Jim Salomon. The envelope which contained the campaign literature bore the Congressman's frank. (Attachment 2).

The initial complaint also implicated the Los Angeles Times. The complaint stated that the information contained in the above-referenced article was "planted" by the Beilenson Congressional staff or campaign staff, and that these staffers exerted pressure on the Los Angeles Times to print the article.<sup>2</sup> (Attachment 1). However, later in a letter to the Commission dated October 23, 1991, the complainant asserted

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2. In the supplement, the Complainant stated that Bill Wood, a Los Angeles Times editor, was the source who said that people working for Beilenson pressured the Los Angeles Times to print the article. The supplement adds that Wood told Salomon: "Someone else would have done it anyway, because Beilenson was really pushing it!" (Attachment 2).

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that it was not his intent to accuse the Los Angeles Times of committing any violation of the Act. (Attachment 3). The complainant stated, "Our complaint is solely directed to the subsequent distribution of the story by persons in the Beilenson campaign. We have no reason to think the Times was in any way involved in that." Id.

The complaint and supplement generate several issues. The first issue is whether expenditures were made by or on behalf of Congressman Beilenson or the Beilenson Campaign Committee that were not reported. Related issues include: whether a mailing was made by another person or entity but was coordinated with the Beilenson Campaign Committee and thus an in-kind contribution; whether a prohibited use occurred of information taken from Commission reports; whether a disclaimer was required on the mailing, which consisted of the note and article, sent to Salomon contributors; whether a person other than Congressman Beilenson or his campaign committee was responsible for the mailing and thus made an independent expenditure; and whether the Los Angeles Times made a prohibited expenditure on behalf of the Beilenson Campaign Committee in connection with its printing of the article.<sup>3</sup>

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3. Another issue arose as to whether a franked envelope was used improperly. The Commission does not have jurisdiction over this issue. The House Commission on Congressional Mailing Standards normally would have jurisdiction over abuses of the franking privilege. However, the House Commission would not have jurisdiction in this instance because the envelope was hand delivered. See 2 U.S.C. § 501(e) and 39 U.S.C. § 3201(4). The House Committee on Standards of Official Conduct and the Committee on House Administration would have jurisdiction to enforce 31 U.S.C. § 1301(a), prohibiting the use of official resources for campaign or political activities. See also,

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B. Responses to the Complaint and Supplement

1. Congressman Beilenson

In Congressman Beilenson's signed and sworn response to the complaint, he stated that he had no knowledge of the alleged mailing and that neither he nor his staff sent the mailing. (Attachment 4).<sup>4</sup> His response to the supplement contained the same statement. In addition, his second response asserted that the Times article and FEC reports were available to the public, and that the complainant presented "no credible evidence that the mailing was actually sent." (Attachment 5).

2. Beilenson Campaign Committee and Julius Glazer, as Treasurer

In signed and sworn responses to the complaint and to the supplement, Julius Glazer, treasurer of the Beilenson Campaign Committee, asserted that he had "absolutely no knowledge of the alleged mailing."<sup>5</sup> (Attachments 6 and 7).

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(Footnote 3 continued from previous page)  
Congressional Handbook of the U.S. House of Representatives, Sept. 1985 at 2.1.

4. Congressman Beilenson denies the allegations but does not state whom he talked with on his staff or the Committee.

5. Similar to the Congressman's response, the Committee's response does not state whether members of the campaign were questioned regarding the issues raised in the complaint.

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3. Los Angeles Times

In response to the complaint, counsel for the Los Angeles Times maintained that the complaint made no claim against the Times.<sup>6</sup> Counsel specifically pointed out that the complaint contained no allegation that the Times mailed the article to a Salomon supporter. (Attachment 8). Regarding the allegation that the Beilenson Committee pressured the Times to print the article, counsel stated:

The Times will neither confirm nor deny the sources of information it receives pursuant to its federal common law privilege for the protection of news sources. The editorial process used by the Times to publish this article enjoys the highest protection under the First Amendment and is not subject to the jurisdiction or review of the Commission.

Id. The response also asserted that the complaint made no allegation that the Times article was false or misleading. Id. Finally, counsel requested that the Commission terminate further proceedings against the Times. Id.

