FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3492

DATE FILMED 6/27/95 CAMERA NO. 2

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 26, 1992

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JOHN C. SURINA
STAFF DIRECTOR

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION

SUBJECT: JESSE JACKSON FOR PRESIDENT '88 COMMITTEE
AND NEW YORKERS FOR JESSE JACKSON '88 -
MATTERS REFERABLE TO THE OFFICE OF GENERAL COUNSEL

On March 25, 1992, the Commission approved the referral of Exhibits A-P to your office. Please find attached said Exhibits.

Should you or your staff wish to review audit workpapers or discuss the matters contained in the Exhibits, please contact Cornelia Riley or Alex Boniewicz at 219-3920.

Attachments:

Exhibit A	Excessive Contributions Received from Individuals and Non-registered Organizations
Exhibit B	Unreported Loan Activity
Exhibit C	Misstatement of Financial Activity
Exhibit D	Reporting of Contributions Received from Political Committees
Exhibit E	Itemization of Contributions from Individuals
Exhibit F	Itemization of Disbursements
Exhibit G	Disclosure of Disbursements

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Attachments: (continued)

Exhibit H	Recordkeeping for Refunds and Rebates
Exhibit I	Itemization of Offsets to Expenditures
Exhibit J	Misstatement of Financial Activity
Exhibit K	Itemization of Transfers from Other Authorized Committees
Exhibit L	Failure to Maintain Receipt Records
Exhibit M	Itemization of Contributions from Individuals
Exhibit N	Disclosure of Payee Information
Exhibit O	Failure to File Reports
Exhibit P	Apparent Prohibited Contributions

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Jesse Jackson for President '88 Committee ("JJFP")

Excessive Contributions Received from Individuals and Non-registered Organizations

Section 441a(a)(1)(A) of Title 2 of the United States Code states that no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1000.

Section 110.1(k) of Title 11 of the Code of Federal Regulations states, in part, that any contribution made by more than one person, except for a contribution made by a partnership, shall include the signature of each contributor on the check, money order, or other negotiable instrument or in a separate writing. A contribution made by more than one person that does not indicate the amount to be attributed to each contributor shall be attributed equally to each contributor. Furthermore, a contribution shall be considered to be reattributed to another contributor if the treasurer of the recipient political committee asks the contributor whether the contribution is intended to be a joint contribution by more than one person, and informs the contributor that he or she may request the return of the excessive portion of the contribution if it is not intended to be a joint contribution and within sixty days from the date of the treasurer's receipt of the contribution, the contributors provide the treasurer with a written reattribution of the contribution, which is signed by each contributor, and which indicates the amount to be attributed to each contributor if equal attribution is not intended.

Sections 110.1(l)(3) and (5) of Title 11 of the Code of Federal Regulations state, in part, that if a political committee receives a written reattribution of a contribution to a different contributor, the treasurer shall retain the written reattribution signed by each contributor. If a political committee does not retain the written records concerning reattribution as required, the reattribution shall not be effective, and the original attribution shall control.

Section 103.3(b)(3) of Title 11 of the Code of Federal Regulations states, in part, that contributions which exceed the contribution limitation may be deposited into a campaign depository. If any such contributions are deposited, the treasurer may request reattribution of the contribution by the contributor in accordance with 11 CFR 110.1(k). If a reattribution is not obtained, the treasurer shall, within 60 days of receipt of the contribution, refund the contribution to the contributor.

Section 103.3(b)(4) of Title 11 of the Code of Federal Regulations states, in part, that any contribution which appears to be illegal and which is deposited into a campaign depository shall not be used for any disbursements by the political committee until the contribution has been determined to be legal. The political committee must either establish a separate account in a campaign depository for such contributions or maintain sufficient funds to make such refunds.

The Audit staff stated in the interim audit report ("IAR") that our review of contributions received from individuals indicated that 321 individuals and 9 non-registered organizations exceeded their limitation by the amount of $192,233.59*/. We also noted that the JJFP made 79 refunds totaling $27,305**/ to contributors, however, such refunds were not made timely in accordance with 11 C.F.R. §103.3(b)(3), as they were made between 198 and 573 days subsequent to the date the excessive portions were deposited. Therefore, as of March 15, 1989, excessive contributions totaling $138,999.88 from 255 (321-66***/) individuals, and $25,928.71 from 9 non-registered organizations were unresolved (excessive portions had not been refunded fully).

The Audit staff did not perform a detailed analysis to determine if the JJFP maintained sufficient funds to make all refunds pursuant to 11 C.F.R. §103.3(b)(4). However, the cumulative total of excessive portions did not exceed reported cash on hand on the monthly disclosure reports as amended.

A preliminary schedule of excessive contributions was provided to the JJFP at the exit conference. The JJFP officials expressed concern over the extent of the excessive contributions identified by the Audit staff and were unable to provide an explanation as to why these excessive contributions were not identified by the JJFP. A JJFP official suggested that some apparent excessive contributions from non-registered organizations may represent "pass-the-hat" or other fundraising receipts.

In the IAR, the Audit staff recommended that the JJFP, within 30 calendar days after service of that report, provide evidence that the contributions are not excessive or refund $164,928.59 ($138,999.88 + $25,928.71) to the contributors. The

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*/ No excessive contributions were received prior to April 8, 1987, the effective date of the above cited regulations.

**/ The JJFP reported refunds totalling $51,521.00.

***/ Only 66 of the refunds resulted in the full amount of the portion being returned to the contributor.

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Audit staff further recommended that if funds were not available to make such refunds, the JJFP disclose any unrefunded excessive contributions as debts owed by the JJFP on Schedules D-P.

The Audit staff also noted that further recommendations may be forthcoming.

The JJFP responded to the IAR by providing copies of refund checks which reduced the unresolved portions of 43 excessive contributions from individuals by $14,560. These refunds were made between 220 and 659 days after deposit of the excessive portions. Documentation provided from other sources (subpoenaed records, insufficient fund contributions, and duplicates) modified the excessive amounts and unresolved portions for a net reduction to other apparent excessives of $8,503.

The Audit staff now identifies excessive contributions totaling $157,801.88 from 322 individuals; 122 refunds which total $41,865 and resolve excessive amounts from 100 contributors were made between 198 and 659 days of deposit; excessive contributions totalling $115,936.88 from 222 individuals remain unresolved. See Attachment 1.

The JJFP did not provide documentation relative to excessive contributions totaling $25,928.71 from the 9 non-registered organizations. However, the Audit staff's review of documentation reclassified one $5,000 receipt ($4,000 excessive portion) as a prohibited contribution (see Exhibit P). Therefore the Audit staff now identifies excessive contributions totaling $21,928.71 from 8 non-registered organizations. See Attachment 2.

The JJFP did not disclose the unrefunded excessive contributions on Schedules D-P as recommended by the Audit staff. The JJFP viewed the preparation of any such schedule as premature because the IAR totals may have been overstated and the JJFP is continuing to review documentation to verify the excessive and unresolved status of the contributions.

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Recommendation #1

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Bday	Unreceived Amount
ABBOTT, HELEN	4 16 88/883	1,000.00				333	
	5 20 88/804	500.00	2,500.00	1,500.00	1,500.00	299	
	10 09 87/003	1,000.00					
ABRAMS, JENCY	2 25 88/049	250.00					
		250.00					
		250.00					
		250.00	1,200.00	200.00	200.00	362	
	7 14 87/014	100.00					
	8 27 87/006	100.00					
ADAMS, HEATHER	5 13 88/091	250.00	1,250.00	250.00			250.00
	6 01 87/002	500.00					
	12 06 87/008	500.00					
ADAMS, LEVI	1 08 88/050	100.00					
	2 18 88/518	250.00					
	3 18 88/519	200.00					
	4 25 88/533	150.00	1,050.00	50.00	50.00	318	
	12 02 87/505	100.00					
	12 14 87/015	250.00					
ADAYA, AHMAD	6 08 88/017	2,000.00	2,000.00	1,000.00	1,000.00	280	
AJJAWI, AHMED	5 04 88/707	50.00					
	6 07 88/720	1,000.00	1,050.00	50.00			50.00
AL-BARZINJI, F.M.	2 12 88/020	500.00					
		500.00	1,625.00	625.00			625.00
	6 09 87/012	25.00					
	10 09 87/003	100.00					
	12 01 87/015	250.00					
	12 14 87/013	250.00					
ALESSAHKI, THORAYA	1 06 88/514	25.00					
	5 14 88/024	1,000.00	1,025.00	25.00			25.00
ALKER, HAYWARD	3 18 88/519	150.00				362	
	4 15 88/531	250.00				334	
	6 08 87/015	1,000.00					
	6 16 88/504	200.00	1,600.00	600.00	600.00	272	
ALLEN, EDWARD CHARLE	4 19 88/702	250.00					
	5 19 88/719	250.00					
		250.00					
		250.00					
	5 25 88/730	50.00	1,050.00	50.00			50.00
ALLEN, ELAINE	1 05 88/501	250.00					
	3 31 88/506	250.00					
	4 05 88/809	250.00					
		250.00	1,250.00	250.00	250.00	386	
	10 07 87/514	250.00					
ALLENTON, JOYCE F	6 10 88/381	1,120.00	1,120.00	120.00			120.00
ALLISON, CHARLES H.	3 24 88/036	500.00					
	4 13 88/814	500.00					
	4 13 88/817	50.00	1,050.00	50.00	50.00	315	
ASALI, NAILA	2 05 88/002	100.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Qday	Unreceived Amount
ASALI, NAILA	5 14 88/011	1,000.00	1,350.00	350.00	350.00	284	
	11 30 87/003	250.00					
ASNE, ARTHUR	1 14 88/001	1,000.00					
	4 17 88/032	1,000.00	2,000.00	1,000.00	1,000.00	311	
BAKER, ALFRED	3 10 88/029	2,000.00	2,000.00	1,000.00			1,000.00
BALLANCE, FRANK W	1 08 88/011	250.00				432	
	3 15 88/034	25.00	1,275.00	275.00	275.00	365	
	7 29 87/011	1,000.00					
BARNSLEY, EMMA	1 27 88/525	500.00					
	3 18 88/518	500.00	1,250.00	250.00	250.00	341	
	10 14 87/501	250.00					
BAXTER, AURELIA	2 22 88/015	100.00					
	4 06 88/036	1,000.00					
	4 07 88/021	50.00					
	5 11 88/021	200.00	1,350.00	350.00	150.00	308	200.00
BECKFORD, ORVILLE	1 06 88/511	750.00					
	3 17 88/517	250.00	1,250.00	250.00			250.00
	10 07 87/507	250.00					
BELL, EDWARD	5 22 87/002	250.00					
	7 29 87/009	1,000.00	1,250.00	250.00	250.00	573	
BEYMER, CYNDI	4 21 88/014	1,130.00	1,130.00	130.00			130.00
BLOOD, STEVEN W.	1 23 87/001	250.00					
	6 07 88/720	700.00					
	6 08 88/017	2,000.00	3,450.00	2,450.00	1,450.00	259	1,000.00
	10 13 87/701	500.00					
BOLDEN, THEODORE	4 12 88/513	750.00	1,250.00	250.00	250.00	326	
	12 01 87/503	500.00					
BOWIE, LEMUEL	3 15 88/313	550.00					
	3 21 88/529	20.00	1,043.70	43.70			43.70
	10 28 87/004	250.00					
		215.70					
BOYCE, L.T.	1 31 88/013	100.00					
	3 09 88/037	1,000.00	1,300.00	300.00			300.00
	9 14 87/006	100.00					
	12 10 87/006	100.00					
BRANDON, AUTUMN	5 16 88/738	1,000.00					
		1,000.00	2,000.00	1,000.00			1,000.00
BRANSON, Z. CLARK	1 11 88/701	200.00	1,950.00	950.00	700.00	429	250.00
	10 07 87/514	1,000.00					
	10 22 87/701	250.00					
	12 11 87/017	500.00				460	
BRETTAUER, A	3 23 88/508	350.00				357	
	4 13 88/201	50.00	1,070.00	70.00	70.00	336	
	8 28 87/001	350.00					
		170.00					
	12 02 87/504	150.00					
BRIDGFORTH, WALTER	3 28 88/088	200.00					
	8 15 88/011	1,000.00	1,200.00	200.00	200.00	198	