In response to the supplement to the complaint, counsel reiterated his earlier responses. (Attachment 9). He added that Bill Rood, a Times editor accused of stating that Beilenson had pressured the newspaper to print the article, had no recollection of making such a statement.

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6. Because the complaint appeared to contain allegations that the Times had violated the Act by printing the article, it was notified and given the opportunity to respond.

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C. Legal Analysis

1. Reporting of Expenditures by the Beilenson Committee

a. Direct Expenditures

It appears that an expenditure was made in connection with the copying and distribution of the note and article. The Act defines an expenditure as any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(9)(A)(i). The Act further requires the reporting of those expenditures. 2 U.S.C §§ 434(b)(4) and 434(b)(5).

However, Complainant has presented limited evidence linking the Respondents to the anonymous mailing. As indicated above, Complainant attempts to link the Respondents to the mailing with the argument that only they had both opportunity and motive to smear Salomon. Primarily, the Complainant points out that both the Commission reports and Congressman Beilenson's Congressional Office are located in Washington D.C. In particular, Complainant asserts that only Salomon contributors listed on Commission reports received the anonymous mailing, and that these contributors were in no other way connected to the Salomon campaign. Further, the supplement to the complaint relates the circumstances cited above of a Beilenson Congressional staff member giving campaign literature to a

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Salomon supporter.<sup>7</sup> In response, the Congressman stated that he had no knowledge of the alleged mailing and swore that neither he nor his staff were responsible for it. Also, Julius Glazer, treasurer of the Committee, swore that he had no knowledge of the alleged mailing.<sup>8</sup>

Complainant's argument does not appear to connect Congressman Beilenson, his staff, or the Beilenson Campaign Committee to the anonymous mailing. Despite the evidence presented, a possibility exists that members of the public, who opposed Salomon, obtained the contribution information from

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7. Although Complainant alleged that a Beilenson congressional staff member distributed copies of the article in a franked envelope, no evidence exists that the note was included with that distribution. The alleged distribution of the article by a congressional staff member does not demonstrate that any of the Respondents were responsible for the anonymous mailing, which contained both the note and the article. In addition, the Committee has not hidden the fact that it had copies of the Times article.

Even if the staff member possessed copies of the article, Complainant has not produced sufficient evidence to demonstrate that the Beilenson Committee made direct expenditures to reproduce it. In addition, no evidence exists that the Committee knew that another party was reproducing and distributing the article or provided the Committee with reproductions of the article. Therefore, no evidence exists that a third party made an in-kind contribution. Because no evidence exists that the note was included in the franked envelope, there could not have been an independent expenditure related to that incident. Finally, as discussed in detail at page 13, without the note, the communication probably would not constitute express advocacy and could not be an independent expenditure.

8. Although the Respondents have not described the steps taken to determine whether staff was responsible for the mailing, should the Commission wish to pursue this investigation, this Office could contact and interview all staff members. However, based on the sworn responses and apparent lack of additional supporting evidence, this Office does not believe that this approach is warranted.

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Commission reports located in Washington and then used the information to undermine Salomon's campaign.<sup>9</sup> In addition, the same information must be reported to the California Secretary of State and could be obtained from that office. Indeed, the Times article itself raises the possibility that persons other than Congressman Beilenson or his campaign committee had the opportunity, and the perhaps the motive, to oppose Jim Salomon.<sup>10</sup> Finally, the fact that a Beilenson staff member allegedly gave campaign literature, including the Times article, to a supporter of Jim Salomon in a franked envelope is probably not sufficient evidence that the Beilenson campaign was involved in the separate incident involving the anonymous mailing.

Therefore, this Office recommends the Commission find no reason to believe that Congressman Beilenson or the Beilenson Campaign Committee and Julius Glazer, as treasurer, violated the Act by failing to report an expenditure.

b. Use of FEC Reports

The complaint also suggests that the Respondents may have improperly used FEC reports because only contributors reported by the Salomon committee to the Commission received the

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9. Copies of reports filed with the Commission are available to anyone upon request.