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Bday	Unresolved Amount
BROWN, EWART F.	2 20 88/001	200.00					
	5 10 88/710	1,000.00					
	6 01 88/701	100.00	1,815.00	815.00			815.00
	10 07 87/701	500.00					
	11 19 87/502	15.00					
BROWN, LILLIAN	1 08 88/026	250.00					
		200.00					
		200.00					
		200.00					
		150.00					
	3 02 88/538	200.00					
	4 18 88/532	250.00					
		250.00					
		250.00					
	6 16 88/503	250.00	2,200.00	1,200.00			1,200.00
BRYANT, BONNYE	3 31 88/363	1,310.00	1,310.00	310.00			310.00
BUJASAN, MICHAEL	2 17 88/502	250.00					
	4 18 88/522	150.00					
	4 18 88/523	150.00					
	4 19 88/510	150.00					
	6 01 88/501	300.00					
	7 22 88/503	200.00	1,200.00	200.00			200.00
BURKES, CAESAR D.	5 06 88/076	1,000.00					
		300.00	1,300.00	300.00			300.00
BURR, JAMES E	1 08 88/503	1,000.00	1,500.00	500.00	500.00	411	
	10 07 87/514	250.00					
	12 30 87/517	250.00					
BUSENBARK, MARY E.	4 01 88/527	400.00					
	4 18 88/522	150.00					
	4 18 88/523	150.00					
	4 19 88/514	150.00					
	4 28 88/516	250.00	1,350.00	350.00			350.00
	11 04 87/501	250.00					
BUTLER, ERNESTINE	5 04 88/705	40.00					
	5 04 88/707	56.00					
	5 10 88/702	57.00					
	5 19 88/710	20.00					
	6 03 88/725	90.00					
	6 07 88/701	50.00					
	6 07 88/710	25.00					
	6 14 88/713	807.03					
	6 21 88/709	150.00	1,350.03	350.03			350.03
	11 13 87/501	50.00					
BUTLER, JERRY	3 14 88/020	250.00	1,250.00	250.00			250.00
	9 01 87/000	1,000.00					
CAESAR, RICHARD C	1 20 88/001	1,000.00					
	1 20 88/009	200.00	1,200.00	200.00	200.00	420	
CANO, SUAD	2 12 88/020	300.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Bday	Unresolved Amount
CANO, SUAD	5 14 88/024	1,000.00					
	6 18 87/004	100.00					
	7 27 88/504	30.00	1,430.00	430.00			430.00
CAREW, ALYCE S.	3 24 88/713	200.00					
	5 11 88/702	1,000.00	1,200.00	200.00			200.00
CARLSON, DORIS A.	4 22 88/039	1,000.00	3,000.00	2,000.00			2,000.00
	4 22 88/044	1,000.00					
		1,000.00					
CARPENTER, DONNA	1 12 88/006	100.00					
	5 05 88/481	1,000.00	1,350.00	350.00	350.00	293	
	10 14 87/503	250.00					
CARR, MICHAEL	5 17 88/711	250.00	1,250.00	250.00			250.00
	9 30 87/002	1,000.00					
CARRILLO, HAROLD	3 28 88/049	1,000.00					
	3 28 88/079	600.00	1,600.00	600.00	600.00	352	
CASEY, BERNARD	1 13 88/002	100.00					
	2 25 88/008	25.00					
	2 25 88/014	150.00					
	3 02 88/516	75.00					
	3 02 88/523	90.00					
	3 23 88/509	100.00					
	3 30 88/517	75.00					
	3 31 88/509	125.00					
	4 18 88/524	150.00					
	5 06 87/002	20.00					
	6 20 88/502	100.00					
	7 27 88/503	80.00	1,315.00	315.00			315.00
	8 19 87/007	100.00					
	11 02 87/507	50.00					
	12 11 87/002	25.00					
	12 14 87/002	50.00					
CHAARANI, MOUNZER	5 14 88/028	2,000.00	2,000.00	1,000.00			1,000.00
CHAPMAN, WILLIAM	3 23 88/532	25.00					
	4 07 88/502	50.00					
	7 07 88/002	1,139.61	1,264.61	264.61			264.61
	11 03 87/503	50.00					
CHEHADE, ABDEL H	5 14 88/025	1,000.00					
		1,000.00	2,000.00	1,000.00			1,000.00
CHERNEY, ANNA	1 06 88/508	100.00					
	2 04 88/501	250.00				384	
	2 25 88/501	750.00				363	
	2 25 88/509	250.00				363	
	3 31 88/506	250.00				328	
	5 26 87/001	500.00					
	6 03 88/724	250.00				264	
	7 27 88/507	250.00	2,850.00	1,850.00	1,850.00	210	
	10 07 87/515	250.00					
CLARK, EDDIE	3 05 88/058	1,000.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch	dte	Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Bday	Unresolved Amount
CLARK, EDDIE	3	05	88/059	500.00	1,500.00	500.00			500.00
CLARKE, CAROLYN	5	14	88/014	2,000.00	2,000.00	1,000.00			1,000.00
CLIMACO, MICHAEL L.	1	26	88/012	250.00					
	5	06	88/661	2,000.00	2,250.00	1,250.00			1,250.00
COLE, JOEL	5	06	88/676	2,000.00	2,000.00	1,000.00			1,000.00
COLEMAN, ESTHER	2	03	88/705	100.00					
	3	16	88/701	20.00					
	4	28	88/703	100.00					
	5	10	88/803	100.00	1,070.00	70.00	70.00	295	
	10	23	87/005	100.00					
	12	28	87/501	650.00					
COLEMAN, LEOTIS	3	10	88/706	250.00					
	5	25	88/709	100.00					
	5	26	88/701	500.00					
	6	07	88/720	700.00	1,550.00	550.00			550.00
COLEMAN, RICHARD T	2	08	88/009	1,000.00	1,250.00	250.00	250.00	401	
	9	04	87/005	250.00					
COLES, LEONARD P	1	12	88/515	15.00					
	2	18	88/510	30.00					
	3	02	88/515	35.00					
	3	02	88/525	30.00					
	3	28	88/546	12.50					
	3	28	88/552	15.00					
	3	28	88/571	12.50					
	4	19	88/530	40.00					
	4	20	88/531	15.00					
	4	22	88/523	25.00					
				25.00					
	4	28	88/503	15.00					
	5	02	88/018	10.00					
	5	06	88/802	25.00					
	5	19	88/510	15.00					
	5	31	88/509	40.00					
	6	01	88/011	500.00					
	6	16	88/501	50.00					
	7	14	88/507	30.00	1,475.00	475.00			475.00
	11	04	87/504	25.00					
	12	10	87/004	500.00					
COOK, J.M. CATHEY	5	17	88/705	1,000.00					
	5	18	88/706	46.00	1,046.00	46.00			46.00
COOKE, IAN S.	3	03	88/704	12.00					
	3	25	88/706	1,000.00					
	3	25	88/712	50.00					
	4	11	88/706	12.00					
	4	15	88/715	15.00					
	4	15	88/725	25.00					
	6	15	88/033	50.00	1,170.00	102.00	90.00	355	12.00
COOPER, H.H. JR.	4	15	88/801	1,000.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Date	Unreceived Amount
COOPER, H.H. JR.	4 17 88/851	25.00	1,025.00	25.00			25.00
CRAWFORD, ADDIE	1 12 88/515	25.00					
	3 02 88/539	30.00					
	3 28 88/808	300.00					
	3 29 88/804	1,000.00	1,385.00	385.00			385.00
	10 22 87/801	30.00					
CUNNINGHAM, CALVIN E	1 04 88/509	200.00					
	1 08 88/503	900.00					
	3 31 88/506	100.00					
	4 08 88/801	500.00					
	4 20 88/522	300.00	2,000.00	1,000.00	300.00	308	700.00
	11 03 87/501	200.00					
DABBAH, BISHARA	1 13 88/016	23.00					
	6 07 88/720	1,000.00	1,023.00	23.00			23.00
DAKIN, VERGILIA	7 08 87/001	250.00					
		750.00					
	8 01 88/515	100.00	1,100.00	100.00	100.00	220	
DANIELS, ROBERT	1 12 88/514	150.00					
	2 18 88/504	75.00					
	3 23 88/510	100.00					
	6 08 88/027	100.00	1,075.00	75.00	75.00	274	
	6 17 87/016	150.00					
	10 07 87/510	250.00					
	11 02 87/805	250.00					
DAVIE, FRANK	3 25 88/701	1,000.00	1,700.00	700.00			700.00
	6 02 88/701	700.00					
DAVIS, BETTY	4 13 88/000	1,000.00					
	4 16 88/899	100.00					
		100.00	1,200.00	200.00			200.00
DAVIS, EDGAR G	5 10 88/712	100.00					
	5 16 88/738	900.00	1,090.00	90.00			90.00
DAVIS, GORDON	3 14 88/853	500.00					
	4 04 88/822	750.00					
	4 18 88/804	750.00	2,000.00	1,000.00			1,000.00
DAVIS, LEON	3 25 88/701	250.00					
	5 02 88/701	11.00					
	5 17 88/705	1,000.00					
	6 07 88/722	50.00	1,311.00	311.00			311.00
DAYE, MELVIN	10 07 87/004	2,000.00	3,000.00	1,000.00			1,400.00
DE CLUE, JAMES A.	1 04 88/941	250.00					
	3 22 88/942	50.00					
	4 29 88/506	250.00					
	5 26 87/012	500.00					
	7 11 88/031	1,000.00	2,050.00	1,050.00			1,050.00
DELPH, WALTER I.	3 24 88/801	500.00					
	4 16 88/852	300.00	1,050.00	50.00			50.00
	11 25 87/502	250.00					
DICKENS, LLOYD E.	5 02 88/813	100.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor Name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Sday	Unreceived Amount
DICKENS, LLOYD E.	5 11 88/002	50.00	1,300.00	300.00			300.00
	8 25 87/FWB	1,000.00					
	9 03 87/FWB	150.00					
DICKINSON, MAE	4 08 88/981	20.00					
	4 13 88/007	40.00					
	4 14 88/982	110.00					
	4 18 88/981	300.00					
	4 20 88/981	200.00					
	4 22 88/045	50.00					
	4 25 88/981	700.00	1,420.00	420.00			420.00
DIFIORE, STEVEN	6 07 88/507	50.00	1,050.00	50.00			50.00
	10 13 87/002	1,000.00					
DOUGLAS, WALTER	2 08 88/009	1,000.00	2,000.00	1,000.00	1,000.00	380	
	7 07 87/009	1,000.00					
DRAPER, ELIZABETH B.	1 19 88/514	250.00					
	3 25 88/501	500.00					
	4 15 88/514	500.00				334	
	6 01 88/703	100.00				287	
	6 14 88/725	10.00	1,360.00	360.00	360.00	273	
DUCK, ROBERT R.	4 21 88/504	50.00	1,050.00	50.00			50.00
	9 03 87/013	500.00					
	9 03 87/FWB	500.00					
DUNHAM, ROBERT	3 18 88/518	750.00	1,750.00	750.00			750.00
	9 03 87/FWB	1,000.00					
EDGAR, SHAWN	5 23 88/009	1,500.00	1,500.00	500.00			500.00
EDWARDS, RHEABLE	2 25 88/504	500.00					
	3 31 88/506	375.00	1,125.00	125.00	125.00	328	
	10 07 87/512	250.00					
ELFARRA, S	3 23 88/702	100.00					
	5 14 88/014	1,000.00	1,100.00	100.00	100.00	299	
ERBEN, RUTH	2 25 88/503	375.00					
	4 20 88/520	225.00					
	4 29 88/506	250.00					
	6 16 88/505	225.00					
	7 15 88/503	100.00	1,475.00	475.00			475.00
	11 16 87/502	250.00					
	12 07 87/502	50.00					
ERVIN, JESSICA	4 07 88/981	500.00					
	4 22 88/045	1,000.00					
	5 02 88/982	40.00					
	5 03 88/981	10.00	1,559.00	559.00			559.00
ESSHAKI, JAMIL	2 12 88/020	100.00					
	5 14 88/029	1,000.00	1,100.00	100.00	100.00	305	
EVANS, BERNETTA	3 05 88/061	300.00					
	5 19 88/509	300.00	1,050.00	50.00	50.00	279	
	7 03 87/012	200.00					
	10 07 87/513	250.00					
EVANS, TIMOTHY F	3 05 88/033	1,000.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Qday	Unresolved Amount
EVANS, TIMOTHY F	4 18 88/044	100.00	1,100.00	100.00	50.00	331	50.00
FACEN, ERMA J	1 05 88/503	250.00					
	1 06 88/504	50.00					
	1 20 88/507	100.00					
	2 24 88/507	150.00					
	3 17 88/040	50.00				342	
	3 17 88/519	100.00					
	3 21 88/533	125.00				338	
	4 07 88/501	100.00				321	
	4 25 88/515	100.00				303	
	4 25 88/520	25.00				303	
	5 18 88/502	100.00				280	
	6 15 88/509	100.00				252	
	6 19 87/011	100.00					
	7 27 88/507	250.00	1,050.00	850.00	850.00	210	
	11 02 87/507	250.00					
FADEL, H.E.	1 29 88/501	250.00					
	3 02 88/530	250.00					
	3 09 88/013	100.00					
	3 31 88/509	150.00	1,150.00	150.00	150.00	328	
	6 12 87/005	100.00					
	10 07 87/514	250.00					
	10 08 87/005	50.00					
FARAH, RAFEEK	2 02 88/012	250.00					
	3 18 88/527	250.00					
	3 19 88/043	1,000.00					
		50.00					
		25.00	1,600.00	600.00	600.00	340	
	11 13 87/503	25.00					
FARR, MELVIN	2 08 88/009	1,000.00	2,000.00	1,000.00	1,000.00	401	
	7 07 87/009	1,000.00					
FEARS, VERONICA	4 29 88/029	100.00					
	5 13 88/009	1,000.00	1,600.00	600.00	600.00	306	
		500.00					
FINE, RALPH I	2 11 88/503	100.00					
	5 12 88/014	1,000.00	1,100.00	100.00			100.00
FISHMAN, JACOB	4 26 88/027	1,000.00					
		250.00	1,250.00	250.00			250.00
FLAHERTY, KAREN	6 02 88/701	1,000.00					
		500.00	1,500.00	500.00			500.00
FORBES, GEORGE L	5 06 88/076	2,000.00	2,000.00	1,000.00	1,000.00	292	
FORD, BETTY	8 28 87/FMB	2,000.00	2,000.00	1,000.00			1,000.00
FOSNESS, D.	7 06 87/001	25.00					
	9 18 87/002	22.00					
	11 03 87/005	70.00					
	12 08 87/021	1,000.00	1,117.00	117.00	117.00	442	
FOSNESS, IRENE	7 06 87/001	1,020.00				627	
	7 31 87/001	22.00				572	
		20.00				572	

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Dday	Unreceived Amount
FOSHESS, IRENE	8 24 87/001	15.00	1,077.00	77.00	77.00	548	
FOSTER, WINIFRED S	11 13 87/009	1,000.00					
	12 10 87/007	25.00	1,025.00	25.00	25.00	455	
FOUSHEE, GERALDINE G	3 31 88/060	1,000.00	1,050.00	50.00	50.00	349	
	9 01 87/014	50.00					
FOXWORTH, ROBERT	5 05 88/502	250.00					
	5 19 88/742	500.00	1,250.00	250.00	250.00	314	
	9 15 87/001	500.00					
FREELAND, PATRICIA	3 31 88/022	1,000.00					
	4 21 88/042	100.00					
	5 11 88/020	16.00	1,116.00	116.00			116.00
GALLEGOS, EDWARD	3 25 88/701	1,000.00					
	3 28 88/702	10.00	1,010.00	10.00			10.00
GEORGE, JAWAD	6 24 87/013	100.00					
	10 09 87/003	1,000.00	1,100.00	100.00	100.00	517	
GIBSON, GERTIE T.	2 25 88/512	250.00					
	3 18 88/518	250.00					
	3 31 88/506	250.00	1,715.00	715.00			715.00
	6 15 87/004	715.00					
	10 07 87/514	250.00					
GIDRON, RCHRD D. JR.	3 28 88/000	1,000.00					
	4 15 88/088	1,000.00	2,000.00	1,000.00			1,000.00
GIDRON, RICHARD D.	4 01 88/088	1,000.00					
		1,000.00	2,000.00	1,000.00			1,000.00
GLENN, GEORGE R.	4 04 88/065	100.00					
	4 06 88/073	1,000.00	1,100.00	100.00	100.00	517	
GOLDSON, AMY R.	5 13 88/091	500.00					
	5 14 88/012	500.00	1,250.00	250.00			250.00
	11 18 87/502	250.00					
GRANGER, CARL V.	3 18 88/528	50.00					
	3 28 88/517	50.00					
	4 15 88/801	1,000.00	1,150.00	150.00	150.00	334	
	12 22 87/509	50.00					
GRANTHAM, LOUISE	6 29 87/001	100.00					
	6 29 88/501	200.00	1,550.00	550.00	300.00	245	250.00
	7 09 87/003	1,000.00					
	10 09 87/501	250.00				509	
GRAY, CLARENCE	2 01 88/005	200.00					
	3 18 88/518	400.00					
	4 29 88/506	400.00					
	6 16 88/504	200.00	1,200.00	200.00			200.00
GREEN, ERNEST G	3 07 88/020	100.00					
	3 07 88/027	1,000.00					
	5 14 88/006	200.00	2,100.00	1,100.00	650.00	373	450.00
	6 01 87/002	250.00					
	10 08 87/001	300.00					
	10 13 87/001	250.00					
GREEN, WILLIAM C	2 25 88/521	100.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Qday	Unresolved Amount
GREEN, WILLIAM C	4 04 88/505	375.00					
	4 18 89/003	175.00	1,350.00	350.00	175.00	318	175.00
	4 25 88/530	450.00					
	12 22 87/523	250.00					
GREENE, RICHARD B.	1 08 88/040	250.00					
	1 28 88/003	75.00					
	3 14 88/063	100.00					
	3 14 88/064	150.00					
	3 14 88/065	100.00					
	4 06 88/515	100.00	1,025.00	25.00	25.00	343	
	10 21 87/003	250.00					
GREENEBAUM, EDWARD L	2 17 88/504	15.00					
	3 11 88/503	35.00					
	4 01 88/505	25.00					
	4 25 88/537	25.00	1,100.00	100.00			100.00
	10 07 87/503	1,000.00					
GREGORY, CLEOPATRA	2 18 88/506	250.00					
	2 25 88/504	500.00					
	3 30 88/513	375.00	1,375.00	375.00	375.00	329	
	10 29 87/501	250.00					
GRIESHABER, MAX	3 31 88/505	250.00					
	5 16 88/505	101.00					
	5 16 88/506	250.00					
	6 03 88/502	251.00					
	7 06 88/503	101.00					
	7 28 88/501	251.00	1,204.00	204.00			204.00
GRIFFIN, HAZEL	2 25 88/510	500.00					
	3 02 88/501	125.00					
	3 02 88/530	20.50					
	4 16 88/899	100.00					
	5 05 88/502	100.00	1,145.50	145.50			145.50
	9 94 87/001	50.00					
	10 09 87/501	250.00					
GUILLORY, LINDA S.	3 29 88/162	1,000.00					
	5 13 88/161	87.50	1,237.50	237.50			237.50
	8 31 87/040	75.00					
		75.00					
HALLINAN, VIVIAN	1 20 88/009	250.00					
	3 11 88/701	500.00					
	5 18 88/708	200.00					
	6 09 88/701	100.00	1,050.00	50.00			50.00
HAMDAN, KHALIL	5 14 88/024	1,000.00					
	5 31 88/702	1,000.00	2,000.00	1,000.00	1,000.00	267	
HAMMER, BARBARA	4 28 88/703	150.00					
	5 10 88/710	750.00					
	5 10 88/712	100.00					
	6 07 88/738	44.00					
	6 14 88/723	40.00	1,084.00	84.00			84.00