10. The article suggests that Salomon's ex-wife was angry because he spent money on his campaign "while ignoring his court-ordered obligations to his family." Also, Salomon was involved in a lawsuit with former business associates. These individuals could have had various motives for opposing Jim Salomon's campaign. It is also possible that the mailing of the note and article was conducted by one of these parties in an attempt to undermine Salomon's political goals.

anonymous mailing. Regardless of who sent the mailing, however, it does not appear that there was an improper use of FEC reports.

The Act requires the Commission to make reports and statements filed with it available for public inspection, but any information from those reports may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes. 2 U.S.C. § 438(a)(4). "Soliciting contributions" includes soliciting any type of contribution or donation, such as political or charitable contributions." 11 C.F.R. § 104.15(b).

Furthermore, the Commission has determined that a political candidate may use FEC contributor lists to send letters to his opponent's contributors in order to "set the record straight on certain defamatory charges...[made by that opponent]." Advisory Opinion 1981-5. The Commission also has stated:

The purpose of 2 U.S.C. § 438(a)(4) is the prevention of list brokering, not the suppression of financial information...The prohibition is intended to prevent the use of contributor information taken from disclosure documents filed under the Act to make solicitations. It is not intended to foreclose the use of this information for other, albeit political, purposes [Emphasis added], such as correcting contributor misperceptions.

Advisory Opinion 1984-2.

In this instance, the anonymous mailing does not solicit contributions or apparently constitute use for a commercial purpose. Although allegedly mailed to Salomon's contributors as

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listed on FEC reports, the note and article appear to serve as a political statement against Salomon. As the above-referenced Advisory Opinion demonstrates, the political message of the mailing would not have constituted a prohibited use of Commission reports.

This Office, therefore, recommends that the Commission find no reason to believe that Congressman Beilenson or the Beilenson Campaign Committee and Julius Glazer, as treasurer, violated the Act with regard to the use of FEC reports.

c. In-Kind Contributions

Another potential violation raised by the complaint is that the Respondents failed to report the mailing as an in-kind contribution. The available evidence contains no indication that any of the Respondents received such a contribution. According to 11 C.F.R. § 100.7(a), in-kind contributions are defined as follows:

the term contribution includes the following payments, services or other things of value: ...the term anything of value includes all in-kind contributions. 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).

The Respondents have denied any knowledge of the mailing. It is possible that any person could have seen the Times article and copied it without the knowledge or cooperation of the

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Beilenson Committee.<sup>11</sup> Moreover, it does not appear that sufficient evidence exists to show that any of the Respondents, or their agents, were informed of another party's intent to distribute the note and article in the form of a separate, anonymous mailing.

Therefore, this Office recommends the Commission find no reason to believe that Congressman Beilenson or the Beilenson Campaign Committee and Julius Glazer, as treasurer, violated any provision of the Act with regard to the receipt of an in-kind contribution.

2. Disclaimer and Independent Expenditure

A disclaimer is required:

whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such other persons and authorized by such political committee; if not authorized by a candidate, authorized political committee of a

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11. As stated above, the contributor lists also could be easily obtained. In addition, the Committee's reports during this period reflect expenditures for printing and mailing. However, as discussed below, without conducting extensive interviews, it is not possible to determine the nature of the work performed by those suppliers.

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candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

2 U.S.C. §§ 441d(a)(1), (2), and (3). See also

11 C.F.R. § 110.11(a)(1). The Act also states:

An independent expenditure is defined as an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

2 U.S.C. § 431(17). Political committees other than authorized committees are required to report the making of independent expenditures pursuant to 2 U.S.C. § 434(b) as are persons other than political committees pursuant to 2 U.S.C. § 434(c). Finally, persons, other than political committees, must file a signed statement if they make independent expenditures aggregating in excess of \$250 during a calendar year. 11 C.F.R. § 109.2(a).