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Bday	Unresolved Amount
HARDISTY, JEAN	2 24 88/007	500.00	1,500.00	500.00			500.00
	9 18 87/006	1,000.00					
HARPER, RONALD J.	5 19 88/025	750.00	1,100.00	100.00	100.00	300	
	7 13 87/036	100.00					
	10 07 87/513	250.00					
HARPER, T. ERROL	3 01 88/032	1,000.00					
	3 25 88/509	50.00	1,300.00	300.00	50.00	379	250.00
	7 07 87/017	250.00					
HARRIS, HIAWATHA	5 17 88/711	250.00					
	5 26 88/701	1,000.00	2,250.00	1,250.00			1,250.00
	7 09 87/003	1,000.00					
HAYNES, MOSES	1 06 88/506	50.00					
	1 27 88/523	50.00					
	2 01 88/806	50.00					
	2 09 88/535	100.00					
	3 21 88/551	100.00					
	3 22 88/505	100.00					
	4 15 88/508	100.00					
	5 10 88/503	100.00					
	6 07 88/506	100.00	1,100.00	100.00	100.00	260	
	6 16 87/003	100.00					
	9 03 87/013	250.00					
HECHINGER, JOHN	1 13 88/015	500.00					
	5 14 88/008	100.00					
	5 14 88/028	500.00	1,100.00	100.00	100.00	284	
HEFNER, HUGH	5 14 88/014	2,000.00	2,000.00	1,000.00			1,000.00
HEIGHT, DOROTHY I	4 21 88/023	250.00					
	5 14 88/036	250.00	1,075.00	75.00			75.00
	7 10 87/007	200.00					
	9 03 87/013	100.00					
	10 30 87/004	275.00					
HENRY, WILLIAM E.	4 13 88/047	100.00					
	4 22 88/050	1,000.00	2,100.00	1,100.00	100.00	327	1,000.00
	5 23 87/016	1,000.00					
HERRERA, FRANK	3 10 88/029	2,000.00	2,000.00	1,000.00			1,000.00
HIGGINS, EUSTACE A.	1 06 88/502	500.00					
	3 29 88/801	150.00					
	3 30 88/528	25.00					
	4 08 88/809	100.00					
	4 16 88/826	100.00	1,375.00	375.00			375.00
	8 28 87/PMB	500.00					
HINTON, CHRISTOPHER	4 13 88/006	100.00					
	4 22 88/029	1,000.00	1,100.00	100.00	100.00	327	
HODES, JANE E.	2 22 88/513	375.00					
	4 27 88/502	250.00					
	5 25 88/505	200.00				273	
	6 07 88/502	300.00				260	
	8 01 88/509	200.00	1,675.00	675.00	675.00	205	

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund #day	Unresolved Amount
HODES, JANE E.	10 07 87/505	250.00					
	12 22 87/515	100.00					
HOLLAND, ROBERT	4 27 88/028	2,000.00	2,000.00	1,000.00			1,000.00
HOLLINS, ROYLAN	3 25 88/709	200.00					
	5 19 88/741	1,000.00	1,400.00	400.00	400.00	286	
	9 11 87/009	200.00					
HOOVER, CAROLE	3 08 88/022	750.00					
	5 06 88/077	150.00	1,150.00	150.00	150.00	313	
	8 04 87/006	250.00					
HOOVER, LAMAR	3 29 88/522	250.00					
	4 28 88/503	250.00					
	5 31 88/702	500.00	1,250.00	250.00			250.00
	10 22 87/503	250.00					
HOPE, MIRIAM	1 14 88/503	25.00					
	2 18 88/512	100.00					
	2 24 88/507	250.00					
	3 22 88/531	40.00					
	3 31 88/527	50.00					
	4 29 88/511	20.00					
	7 27 88/507	250.00	1,035.00	35.00	35.00	231	
	11 04 87/501	300.00					
HOWELL, DEBORAH A	6 10 88/019	250.00	1,250.00	250.00			250.00
	10 13 87/002	1,000.00					
HUBBARD, MELVIN	4 22 88/023	200.00					
		200.00					
		200.00					
		200.00					
	4 26 88/007	219.00	1,019.00	19.00			19.00
HUGHES, MEDDIE	1 06 88/511	500.00					
	1 29 88/802	35.00					
	2 25 88/529	250.00					
	3 28 88/518	50.00					
	5 04 88/502	160.00					
	5 23 88/502	50.00	1,245.00	245.00			245.00
	10 07 87/515	200.00					
	12 07 87/503	60.00					
IRISH, DONALD P	1 05 88/503	750.00					
	4 18 88/451	50.00	1,150.00	150.00	50.00	310	100.00
	4 28 87/001	100.00					
	10 15 87/501	250.00					
JACKSON, MARY O.	7 29 87/005	1,000.00					
	9 29 87/001	1,000.00	2,000.00	1,000.00	1,000.00	533	
JAMES, PHYLLIS	1 20 88/002	800.00					
	1 20 88/009	200.00					
	8 11 88/501	350.00	1,050.00	50.00			50.00
JASMIN, MARJORIE	1 04 88/506	200.00					
	1 29 88/801	50.00					
	2 25 88/503	375.00				363	

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

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JASMIN, MARJORIE	5 11 88/012	30.00	1,405.00	405.00	405.00	287	
	6 18 87/003	200.00					
	9 14 87/005	100.00					
	10 07 87/505	250.00					
	11 25 87/502	200.00					
JEMISON, T.J.	2 09 88/001	300.00	1,300.00	300.00			300.00
	6 23 87/006	1,000.00					
JETER, VELMA	2 18 88/510	250.00					
	3 21 88/532	300.00					
	4 11 88/509	150.00	1,050.00	50.00			50.00
	8 28 87/006	250.00					
	12 22 87/001	100.00					
JOHNSON, ALBERT	3 24 88/011	100.00	1,100.00	100.00			100.00
	9 02 87/000	1,000.00		0.00			
JOHNSON, ELEANOR L.	1 06 88/504	500.00					
	2 25 88/521	250.00					
	6 17 87/008	100.00					
	7 22 88/503	250.00	1,350.00	350.00			350.00
	10 07 87/514	250.00					
JOHNSON, EMORY	4 16 88/025	500.00	1,500.00	500.00			500.00
	6 05 87/011	1,000.00					
JOHNSON, NATHAN	4 01 88/008	1,500.00	1,500.00	500.00			500.00
JOHNSON, SAM	2 08 88/009	1,000.00					
		250.00	1,750.00	750.00			750.00
	7 07 87/016	500.00					
JOHNSON, THELMA	4 21 88/023	200.00					
	4 21 88/027	1,000.00	1,200.00	200.00			200.00
JOHNSON, VALLIE L.	1 04 88/506	550.00					
	3 02 88/515	500.00				357	
	3 31 88/509	100.00	1,600.00	600.00	600.00	328	
	6 29 87/012	200.00					
	10 07 87/511	250.00					
JONES, FRANK	2 22 88/011	500.00					
		500.00					
		211.00	1,211.00	211.00	211.00	366	
JONES, GEORGE	4 09 87/009	1,000.00					
	4 18 88/024	1,000.00	2,000.00	1,000.00	1,000.00	331	
JONES, MARY	5 23 88/022	727.65	1,727.65	727.65			727.65
	10 15 87/003	1,000.00					
JONES, QUINCY	5 16 88/738	1,000.00					
	6 14 88/713	500.00	2,500.00	1,500.00			1,500.00
	10 29 87/501	1,000.00					
JONES, VERLENE	6 14 88/713	2,100.00	2,100.00	1,100.00			1,100.00
KADDO, JAMES	1 13 88/509	100.00					
	5 14 88/024	1,000.00	1,100.00	100.00			100.00
KASEM, CASEY	6 29 87/001	100.00					
	10 21 87/006	1,000.00	1,100.00	100.00	100.00	505	
KASEM, JEAN	6 02 88/003	27.00	1,027.00	27.00	27.00	280	

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Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Dday	Unresolved Amount
KASEM, JEAN	10 21 87/006	1,000.00					
KEITH, WILLIAM D.	3 24 88/714	200.00					
	5 17 88/705	1,000.00	1,200.00	200.00			200.00
KERR, LORIN E	3 09 88/507	35.00					
	4 06 88/515	375.00					
	4 19 88/506	450.00				317	
	5 05 88/512	350.00				301	
	6 29 88/113	100.00	1,710.00	710.00	710.00	246	
	10 07 87/523	50.00					
	10 30 87/501	100.00					
	11 04 87/501	250.00					
KESSLER, LILLIAN	6 14 88/710	2,399.01	2,399.01	1,399.01			1,399.01
KHOURY, JAMES	5 19 88/741	2,000.00	2,000.00	1,000.00			1,000.00
KIRKWOOD, WILLIAM C	1 06 88/504	750.00					
	4 29 88/528	1,000.00	2,000.00	1,000.00	1,000.00	306	
	10 07 87/511	250.00					
KOLLING, KAREN	4 11 88/708	40.00					
	5 11 88/706	50.00					
	5 26 88/714	20.00					
	6 01 88/724	50.00					
	6 03 88/705	25.00					
	6 07 88/727	20.00					
	6 14 88/713	615.00	1,113.00	113.00	113.00	253	
	9 11 87/012	35.00					
	11 03 87/503	250.00					
LAIRD, BELARMINA	3 02 88/530	30.00					
	3 14 88/705	50.00					
	3 21 88/540	35.00					
	4 08 88/703	50.00					
	4 11 88/708	30.00					
	4 15 88/723	50.00					
	4 18 88/823	75.00					
	4 27 88/707	25.00					
	5 03 88/509	25.00					
	5 04 88/703	25.00					
	5 10 88/704	20.00					
	5 10 88/708	200.00					
	5 11 88/709	25.00					
	5 19 88/705	34.00					
	5 19 88/706	12.00					
	6 03 88/724	1,000.00	1,719.00	719.00			719.00
	12 30 87/514	25.00					
LAPESARDE, HAROLD F.	4 22 88/707	1,100.00	1,100.00	100.00			100.00
LATHOUWERS, SHELBY	1 25 88/702	100.00					
	2 23 88/702	50.00					
	3 10 88/510	50.00					
	4 11 88/710	100.00					
	4 25 88/715	1,000.00					

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Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Qday	Unresolved Amount
LATHOUWERS, SHELBY	5 18 88/703	10.00					
		10.00					
	6 03 88/723	100.00					
	6 03 88/724	500.00					
	6 15 88/030	50.00	1,970.00	970.00			970.00
LAWSON, DOLORES	1 07 88/507	100.00					
	2 18 88/505	100.00					
	2 25 88/503	100.00					
	3 31 88/511	150.00					
	4 15 88/525	300.00					
	5 04 88/502	100.00				294	
	5 24 88/504	50.00	1,150.00	150.00	150.00	274	
	6 17 87/016	50.00					
	11 02 87/503	100.00					
	12 01 87/505	100.00					
LEMOINE, NOMA	1 12 88/514	50.00	1,050.00	50.00	50.00	428	
	7 09 87/003	1,000.00					
LEMOS, ERNILO	6 14 88/713	1,000.00					
		1,000.00	2,000.00	1,000.00			1,000.00
LEWIS, EDWARD E.	3 08 88/012	1,000.00	1,250.00	250.00			250.00
	8 27 87/007	250.00					
LEWIS, THELMA T.	1 14 88/506	200.00					
	2 25 88/520	500.00					
	4 15 88/514	100.00					
	4 21 88/514	100.00					
	4 25 88/514	100.00					
	5 09 88/505	100.00	1,100.00	100.00			100.00
LILLY, HERB W.	6 01 88/708	100.00					
	6 01 88/710	200.00					
	6 01 88/725	30.00					
	6 02 88/711	112.00					
	6 14 88/710	500.00					
		500.00					
		500.00					
		500.00					
		500.00					
	6 21 88/705	1,000.00					
	6 21 88/708	100.00	4,042.00	3,042.00			3,042.00
LITTLE, MARGARET B.	1 12 88/515	50.00					
	2 24 88/506	100.00					
	5 05 88/512	1,000.00					
	7 15 88/503	500.00	1,650.00	650.00	650.00	428	
LLOYD, ROBIN	1 06 88/502	88.00					
	1 12 88/006	100.00					
	2 23 88/001	250.00					
	3 24 88/514	100.00					
	4 18 88/521	450.00					
	5 09 88/505	250.00	1,688.00	688.00	288.00	310	400.00

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Qday	Unresolved Amount
LLOYD, ROBIN	10 07 87/502	250.00					
	10 20 87/501	200.00					
LOFTON, BEVERLY F.	6 02 88/701	1,125.00	1,125.00	125.00			125.00
LOMAX, MELANIE	4 11 88/709	500.00					
	5 26 88/706	100.00					
	6 14 88/713	350.00					
	6 21 88/705	500.00	1,450.00	450.00			450.00
LUSTER, FREDDIE	2 24 88/505	500.00					
	3 25 88/501	250.00					
		250.00	2,250.00	1,250.00	250.00	525	1,000.00
	6 08 87/013	1,000.00					
	10 07 87/514	250.00					
LYNCH, PHYLLIS	4 26 88/052	1,120.00	1,120.00	120.00			120.00
MADYUN, GAIL	5 02 88/723	1,000.00					
	5 19 88/703	50.00	1,050.00	50.00			50.00
MALONEY, JANICE E	3 10 88/029	2,000.00	2,000.00	1,000.00			1,000.00
MALONEY, MARYNELL	3 10 88/029	2,000.00	2,000.00	1,000.00			1,000.00
MALONEY, PAT	3 10 88/029	2,000.00	2,000.00	1,000.00			1,000.00
MASON, CHARLES N.	4 01 88/526	1,000.00					
	5 28 87/002	500.00					
	9 29 87/002	150.00	1,650.00	650.00			650.00
MASON, HILDA M.	1 07 88/508	1,000.00					
	5 28 87/002	500.00	1,500.00	500.00	500.00	412	
MAYES, ROBERT	3 19 88/028	1,000.00	1,100.00	100.00	100.00	340	
	7 10 87/004	100.00					
MCCAULEY, LILIA M.	1 20 88/001	1,000.00					
	1 31 88/009	100.00	1,100.00	100.00	100.00	410	
MCDANIEL, DENISE C.	3 25 88/701	1,000.00					
	5 10 88/704	20.00					
	5 19 88/704	35.00	1,055.00	55.00			55.00
MCKENZIE, THERMAN	3 02 88/515	1,000.00	1,500.00	500.00			500.00
	7 13 87/033	500.00					
MCKINNEY, LEON R.	2 11 88/501	100.00					
	3 17 88/518	200.00					
	3 28 88/808	250.00					
	4 08 88/808	250.00					
	4 22 88/523	300.00	1,350.00	350.00	350.00	306	
	4 28 88/503	250.00				300	
MCKISSACK, LEATRICE	1 31 88/003	1,000.00					
	2 26 88/441	50.00	1,050.00	50.00	50.00	362	
MCNAMARA, JAMES D	3 02 88/539	300.00					
	3 18 88/520	200.00	1,310.00	310.00			310.00
	5 23 87/012	15.00					
	10 15 87/006	200.00					
	11 16 87/506	200.00					
	12 04 87/503	100.00					
	12 10 87/004	200.00					
	12 11 87/013	50.00					

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Sday	Unresolved Amount
MCZIER, RUBY B.	3 31 88/083	200.00	1,400.00	400.00	400.00	328	
		200.00					
	5 12 87/010	1,000.00					
MEEK, WILLIAM R.	2 24 88/010	100.00					
	5 04 88/056	500.00	1,225.00	225.00	175.00	293	50.00
	5 05 88/962	25.00					
	5 19 88/021	50.00					
	10 13 87/003	50.00					
	11 23 87/502	500.00					
MEREDITH, BURGESS	4 22 88/707	5,000.00	5,000.00	4,000.00			4,000.00
METZ, LEON B.	3 25 88/501	1,000.00	1,100.00	100.00			100.00
	12 22 87/508	100.00					
MILLER, KAREN C.	6 07 88/720	2,000.00	2,000.00	1,000.00			1,000.00
MILLER, MAYA	1 19 88/520	500.00					
	2 18 88/510	500.00	1,100.00	100.00	100.00	391	
	12 09 87/505	100.00					
MONSON, CURTIS A.	4 01 88/011	250.00					
	5 19 88/724	1,000.00				273	
	6 01 88/710	150.00	1,400.00	400.00	250.00	286	150.00
MONSOUR, HOWARD P.	5 18 88/024	125.00					
	9 21 87/002	1,000.00	1,125.00	125.00			125.00
MORRIS, RUTH	1 08 88/503	250.00					
	2 24 88/506	250.00					
	3 23 88/508	500.00					
	12 04 87/508	100.00	1,100.00	100.00			100.00
MORTENSEN, RICHARD	2 25 88/514	250.00					
	4 18 88/521	450.00					
	7 27 88/506	100.00	1,050.00	50.00	50.00	231	
	11 10 87/501	250.00					
MOSLEY, EARL D.	1 15 88/005	100.00					
	2 18 88/510	100.00					
	5 04 88/013	450.00					
	5 20 87/001	100.00					
	7 28 88/509	25.00	1,025.00	25.00	25.00	209	
	10 07 87/514	250.00					
MUNDHENK, ALVIN	1 26 88/505	50.00					
	2 18 88/545	25.00					
	3 18 88/521	125.00					
	3 22 88/505	150.00					
	3 22 88/579	50.00					
	4 29 88/512	200.00					
	5 02 88/511	100.00					
	5 11 88/504	125.00					
	6 06 88/502	100.00	1,225.00	225.00			225.00
	7 27 88/507	100.00					
	12 16 87/520	100.00					
MURRAY, ROBERT E.	2 24 88/015	700.00					
	3 23 88/004	1,000.00	1,700.00	700.00			700.00