If the note and article amounted to express advocacy, then a disclaimer was required and the cost of printing and distribution could have constituted an independent expenditure. The Ninth Circuit has established the following test to determine whether a communication expressly advocates the election or defeat of a candidate:

[The speech] must, when read as a whole, and with limited reference to external events, be susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate. This standard can be

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broken down into three main components. First, even if it is not presented in the clearest, most explicit language, speech is "express" for present purposes if its message is unmistakable and unambiguous, suggestive of only one plausible meaning. Second, speech may only be termed "advocacy" if it presents a clear plea for action, and thus speech that is merely informative is not covered by the Act. Finally, it must be clear what action is advocated. Speech cannot be "express advocacy of the election or defeat of a clearly identified candidate" when reasonable minds could differ as to whether it encourages a vote for or against a candidate or encourages the reader to take some other kind of action.

FEC v. Furgatch, 807 F.2d 857, 864 (9th Cir. 1987).  
cert. denied, 484 U.S. 850 (1987).

The application of Furgatch to the note and article presents a close question as to whether the challenged message contained express advocacy. As quoted earlier, the note stated: "In case you missed it...imagine what his opponent would do with this." This apparently ambiguous statement could have several meanings. The accompanying Times article then focused on Jim Salomon's extensive personal debt and lack of financial responsibility. The message in the article appeared to be that Jim Salomon was unable to manage his own financial resources, and, therefore, he was unqualified to handle the country's financial responsibilities as a Member of the United States House of Representatives. If this message is read in light of the current political debate, which tends to focus on this

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country's depressed economic condition, then the message as a whole could constitute a clear plea for action, namely the defeat of Salomon.

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Additionally, the article was published and eventually mailed to Jim Salomon's contributors approximately one month before the election. The article described the candidates as the "challenger," Jim Salomon, and the "veteran" Democrat, Anthony Beilenson. It detailed the fact that Beilenson crushed Salomon's challenge just two years earlier, and it pointed out that the 23rd District was solidly Democratic. The article stated that Salomon relied on "well-heeled" contributors, and that he failed to mention in billboards that he was a Republican. When these facts and the negative financial information described above are examined in light of the accompanying note, it appears that the sender was probably trying to persuade Salomon contributors to abandon their support for their candidate in the upcoming election.

Viewed together, all the circumstances of the mailing in question tend to lead to the conclusion that the note and accompanying Times reprint expressly advocated the defeat of a clearly identified candidate, Salomon. In that event, a disclaimer would have been required on the note and article pursuant to 2 U.S.C § 441d. For the reasons discussed above, this Office believes that there is insufficient evidence to link Congressman Beilenson, the Beilenson Campaign Committee, or the

named Respondents to the mailing.<sup>12</sup> Accordingly, this Office recommends that the Commission find no reason to believe that Congressman Beilenson or the Beilenson Campaign Committee and Julius Glazer, as treasurer, violated the Act with regard to the disclaimer issue.

If, however, the printing and distribution were conducted by a party other than the candidate or Committee, then there could have been an independent expenditure under 2 U.S.C. § 434(b). The evidence suggests that a third, unknown party conducted a mass mailing of the note and article. Again, neither the note nor the article had a disclaimer. In addition, this third party probably made an independent expenditure by copying and distributing the note and article. That being the case, then that third party probably violated the Act by expending funds for the printing and distribution, and failing to provide a disclaimer, on the note and article. Therefore, this Office recommends that the Commission find reason to believe that unknown person(s)<sup>13</sup> violated 2 U.S.C. §§ 441d, 434(b), and 434(c). However, for the following reasons, this Office

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12. We note that the Committee's reports during October, and subsequent to the general election, reflect expenditures associated with printing and mailing. The Committee used a number of printers and mailing companies during the relevant period. However, there is nothing to link any of these expenditures to the printing and mailing of the note and article in question.

13. Since "person" is defined in the Act to include corporations and political committees, 2 U.S.C. § 431(11), this term should cover sufficiently all possible types of entities that may be involved in this matter.

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recommends that the Commission take no further action with regard to these violations. First, neither Complainant nor Respondents provide information implicating any other party. Second, because of the ambiguous nature of the note, the communication as a whole may be open to other interpretations. Finally, taking no further action would be consistent with the proper ordering of the Commission's priorities and resources, see Heckler v. Chaney, 470 U.S. 821 (1985).

3. Los Angeles Times Article

Although the Complainant clarified that the complaint did not apply to the Times, a question nevertheless arises concerning whether the Times made a prohibited corporate expenditure by printing the article on Salomon. Such an expenditure would have violated the prohibition on corporate contributions found at 2 U.S.C. § 441b. However, the Act provides an exemption for newspaper articles. The Act provides:

The term "expenditure" does not include: any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate.

2 U.S.C. § 431(9)(B)(ii). Because the Times article appears to be a legitimate news story and commentary regarding the financial status and election campaign of Jim Salomon put out by a newspaper that is not controlled by a candidate or political committee, it was exempted from the Act's prohibition.

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Based on the foregoing, this Office recommends the Commission find no reason to believe that the Los Angeles Times violated the Act in connection with the printing of the Salomon article.

III. RECOMMENDATIONS

1. Find reason to believe that unknown person(s) violated 2 U.S.C. §§ 434(b) and (c), and 441d, but take no further action.
2. Find no reason to believe that Congressman Anthony C. Beilenson or the Beilenson Campaign Committee, and Julius Glazer, as treasurer, violated the Federal Election Campaign Act.
3. Find no reason to believe that the Los Angeles Times violated the Federal Election Campaign Act.
4. Close the file.
5. Approve the appropriate letters.

Date

6/26/92

Lawrence M. Noble  
General Counsel

*Lawrence M. Noble (LJ)*

Attachments

1. Complaint
2. Supplement to Complaint
3. Complainant's Letter to the Commission
4. First Response of Congressman Beilenson
5. Second Response of Congressman Beilenson
6. First Response of the Beilenson Campaign Committee and Julius Glazer, as treasurer.
7. Second Response of the Beilenson Campaign Committee and Julius Glazer, as treasurer.
8. First Response of the Los Angeles Times
9. Second Response of the Los Angeles Times

Staff Member: Richard Denholm

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3384
Congressman Anthony C. Beilenson;	)	
Beilenson Campaign Committee and	)	
Julius Glazer, as treasurer;	)	
<u>Los Angeles Times.</u>	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 7, 1992, do hereby certify that the Commission took the following actions in MUR 3384:

1. Failed in a vote of 2-3 to pass a motion to find reason to believe that unknown person(s) violated 2 U.S.C. § 434(b) and (c), and 44ld, but take no further action.

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

(continued)

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2. Decided by a vote of 5-0 to

- a) Find no reason to believe that Congressman Anthony C. Beilenson or the Beilenson Campaign Committee, and Julius Glazer, as treasurer, violated the Federal Election Campaign Act.
- b) Find no reason to believe that the Los Angeles Times violated the Federal Election Campaign Act.
- c) Close the file.
- d) Approve the appropriate letters.

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

Attest:

7-8-92  
Date

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

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 16, 1992

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mr. Paul Morgan Fredrix  
Assistant Treasurer  
Salomon for Congress  
146 Spalding Drive  
Beverly Hills, CA 90212

RE: MUR 3384

Dear Mr. Fredrix:

On July 7, 1992, the Federal Election Commission reviewed the allegations contained in your complaint dated August 22, 1991 and the undated amendment, and found that on the basis of the information provided in your complaint and amendment thereto, there is no reason to believe Congressman Anthony C. Beilenson, the Beilenson Campaign Committee and Julius Glazer, as treasurer, and the Los Angeles Times violated the Federal Election Campaign Act of 1971, as amended ("the Act"). Additionally, there was an insufficient number of votes to find reason to believe that unknown person(s) violated the Act.

Accordingly, on July 7, 1992, the Commission closed the file in this matter. A Statement of Reasons providing a basis for the Commission's decision will follow. The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

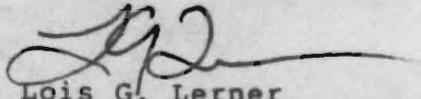
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Mr. Paul Morgan Fredrix  
Page 2

If you have any questions, please contact Richard M. Denholm II, the attorney assigned to this matter at (202) 219-3690.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Lerner  
Associate General Counsel

Enclosures  
General Counsel's Report  
Certification

92040921705



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 16, 1992

Mr. Glen A. Smith  
Senior Staff Counsel  
The Times Mirror Company  
Times Mirror Square  
Los Angeles, CA 90053

RE: MUR 3384

Dear Mr. Smith:

On September 6, 1991, the Federal Election Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On October 18, 1991, the Commission notified you that an amendment to the complaint had been filed by the complainant.