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Qday	Unreceived Amount
NAFFA, KIM	5 14 88/025	5,000.00	5,000.00	4,000.00			4,000.00
NAYLOR, GEORGE	2 25 88/011	50.00					
	2 25 88/527	800.00	1,370.00	370.00	330.00	209	40.00
	4 08 87/003	100.00					
		10.00					
	7 31 87/001	20.00					
	7 31 87/003	250.00					
	9 18 87/003	100.00					
	12 21 87/001	40.00					
NEVILLE, RICHARD F.	3 10 88/029	2,000.00	2,000.00	1,000.00			1,000.00
NOLAN, ALICE E.	2 25 88/060	1,000.00					
	4 04 88/021	100.00	1,100.00	100.00	100.00	345	
O'MALLEY, MARTIN	2 22 88/507	250.00					
	3 24 88/531	250.00					
	4 19 88/508	100.00					
	4 25 88/514	100.00					
	4 25 88/531	100.00					
	5 02 88/528	125.00					
	5 16 88/508	100.00	1,025.00	25.00	25.00	282	
O'ROURKE, MAGDALENE	1 20 88/010	100.00					
	5 19 88/724	1,000.00	1,100.00	100.00	100.00	279	
ORTON, ALLEN S.	1 26 88/533	100.00					
	2 11 88/503	50.00					
	3 04 88/901	20.00					
	3 17 88/517	200.00					
	4 21 88/024	100.00					
	4 25 88/517	50.00					
	5 10 88/506	50.00					
	6 08 88/046	50.00				274	
	7 15 88/501	30.00	1,050.00	50.00	50.00	237	
	9 29 87/005	75.00					
	10 30 87/502	25.00					
	11 05 87/501	250.00					
OVERALL, VERA M.	3 02 88/503	250.00					
	4 11 88/509	150.00					
	4 20 88/502	150.00					
	4 29 88/506	250.00					
	5 25 88/505	150.00					
	8 01 88/514	250.00	1,300.00	300.00			300.00
	11 02 87/503	100.00					
OWENS, KERMITH	3 25 88/018	250.00					
	3 30 88/006	30.00	1,280.00	280.00			280.00
	8 24 87/000	500.00					
		500.00					
PATERSON, DAVID	4 27 88/813	150.00					
	5 17 88/702	100.00	1,250.00	250.00			250.00
	7 29 87/013	1,000.00					
PATTERSON, JAMES L.	3 31 88/321	100.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund $day	Unresolved Amount
PATTERSON, JAMES L.	4 07 88/093	1,000.00	1,100.00	100.00			100.00
PEARSON, EDWARD	3 28 88/068	250.00					
		200.00					
	3 28 88/087	250.00					
		250.00					
		250.00	1,200.00	200.00	200.00	331	
PETRIE, DONALD A.	4 04 88/826	750.00					
	5 11 88/811	250.00					
	10 07 87/503	250.00	1,250.00	250.00			250.00
PETTY, HERMAN	6 10 88/016	50.00	1,050.00	50.00	50.00	278	
	10 22 87/004	1,000.00					
PINKSTON, ARMETIA	3 02 88/539	1,000.00				357	
	7 08 87/014	100.00					
	7 27 88/507	1,000.00	3,100.00	2,100.00	2,000.00	210	100.00
	8 13 87/017	1,000.00					
PLAYER, GARY	7 28 88/021	1,500.00	1,500.00	500.00			500.00
POPE, RUBY	1 05 88/501	25.00					
	2 25 88/502	250.00					
	3 02 88/523	125.00					
	3 02 88/533	150.00					
	3 29 88/514	100.00					
	4 15 88/508	100.00					
	5 05 88/513	200.00					
	7 12 88/502	100.00					
	8 11 88/501	100.00	1,650.00	650.00			650.00
	9 22 87/002	250.00					
	11 18 87/504	100.00					
	12 22 87/507	150.00					
POST, RICHARD	1 04 88/506	100.00					
	2 25 88/515	250.00					
	3 30 88/513	250.00					
	4 22 88/515	400.00					
	4 29 88/513	100.00					
	10 07 87/508	250.00					
		250.00					
	10 24 88/001	100.00	1,950.00	950.00			950.00
	11 12 87/501	250.00					
PRICE, JOHN W.	5 18 87/001	100.00					
	5 26 87/009	1,000.00	1,100.00	100.00	100.00	659	
PRICE, LEONTYNE	4 20 88/012	1,500.00	1,500.00	500.00			500.00
PROCOPE, ERNESTA G.	4 16 88/852	1,000.00	1,100.00	100.00			100.00
	6 12 87/012	100.00					
PROVOST, CLARA B.	3 01 88/703	10.00					
	3 24 88/706	30.00					
	4 22 88/707	1,000.00	1,040.00	40.00			40.00
PRUDHOMME, HERMAN	3 25 88/162	600.00					
	4 17 88/847	562.00					
	5 06 88/166	270.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Day	Unresolved Amount
PRUDHOMME, HERMAN	5 13 88/161	374.00					
	5 25 88/161	50.00					
	6 27 88/161	30.00	1,886.00	886.00			886.00
QUARLES, AUDREY	1 21 88/701	25.00					
	2 24 88/506	250.00					
	2 25 88/529	60.00					
	3 02 88/503	50.00					
	3 21 88/549	50.00					
	3 28 88/703	20.00					
	4 05 88/521	50.00					
	4 08 88/706	10.00					
	4 11 88/531	50.00					
	4 21 88/705	24.00					
	5 04 88/712	10.00					
	5 11 88/708	200.00					
	5 19 88/506	25.00					
	5 26 88/709	200.00					
	6 03 88/706	25.00	1,499.00	499.00	399.00	279	100.00
	9 11 87/009	100.00					
	9 11 87/013	250.00					
	10 13 87/701	50.00					
	11 16 87/702	50.00					
RANDOLPH, MARIE A.	3 28 88/068	1,000.00					
	4 06 88/003	250.00	1,250.00	250.00	250.00	343	
RAY, DEWERY	1 19 88/527	250.00					
	1 29 88/003	15.00					
	3 02 88/530	250.00					
	3 02 88/540	250.00					
	3 23 88/511	184.00					
	4 11 88/505	250.00	1,449.00	449.00			449.00
	10 07 87/507	125.00					
	11 16 87/503	125.00					
REED, N.L.	4 14 88/040	1,492.30	1,492.30	492.30			492.30
REEVES, ALAN	2 08 88/009	1,000.00	2,100.00	1,100.00	1,100.00	380	
	9 16 87/007	1,000.00					
	12 14 87/018	100.00				436	
REUSS, MARGARET M.	5 12 88/501	250.00	1,250.00	250.00	250.00	307	
	6 01 87/002	1,000.00					
RICHARDSON, MADISON	3 18 88/518	175.00					
	3 24 88/701	100.00					
	5 17 88/711	500.00	1,225.00	225.00			225.00
	5 26 87/001	250.00					
RILEY, THOMAS	2 13 87/001	250.00					
	5 06 88/015	1,000.00	1,250.00	250.00			250.00
RIMAWI, NABIEL	2 12 88/020	1,000.00				397	
	5 20 88/804	250.00	1,500.00	500.00	500.00	299	
	10 09 87/003	250.00					
ROBINSON, ELIZABETH	2 18 88/535	50.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Bday	Unresolved Amount
ROBINSON, ELIZABETH	3 21 88/555	50.00					
	4 01 88/526	1,000.00	1,100.00	100.00	100.00	327	
ROBINSON, LYNELL	1 19 88/528	150.00					
	2 13 87/001	100.00					
	4 26 88/045	200.00					
	6 09 88/005	1,000.00	1,450.00	450.00	300.00	290	150.00
ROSS, DEANE EARL	6 14 88/713	2,100.00	2,100.00	1,100.00			1,100.00
RUSSELL, DAVID T.	5 14 88/025	2,000.00	2,000.00	1,000.00			1,000.00
SALEEM, SAMUEL	2 18 88/510	250.00					
	3 02 88/517	75.00					
	4 15 88/525	100.00					
	5 05 88/517	250.00					
	6 07 88/502	325.00	1,500.00	500.00			500.00
	8 26 87/FMB	500.00					
SAMHAT, HAROLD S	3 28 88/068	500.00	1,500.00	500.00			500.00
	12 10 87/013	1,000.00					
SANDERS, W. G.	8 10 88/110	1,000.00	2,000.00	1,000.00			1,000.00
	9 09 87/001	1,000.00					
SANJINES, ETHEL M.	1 06 88/508	200.00					
	1 20 88/006	100.00					
	2 02 88/510	100.00					
	2 10 88/502	50.00					
	3 21 88/533	100.00					
	3 31 88/509	100.00					
	4 20 88/522	500.00					
	6 01 88/703	100.00					
	7 20 88/110	100.00	1,250.00	250.00	150.00	307	100.00
	10 22 87/701	100.00					
SCHEMMER, BENJAMIN F	2 25 88/522	100.00					
	3 28 88/573	1,000.00	1,100.00	100.00	100.00	352	
SCHOULTZ, SYLVIA E.	2 01 88/805	250.00					
		250.00	1,305.00	305.00			305.00
	2 15 88/026	750.00					
	6 09 88/810	55.00					
SCOTT, ARTHUR	5 19 88/725	1,000.00					
		750.00	1,750.00	750.00			750.00
SEEGER, TOSHI	1 29 88/800	100.00					
	4 04 88/505	500.00					
	4 13 88/816	500.00	1,100.00	100.00			100.00
SHAMI, SABA	3 04 88/054	250.00					
	3 28 88/054	250.00					
		25.00					
	5 14 88/021	500.00	1,525.00	525.00			525.00
	11 30 87/003	500.00					
SHAMMA, TARIQ	5 19 88/724	2,000.00	2,000.00	1,000.00			1,000.00
SHAMONKI, C.	4 08 88/515	125.00					
	5 18 88/709	1,000.00	1,125.00	325.00			325.00
	11 02 87/507	200.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Sday	Unresolved Amount
SHAPIRO, ALAN M.	6 02 88/701	700.00					
	6 07 88/720	700.00	1,400.00	400.00			400.00
SHAWISH, KAYID	3 24 87/001	500.00					
	6 12 87/018	50.00					
	11 30 87/003	1,000.00	1,550.00	550.00	50.00	471	500.00
SHROPSHIRE, JACQUELI	3 24 88/326	1,000.00					
	4 01 88/042	80.00	1,080.00	80.00	80.00	348	
SLEDGE, CARLOS R	1 20 88/027	100.00					
	3 25 88/707	1,000.00	1,100.00	100.00			100.00
SMALL, SYDNEY L.	5 04 88/048	1,000.00	1,500.00	500.00			500.00
	8 28 87/FWB	500.00					
SMERLING, R.J.	2 18 88/517	250.00					
	3 02 88/516	200.00					
	4 06 88/516	400.00					
	4 26 88/503	500.00					
	5 19 88/731	500.00	2,100.00	1,100.00			1,100.00
	12 30 87/502	250.00					
SMITH, CHARLES W.	3 28 88/704	5.00					
	5 17 88/705	1,000.00	1,005.00	5.00			5.00
SMITH, HOWARD	1 20 88/001	1,000.00					
	1 20 88/005	200.00	1,200.00	200.00	200.00	420	
SMOTHERS, ELLA A	3 25 88/704	333.33					
	3 25 88/706	250.00					
		250.00	1,933.33	933.33			933.33
	3 25 88/716	333.34					
		250.00					
		250.00					
	4 21 88/023	100.00					
	4 21 88/027	166.66					
SOLOMON, DANIEL	1 28 88/009	250.00					
	2 25 88/701	1,000.00	1,250.00	250.00	250.00	384	
SPENCER, CARRIE	2 25 88/505	750.00					
	4 04 88/505	375.00	1,375.00	375.00			375.00
	10 07 87/514	250.00					
STEVENSON, ROSALIND	5 17 88/705	250.00					
	6 07 88/720	2,000.00	2,250.00	1,250.00			1,250.00
STEWARD, C.	3 28 88/068	400.00					
	3 30 88/041	1,000.00	1,400.00	400.00			400.00
STONE, NEW-ORALEAN	4 27 88/703	1,000.00	1,500.00	500.00			500.00
	7 07 88/702	500.00					
STREIF, JULIE A.	1 27 88/007	50.00					
	4 28 88/516	1,000.00	1,050.00	50.00	50.00	321	
STRUNK, HENRY K.	2 01 88/019	6.00					
	3 23 88/506	250.00					
	4 06 88/515	375.00					
	5 05 88/512	250.00	1,131.00	131.00			131.00
	10 07 87/508	250.00					
SUH, JUNG YONG	5 09 88/805	1,000.00	1,500.00	500.00			500.00

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Oday	Unresolved Amount
SUH, JUNG YONG	5 12 88/808	500.00					
SUTTON, CLIFTON	4 16 88/835	50.00	1,050.00	50.00			50.00
	8 25 87/FWB	1,000.00					
TAYBACK, VICTOR	5 14 88/025	2,000.00	2,000.00	1,000.00			1,000.00
TAYLOR, TERRI	3 25 88/711	200.00					
	5 17 88/705	1,000.00	1,200.00	200.00			200.00
TEAMOR, RICHARD B.	5 06 88/076	2,000.00	2,000.00	1,000.00	1,000.00	292	
TEEL, ELDER RICHARD	4 13 88/000	250.00	1,500.00	500.00			500.00
		250.00		0.00			
		250.00		0.00			
		250.00		0.00			
		250.00		0.00			
		250.00		0.00			
THOMAS, MARTHA J.	2 08 88/501	100.00					
	4 19 88/506	500.00					
	5 16 88/508	100.00					
	7 11 88/031	500.00	1,200.00	200.00	200.00	226	
THOMPSON, ALBERT N.	6 20 88/804	1,000.00	1,500.00	500.00			500.00
	9 02 87/FWB	500.00					
THOMPSON, IRENE	5 14 88/025	1,000.00	2,000.00	1,000.00			1,000.00
	10 21 87/006	1,000.00					
THURSTON, CHARLES E.	8 25 87/FWB	1,000.00					
	9 03 87/013	1,000.00	2,000.00	1,000.00			1,000.00
TORIAN, ROSE	4 01 88/017	600.00					
		500.00	1,100.00	100.00			100.00
TREMAINE, KATHARINE	4 27 88/703	500.00					
	5 23 87/002	500.00					
	6 14 88/713	500.00	1,500.00	500.00	500.00	274	
TRUMBO, CHESTER	9 02 87/FWB	50.00					
	9 03 87/013	1,000.00	1,050.00	50.00			50.00
TUMULTY, LINDA D.	5 19 88/725	1,000.00					
	5 25 88/721	100.00	1,100.00	100.00			100.00
TURNER, BARBARA	2 18 88/541	500.00					
	4 21 88/023	500.00					
	4 21 88/027	250.00	1,750.00	750.00			750.00
	10 19 87/501	250.00					
		250.00					
TURNER, GLORIA	2 15 88/026	500.00					
		500.00	1,500.00	500.00			500.00
	9 13 87/FWB	250.00					
		250.00					
VAN AMSON, GEORGE L.	4 08 88/808	150.00					
	4 27 88/815	1,000.00	1,200.00	200.00	200.00	301	
	12 02 87/501	50.00					
VANDER ZANDEN, LORRA	5 11 88/201	50.00	1,050.00	50.00			50.00
	5 11 88/505	1,000.00					
WALDEN, RICHARD M.	5 19 88/719	300.00					
	6 01 88/702	1,700.00	2,000.00	1,000.00			1,000.00