On July 7, 1992, the Commission found, on the basis of the information in the complaint, the amendment to the complaint, and information provided by the potential respondents, that there is no reason to believe that your client violated the Federal Election Campaign Act. In addition, there was an insufficient number of votes to find reason to believe that unknown persons violated the Act. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed

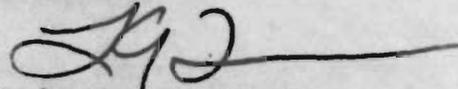
92040921706

Mr. Glen A. Smith  
Page 2

on the public record before receiving your additional materials,  
any permissible submissions will be added to the public record  
upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

92040921707



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 16, 1992

The Honorable Anthony C. Beilenson  
United States House of Representatives  
1025 Longworth House Office Building  
Washington, D.C. 20515

RE: MUR 3384  
Beilenson Campaign  
Committee and  
Julius Glazer,  
as treasurer

Dear Mr. Beilenson:

On September 6, 1991, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On October 18, 1991, the Commission notified you that an amendment to the complaint had been filed by the complainant.

On July 7, 1992, the Commission found, on the basis of the information in the complaint, the amendment to the complaint, and information provided by the potential respondents, that there is no reason to believe that you violated the Federal Election Campaign Act. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed

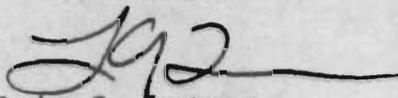
92040921708

The Honorable Anthony C. Beilenson  
Page 2

on the public record before receiving your additional materials,  
any permissible submissions will be added to the public record  
upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel



BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

92040921709



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 16, 1992

**CLOSED**

Julius Glazer, Treasurer  
Beilenson Campaign Committee  
444 S. Occidental Blvd. #421  
Los Angeles, CA 90057

RE: MUR 3304  
Beilenson Campaign  
Committee and  
Julius Glazer,  
as treasurer

Dear Mr. Glazer:

On September 6, 1991, the Federal Election Commission notified the Beilenson Campaign Committee ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On October 18, 1991, the Commission notified the Committee, and you, as treasurer, that an amendment to the complaint had been filed by the complainant.

On July 7, 1992, the Commission found, on the basis of the information in the complaint, the amendment to the complaint, and information provided by the potential respondents, that there is no reason to believe that the Beilenson Campaign Committee, and you, as treasurer, violated the Federal Election Campaign Act. Accordingly, the Commission closed its file in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed

92040921710

Mr. Julius Glazer, Treasurer  
Page 2

on the public record before receiving your additional materials,  
any permissible submissions will be added to the public record  
upon receipt.

Sincerely,

Lawrence M. Noble  
General Counsel

  
BY: Lois G. Lerner  
Associate General Counsel

Enclosure  
General Counsel's Report

92040921711



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3384

DATE FILMED 8/12/92 CAMERA NO. 4

CAMERAMAN EES

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

Microfilm  
 Public Records  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO  
THE PUBLIC RECORD IN CLOSED MUR 3384.

9/14/92

92040923475



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CLOSED**

September 14, 1992

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mr. Paul Morgan Fredrix  
Salomon for Congress '92  
5684 Ruthwood Drive  
Calabasas CA 91302

RE: MUR 3384

Dear Mr. Fredrix:

By letter dated July 16, 1992, the Office of the General Counsel informed you of determinations made with respect to the complaint filed by you against the Beilenson Campaign Committee et al. Enclosed with that letter was the First General Counsel's Report.