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Bday	Unresolved Amount
WALKER, ALICE	1 06 88/511	750.00					
	3 21 88/550	375.00	1,375.00	375.00			375.00
	10 07 87/504	250.00					
WALKER, WYATT T.	2 18 87/001	250.00					
	3 02 88/520	250.00					
	4 08 88/523	25.00					
	4 16 88/633	100.00	1,375.00	375.00			375.00
	4 29 88/506	250.00					
	9 13 87/FMB	500.00					
WALLACE, HENRY	1 06 88/506	100.00					
	1 28 88/007	250.00					
	2 08 88/502	250.00					
	3 01 88/035	10.00					
	3 01 88/045	250.00					
	3 05 88/065	250.00					
	3 05 88/071	20.00					
	3 18 88/036	250.00	2,155.00	1,155.00			1,155.00
	5 28 87/003	500.00					
	10 07 87/511	250.00					
	11 18 87/503	25.00					
WATKINS, FRANK E.	1 23 87/013	250.00					
	9 14 87/007	654.00	1,004.00	4.00			4.00
	10 15 87/002	100.00					
WEINER, SAMUEL	4 04 88/054	2,000.00					
	5 04 88/065	2,000.00	4,000.00	3,000.00			3,000.00
WEISS, CORA	3 02 88/503	1,000.00	1,250.00	250.00	250.00	378	
	10 07 87/517	250.00					
WEISZ, JOSEPH	1 12 88/506	100.00					
	3 22 88/528	100.00					
	4 04 88/504	100.00					
	4 28 88/508	300.00					
	5 03 88/503	100.00					
	5 24 88/503	100.00					
	8 02 88/510	300.00	1,100.00	100.00			100.00
WELSH, DOROTHY	1 26 88/526	50.00					
	3 31 88/512	75.00					
	4 18 88/504	250.00					
	4 28 88/516	675.00	1,050.00	50.00			50.00
WENDLER, ED	7 22 88/503	250.00	1,250.00	250.00			250.00
	10 14 87/503	1,000.00					
WEST, ROYCE	6 14 88/770	100.00					
	6 14 88/771	30.00	1,130.00	130.00			130.00
	6 15 88/770	250.00					
		250.00					
		250.00					
		250.00					
WESTBROOKS, GERALDIN	5 19 88/731	1,000.00	1,800.00	800.00			800.00
	6 08 87/011	300.00					

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 to Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund Sday	Unreceived Amount
WESTBROOKS, GERALDIN	10 07 87/504	500.00					
WILEY, LESLIE	1 14 88/506	1,000.00					
	3 28 88/873	1,000.00	2,500.00	1,500.00			1,500.00
	8 06 87/005	500.00					
WILLETT, BRENDA	2 29 88/770	100.00					
	3 29 88/770	900.00					
	4 18 88/772	56.88	1,056.88	56.88			56.88
WILLIAMS, ADRIENNE F	1 20 88/005	500.00					
	5 17 88/704	250.00					
		250.00					
	5 18 88/708	100.00	1,100.00	100.00	100.00	295	
WILLIAMS, E. T.	9 16 87/PMB	500.00					
	12 03 87/008	1,000.00	1,500.00	500.00			500.00
WILLIAMS, JOSEPH L	3 08 88/034	46.00					
	3 08 88/040	61.00					
		25.00					
	4 01 88/025	289.18					
	4 06 88/071	5.00					
	4 20 88/060	175.00					
	4 21 88/042	50.00					
	5 06 88/004	35.00					
	5 11 88/005	199.00					
		139.13					
	5 20 88/060	146.00					
		25.00					
	6 02 88/010	133.04	1,328.37	328.37			328.37
WILLIAMS, TERESA	2 11 88/820	100.00					
	4 27 88/014	500.00					
	4 27 88/015	1,000.00	1,600.00	600.00			600.00
WILSON, CHARLOTTE, L	4 22 88/707	2,000.00	2,000.00	1,000.00			1,000.00
WISE, JESSE	8 16 88/801	1,840.00	1,840.00	840.00			840.00
WOODSON, AILEEN R	3 21 88/534	100.00					
	4 19 88/704	66.00					
	5 02 88/706	41.00					
	5 02 88/723	450.00					
	5 16 88/725	15.00					
	5 17 88/702	100.00					
	5 19 88/725	1,000.00	1,772.00	772.00			772.00
WYATT, DONNA	3 24 88/801	51.00					
	4 15 88/806	200.00					
	4 17 88/801	120.00					
		200.00					
	4 17 88/809	250.00					
		50.00					
	6 14 88/808	150.00	1,021.00	21.00			21.0
YOUNG, JOAN A.	6 07 88/702	2,000.00	2,000.00	1,000.00			1,000.00
ZAHRIEH, ALI	4 16 88/857	100.00					
	5 20 88/805	1,000.00	1,100.00	100.00			100.00

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Attachment 1 TO Exhibit A

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund @day	Unresolved Amount
SEIN, ESSAT	3 04 88/054	250.00					
	3 04 88/055	100.00					
	5 14 88/020	1,000.00	1,350.00	350.00			350.00
Total pages 1-26				$ 157,801.88	$41,865.00		$ 115,936.88

Explanation of Symbols and Procedures Used in Generating Report of Excessive Contributions

Field Definitions

a)	Contributor Name	-	per Committee's data tape or check copies supplied to Audit staff
b)	Batch Date Number	-	deposit batch date and number for given contribution per Committee's tape
c)	Check Amount	-	transaction amount shown per contributor check or Committee's tape.
d)	Aggregate Amount	-	calculated total of contributions from contributor net of non-sufficient fund receipts.
e)	Excessive Amount	-	calculated excessive amount per contributor net of refunds made timely
f)	Refund Amount	-	amount or portion of negotiated refund check amount assigned to a given excessive contribution.
g)	Refund # Day	-	number of days calculated from the batch date to the date of negotiated refund check.
h)	Unresolved Amount	-	calculated to show the amount of an excessive contribution for which action (i.e., refund, etc.) must still be taken.

Data and Procedures Used

The contributions reviewed were confined to those recorded on the Committee's data tape which covered the period January 1987 through February 27, 1989, and to additional receipts documentation submitted in response to the interim report. No reattribution documentation was provided to the Audit staff so no adjustments could be made for reattributions. Contribution amounts which were non-sufficient fund receipts are not included in this report. Only refunds of excessive portions of contributions verified by the Audit staff are included on this report.

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Contributor name	Batch dte Num	Check Amount	Aggregate Amount	Excessive Amount	Refund Amount	Refund #day	Unresolved Amount
APOLLO THEATER PATRO	4 15 88/032	1,000.00					
		1,000.00					
		1,000.00					
		263.00					
		1,000.00	4,263.00	3,263.00			3,263.00
ARAB COMM. ST. CROIX	6 30 88/018	8,630.00	8,630.00	7,630.00			7,630.00
DOUGLAS KING REG DEM	8 16 88/001	2,130.00	2,130.00	1,130.00			1,130.00
GREEKS FOR JACKSON	8 22 88/004	5,700.00	5,700.00	4,700.00			4,700.00
MINISTERS/AME CHURCH	2 15 88/371	4,050.00	4,050.00	3,050.00			3,050.00
NO REMITTER GIVEN*	3 14 88/901	1,875.00	1,875.00	875.00			875.00
NO REMITTER SHOWN**	5 31 88/661	1,790.00	1,790.00	790.00			790.00
YS RAINBOW COALITION	7 29 88/005	1,490.71	1,490.71	490.71			490.71
				$21,928.71			$21,928.71

* Cashiers Check No. 3727180 from First American Bank of Maryland

** Cashiers Check No. 1582824 from First National Bank, Cincinnati

Jesse Jackson for President '88 Committee ("JJFP")

Unreported Loan Activity

Sections 434(b)(2)(H) and (3)(E) of Title 2 of the United States Code state, in part, that each report shall disclose all loans along with the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount or value of such loan.

Our review of the JJFP loan activity disclosed a loan, the proceeds of which was deposited into a Michigan state account. According to the promissory note, the loan was obtained from the Capitol National Bank in Lansing, Michigan on March 16, 1988, in the amount of $8,497.24. JJFP did not disclose either the receipt or the repayment of the loan on its disclosure reports.

On April 20, 1988, the Michigan state account repaid the loan with a $14,081.17 check made payable to Capitol National Bank. A contemporaneous memorandum relative to this disbursement indicated that the check amount was to repay the proceeds of the loan plus interest ($8,497.24 + $219.04) and to reimburse expenses ($5,364.89) paid by a development company on behalf of the campaign.

Based on the information noted above in the interim audit report ("IAR"), it was not clear how much was loaned by the Capitol National Bank to JJFP. The Audit staff noted that at a minimum, it appeared that loans totaling $13,862.13 ($8,497.24 + $5,364.89) were obtained through Capitol National Bank and not disclosed.

In the IAR, the Audit staff recommended that within 30 days of service of that report, the JJFP take the following action:

- provide copies of all materials presented to the bank at the time the loan was requested, to include but not be limited to, the loan application, JJFP's financial statements, any fundraising plans, any other information provided to secure this loan; and, provide an explanation from JJFP officials and/or the bank as to why the loan should be considered as having been made in the ordinary course of business, as well as an explanation of the circumstances involving the $5,364.89 in expenses paid by the development company; and

- file appropriate amendments to its disclosure report detailing the total amount of loans received from Capitol National Bank.

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In response to the IAR, the JJFP narrated details relative to the loan procurement and repayment. The JJFP stated that the $8,497.24 loan was arranged by a campaign volunteer who was also the owner of the development company and a member of the Executive committee and Board of Directors of Capitol National Bank. The JJFP further stated that the $14,081.17 repayment to the bank included principal ($8,497.24) and interest ($219.04) on the loan and reimbursement of the expenses ($5,364.89) paid by the development company. The response by JJFP concluded that the volunteer/Board member/Executive Committee member/owner of the development company arranged to have Capitol National Bank credit the development company account or forward the funds to the development company for expenses ($5,364.89) of the Jackson campaign.

Although the JJFP acknowledges that the loan agreement was prepared under the volunteer's supervision, it contends that the loan was made in the ordinary course of business, it reflected terms and conditions consistent with the prevailing market, and the conditions were appropriate for a transaction of this scale. The JJFP provided no bank or other documentation relative to these transactions.

In the opinion of the Audit staff the JJFP has not provided a satisfactory explanation or documentation to show that the loan should be considered as made in the ordinary course of business. As of December 18, 1991, the JJFP has failed to file amendments disclosing this loan activity.

A second undisclosed loan or letter of credit may have been obtained by the JJFP from Drexel National Bank. A collateral receipt document dated March 24, 1988 was included within other documentation provided by the JJFP in response to the IAR (see IAR Finding II.J.1.a. Refunds and Rebates). The document references loan number "L/C 151", and describes the transaction (see Attachment 1) as:

> "Assignment of...C/D dtd 03/24/88 for $30,000 for 129 days @ 5.856% reg. n/o Jesse Jackson for President '88...dtd 4/4/88 signed by Gerald J. Austin and Jeanette M. Palmore"*/

The Certificate of Deposit ("C/D") was apparently purchased by a check payable to "Drexel Bank" dated 3/23/88; the

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*/ A JJFP memorandum, dated March 31, 1988, identified "Gerald Austin" as "Campaign Manager". A Dannette M. Palmore was an Executive Assistant to Gerald Austin, a consultant to the Committee and an apparent signatory on both the Drexel and Independence Bank accounts.

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reverse side of the check was notated "CD #25683". This transaction was disclosed on the initial filings*/ as "Credit Card Deposit". The internally generated documentation relative to this disbursement described it as "MC Payment", and "Master/Visa Cards". The C/D was closed on August 12, 1988. The JJFP did not disclose a loan from Drexel National Bank, nor did it report any interest paid to this bank, nor did it disclose interest received from a C/D.