You will find enclosed two Statements of Reasons. One adopted by Chairman Aikens and Commissioner Elliot and one adopted by Commissioner Potter. The Statements of Reasons explain the Commissioners' votes in this matter. These documents will be placed on the public record as part of the file of MUR 3384.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Richard M. Denholm II  
Attorney

Enclosure  
Statement of Reasons

92040923476



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

In the Matter of )  
 )  
Congressman Anthony C. Beilenson; ) MUR 3384  
Beilenson Campaign Committee and )  
Julius Glazer, as treasurer; )  
Los Angeles Times. )

STATEMENT OF REASONS

Commissioner Trevor Potter

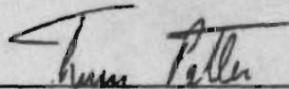
On July 7, 1992, the Commission considered the General Counsel's recommendations to find reason to believe that unknown person(s) violated 2 U.S.C. §§ 434(b) and (c), and 441d in connection with an anonymous mailing. The mailing consisted of a reprinted article about 1990 congressional candidate Jim Salomon from the Los Angeles Times, as well as the following attached note: "In case you missed it . . . imagine what his opponent will do with this."

In signed and sworn responses to the complaint, Mr. Salomon's opponent, Congressman Anthony C. Beilenson, and Representative Beilenson's campaign committee treasurer stated that they had no knowledge of the alleged mailing, and that neither Beilenson nor his staff sent the mailing. In spite of the General Counsel's recommendation that the Commission find no reason to believe that Congressman Beilenson or the Beilenson Campaign Committee and Julius Glazer, as treasurer, violated any provision of the Act with regard to the receipt of an in-kind contribution, the General Counsel maintained that this mailing nonetheless constituted an independent expenditure by some unknown party requiring a disclaimer. The contention in this portion of the General Counsel's Report was that, when read as a whole, the mailing of the attached note and the L.A. Times article focusing on Jim Salomon's personal debts and asserted lack of financial responsibility expressly advocated the defeat of Salomon.

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The General Counsel's Report recognizes that the situation in this matter "presents a close question as to whether the challenged message contained express advocacy." In addition to acknowledging that the L.A. Times article is a legitimate news story and commentary within the exemption of Section 431(9)(B)(ii) of the Act, the report further observes that the attached note is ambiguous and "could have several meanings." Such an interpretation of the mailing immediately makes consideration of it as express advocacy questionable. Under FEC v. Furgatch, 807 F.2d 857, 864 (9th Cir. 1987), a finding of express advocacy requires that the communication "be susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate."

In this situation the attached note says so little that it is difficult to know what action, if any, it exhorts. Under these circumstances, I cannot conclude that "In case you missed it . . . imagine what his opponent will do with this" expressly advocates Mr. Salomon's defeat or Congressman Beilenson's election.



---

Trevor Potter  
Commissioner

August 13, 1992

92040923478



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

In the Matter of )  
 )  
Congressman Anthony C. Beilenson; ) MUR 3384  
Beilenson Campaign Committee and )  
Julius Glazer, as treasurer; )  
 )  
Los Angeles Times )

STATEMENT OF REASONS

Commissioners Aikens & Elliott

On July 7, 1992, the Commission considered the General Counsel's recommendations to find reason to believe unknown person(s) violated 2 U.S.C. §§ 434(b),(c), and 441d of the Federal Election Campaign Act ("the Act") in connection with an anonymous mailing. The mailing contained an article critical of congressional candidate Jim Salomon reprinted from the Los Angeles Times and the following attached note: "In case you missed it . . . imagine what his opponent will do with this."

In signed and sworn responses to the complaint, Mr. Salomon's opponent, Congressman Anthony C. Beilenson, and his campaign committee treasurer stated they had no knowledge of the alleged mailing, and that neither Beilenson nor his staff sent the mailing. On the basis of these denials, we agreed with our General Counsel's recommendation that the Commission find no reason to believe Congressman Beilenson or the Beilenson Campaign Committee and Julius Glazer, as treasurer, violated the Act with regard to the receipt of an in-kind contribution. We also agreed with our Counsel that the L.A. Times article, in itself, was a legitimate news story or commentary within the exemption of Section 431(9)(B)(ii) of the Act.

We disagreed, however, with the General Counsel's recommendation that this mailing constituted an "independent expenditure" by some unknown party requiring a disclaimer under Section 441d of the Act. The General Counsel contended that the mailing of the note with the L.A. Times article focusing on Jim Salomon's personal debts and asserted lack of financial responsibility "expressly advocated" the defeat of Salomon. Report at 14-16.

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Section 441d(a)(3) of the Federal Election Campaign Act requires any advertisement or mailing "expressly advocating the election or defeat of a clearly identified candidate" clearly state "the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee." Communications that do not contain express advocacy do not need a disclaimer under the Act.

The term "express advocacy" was used by the Supreme Court to insure the Act's restrictions were not vague or overbroad. In Buckley v. Valeo, 424 U.S. 1, 44 n.52 (1976), the Court held the Act's regulation of independent expenditures was limited to "communications containing express words of advocacy of election or defeat, such as 'vote for,' 'elect' and the like. We agree that words "marginally less direct" than these Buckley "buzz-words" can be express advocacy. FEC v. Massachusetts Citizens for Life, Inc., 479 U.S. 238, 249 (1986); FEC v. Furgatch, 807 F.2d 857, 862-63 (9th Cir.) cert. denied, 484 U.S. 850 (1987). We also acknowledge the three-part test for express advocacy created in Furgatch, which requires an "unmistakable and unambiguous" message, a "clear plea for action" and agreement among "reasonable minds" that the speech encourages a vote for or against a candidate. Furgatch at 864.

The General Counsel recognizes the mailing in this case "presents a close question as to whether the challenged message contained express advocacy." Report at 15. The Report admits the attached note is ambiguous and "could have several meanings." Id. Since Furgatch requires a communication "be susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate" the General Counsel's own analysis makes considering this mailer "express advocacy" quite doubtful. Furgatch at 854.

Further, the Report says that when the L.A. Times article about Salomon's personal debt is "read in light of the current political debate, which tends to focus on this country's depressed economic condition, then the message as a whole could constitute a clear plea for action." Report at 15-16. This sort of contextual extrapolation was rejected in FEC v. Central Long Island Tax Reform Immediately Committee, ("CLYTRIM") 616 F.2d 45, 53 (2d Cir. 1980) as "totally meritless" ("the words 'expressly advocating' mean exactly what they say ... [not] for the purpose, express or implied, of encouraging election or defeat.") (emphasis in original).

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Because the mailing in this case contains no exhortation or call to action, it cannot, in our opinion be considered express advocacy of anyone's election or defeat. Reasonable minds may not differ there was a political purpose to this mailing, but that alone is not enough to trigger application of § 441d. Only when reasonable minds could not differ that a communication, in itself, exhorts a vote for or against a specific candidate does the express advocacy disclaimer requirement apply. Furgatch at 864. Absent a plea or exhortation expressly advocating Mr. Salomon's defeat or Congressman Beilenson's election, we consider this mailing to be "speech that is merely informative" and not covered by the Act. Furgatch at 864.

Joan D. Aikens  
Joan D. Aikens  
Commissioner

Lee Ann Elliott  
Lee Ann Elliott  
Commissioner

September 1, 1992

1. In our opinion, the court's have clearly warned the Commission away from making judgments about express advocacy on the basis of who a speaker is or what we perceive his purpose to be. Furgatch at 863 ("attempts to fathom [a speaker's] mental state would distract us unnecessarily from the speech itself ... [and] the intent behind political speech is less important than its effect").

92040923481



FEDERAL ELECTION COMMISSION  
WASHINGTON, D C 20463

Microfilm  
 Public Records  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3384.

9/10/92

92040923850



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CLOSED**

August 11, 1992

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Mr. Paul Morgan Fredrix  
Salomon for Congress '92  
5684 Ruthwood Drive  
Calabasas CA 91302

RE: MUR 3384

Dear Mr. Fredrix:

Enclosed please find a copy of the notification letter, dated July 16, 1992, sent to Salomon for Congress at 146 Spalding Drive, Beverly Hills, California 90212. The letter and accompanying documents were unclaimed at that address.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Richard M. Denholm II  
Attorney

Enclosures  
General Counsel's Report  
Certification

92040923859



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

Microfilm  
 Public Records  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO  
THE PUBLIC RECORD IN CLOSED MUR 3384.

9/10/92

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