Finally, a check from Drexel National Bank Investment Department for $8,920.20 that was deposited into a Committee account on January 31, 1989 is unexplained. This receipt was not disclosed by the JJFP, and bank confirmations sent relative to the Statement of Bank Accounts and Cash on Hand indicate that all activity with this bank was closed as of September 30, 1988. The Audit staff does not conclude that this receipt pertains to the undisclosed loan. However, one apparent undisclosed loan, the unexplained receipt, and the conflicting documentation relative to the C/D purchase all relate to transactions the JJFP had with Drexel National Bank.

Recommendation #2

The Audit staff recommends that the matter of undisclosed loans, the matter of inadequate documentation relative to these loans and the matter of an unexplained receipt from the investment department of a bank which confirmed that all JJFP accounts were closed at least four months before this receipt, be referred to the Office of General Counsel.

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*/ The transaction was not itemized on the amended reports.

NAME AND ADDRESS - COLLATERAL OWNER
Jesse Jackson for President '88
30 W. Washington 3rd floor
Chicago, IL 60602

DREXEL NATIONAL BANK
3401 SOUTH KING DRIVE CHICAGO, ILLINOIS 60616
(312) 225-6600

COLLATERAL RECEIPT NO. 10482

LOAN IN NAME(S) OF
same
(USE ONLY IF DIFFERENT FROM NAME AND ADDRESS SHOWN ABOVE)

DATE March 24, 1988
LOAN NO. L/C 151
LOAN OFFICER David M. Schleiweiler

WE HEREBY ACKNOWLEDGE RECEIPT OF THE ITEMS LISTED BELOW TO BE HELD AS COLLATERAL.

THIS RECEIPT MUST BE SIGNED AND RETURNED WHEN COLLATERAL IS WITHDRAWN.

DREXEL NATIONAL BANK
BY [signature] Asst. Cashier

NOT NEGOTIABLE — NOT ASSIGNABLE

QUANTITY	DOCUMENT NO.	DESCRIPTION	WITHDRAWAL RECEIPT	
one	25683	DEB C/D dtd 03/24/88 for $30,000 for 129 days @ 5.856% reg. a/o Jesse Jackson for President '88	DATE / OFFICER'S INITIALS	CUSTOMER SIGNATURE
one		Assignment of above dtd 4/4/88 signed by Gerald J. Austin and ~~Jewell~~ M. Palmore JANETTE	DATE / OFFICER'S INITIALS	CUSTOMER SIGNATURE
			DATE / OFFICER'S INITIALS	CUSTOMER SIGNATURE
			DATE / OFFICER'S INITIALS	CUSTOMER SIGNATURE
			DATE / OFFICER'S INITIALS	CUSTOMER SIGNATURE
			DATE / OFFICER'S INITIALS	CUSTOMER SIGNATURE
			DATE / OFFICER'S INITIALS	CUSTOMER SIGNATURE

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CUSTOMER COPY

Jesse Jackson for President '88 Committee ("JJFP")

Misstatement of Financial Activity

Sections 434(b)(1), (2) and (4) of Title 2 of the United States Code state, in relevant part, that each report shall disclose the amount of cash on hand at the beginning of the reporting period and the total amount of all receipts and disbursements received or made during the reporting period and the calendar year.

The Audit staff's reconciliation of the JJFP bank accounts available for review to the activity on its disclosure reports filed during the period covered by the audit, indicated the following differences:

1. For 1987 Disclosure Reports as Initially Filed

- Reported receipts were overstated by $1,139.75
- Reported disbursements were overstated by $19,728.67
- Reported ending cash was understated by $18,588.92

The Audit staff did not perform an in-depth analysis relative to the above differences.

2. For 1987 Disclosure Reports as Amended

The JJFP filed amended reports for 1987 on January 30, 1990, for which the Audit staff's reconciliation indicated the following remaining differences:

- Reported receipts overstated by $2,247.65
- Reported disbursements overstated by $11,933.77
- Reported ending cash on hand understated by $9,686.12

The misstatement of disbursements was primarily the net result of reporting loan repayments and interest twice ($20,159.31); reporting refunds to contributors twice ($1,335); reporting voided checks ($1,267); reporting a bank transfer as a disbursement ($15,000), and failing to report disbursements from state and national accounts totaling $32,104.26 and reconciling items totaling ($6,276.72).*/

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*/ In the absence of JJFP workpapers which detail the preparation of its disclosure reports, the Audit staff was unable to determine the composition of certain reconciling items.

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The misstatement of ending cash on hand was a net result of failing to include ending cash on hand from state accounts ($11,640.52); including a voided check ($1,000) as an outstanding item, and reconciling items totaling $2,954.40*/ ($11,640.52 + $1,000 - $2,954.40 = $9,686.12).

The JJFP "derived" total reported receipts as an amount reconcilable to total disbursements and ending cash on hand. Therefore, the overstatement of receipts for $2,247.65 was a result of overreporting disbursements by $11,933.77 and underreporting ending cash on hand by $9,686.12.

The Audit staff noted in the interim audit report ("IAR") that the disclosure reports for 1988 as originally filed understated beginning cash on hand by $18,588.92, understated receipts by $1,889,245.48, understated disbursements by $2,096,112.70, and overstated ending cash on hand by $227,948.36. Pursuant to Commission approved Materiality Thresholds the misstatement of financial activity for 1988 is not referable since the amendments filed on January 30, 1990 materially corrected the misstatement.

The Audit staff recommended in the IAR that the JJFP, within 30 days of service of that report, file amended reports for 1987 correcting the financial misstatement for 1987. The Audit staff also noted that with respect to 1988 activity it recommended no further action at that time.

As of December 18, 1991, the JJFP has failed to file amendments to correct the financial misstatement of 1987 activity.

<u>Recommendation #3</u>

The Audit staff recommends that the misstatement of 1987 reported activity be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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*/ In the absence of JJFP workpapers which detail the preparation of its disclosure reports, the Audit staff was unable to determine the composition of certain reconciling items.

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Jesse Jackson for President '88 Committee ("JJFP")

Reporting of Contributions Received from Political Committees

Section 434(b)(3)(B) of Title 2 of the United States Code states that each report shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution.

Section 431(13)(B) of Title 2 of the United States Code defines the term "identification" to be, in the case of any other person, the full name and address.

1. Disclosure Reports as Initially Filed

The Audit staff's review of contributions from party committees, other political committees, and non-registered organizations for 1987 and 1988 resulted in the identification of 70 contributions, totaling $134,583.71, that the JJFP failed to itemize as required, on the disclosure reports as initially filed. These problems are detailed below:

For 1987, the JJFP failed to report and itemize five contributions, totaling $17,000, from other political committees.*/

For 1988, the JJFP failed to report and itemize 65 contributions, totaling $117,583.71, from other political committees and non-registered organizations. In addition, the Audit staff noted six contributions from other political committees and non-registered organizations, totaling $9,100, which were itemized incorrectly - as contributions from individuals. The Audit staff also identified one transfer from an authorized committee ($405) and one receipt from a State account ($3,000) which were also itemized incorrectly - disclosed as contributions from individuals.

2. Disclosure Reports as Amended

The JJFP filed amended reports for 1987 and 1988 on October 19, 1989. The JJFP reported and itemized all of the omissions noted above except 20 contributions, totaling $46,183.71, from other political committees and non-registered organizations as follows:

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*/ One contribution for $5,000 was identified as received from a political party committee in the interim report. Further review reclassified it as a non-party political committee.

- For 1987, the JJFP failed to report and itemize one contribution from a political committee totaling $5,000; and

- For 1988, the JJFP failed to report and itemize 19 contributions, totaling $41,183.71, from other political committees and non-registered organizations.

In the interim audit report ("IAR") the Audit staff recommended that within 30 days of service of that report that, absent evidence to the contrary, the JJFP file amended Schedules A-P to disclose the contributions noted above. The Audit staff also noted that further recommendations may be forthcoming.

The JJFP did not dispute the Audit staff's finding with regard to the undisclosed contributions in its response to the IAR. However, the JJFP failed to file the requested amendments (as of December 18, 1991), indicating that for purposes of economy it would file amendments at a later date.

The Audit staff notes that had the JJFP filed amendments correcting the public record, the matter would still be referable to the Office of General Counsel in accordance with the Materiality Thresholds.

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Recommendation #4

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to the Commission approved Materiality Thresholds.

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE
Failure to Itemize Contributions from Political Committees and Non-registered Organizations Disclosure Reports as Initially Filed

Contributor Name of Committee	Date of Contribution	Amount of Contribution	Registered/ Non-registered
Other Political Committees		**1987**	
Active Ballot Club	11-05-87	$5,000.00	Registered
International Longshoreman	11-16-87	$1,000.00	Registered
Machinists Non-Partisan Pol. League	10-28-87	$5,000.00	Registered
Responsible Citizens Political League	11-30-87	$1,000.00	Registered
Democrats for the '80s	12-02-87	$5,000.00	Registered
Total 1987 as initially filed		$17,000.00	
Other Political Committees		**1988**	
1984 Hayes for Congress Committee	4-20-88	$250.00	Registered
Amalgamated Transit Service	4-14-88	$5,000.00	Registered
American Federation of State Cty & Muni. Employees	1-20-88	$250.00	Registered
	1-26-88	$200.00	
	3-02-88	$400.00	
	3-02-88	$500.00	
	3-17-88	$600.00	
	4-04-88	$500.00	
American Federation of Gov't Employees	3-15-88	$2,000.00	Registered
Archer Daniel Midland Co.	3-09-88	$1,000.00	Registered
	4-14-88	$3,000.00	
Coca Cola Co. Non-partisan Cmte.	6-06-88	$1,000.00	Registered

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE
Failure to Itemize Contributions from Political Committees and Non-registered Organizations Disclosure Reports as Initially Filed

Contributor Name of Committee	Date of Contribution	Amount of Contribution	Registered/ Non-registered
Committee to Elect Gary R. George	4-14-88	$1,000.00	Registered
Coopers & Lybrand PAC	4-08-88	$1,000.00	Registered
CWA - Cope Political Contribution Cmte	7-05-88	$5,000.00	Registered
Dayton Power & Light Co. Empl. Fund	4-22-88	$250.00	Registered
District 1199 Nat'l Union of H & H	2-18-88 4-21-88	$1,000.00 $1,000.00	Registered
Electrocom Auto Inc.	5-24-88	$1,000.00	Registered
Elihu Harris Federal	1-19-88	$1,000.00	Registered
Federal Express Corp.	1-31-88 1-31-88 3-31-88	$100.00 $2,000.00 $2,900.00	Registered
Funds for Quality in Government	4-06-88	$250.00	Registered
Grumman PAC	4-01-88	$1,000.00	Registered
Hawkins for Congress Committee	3-04-88	$500.00	Registered
International Longshoremen's Cmte	2-24-88	$2,500.00	Registered
International Ladies Garment Workers	3-21-88	$5,000.00	Registered
Keep Nick Rahall in Congress	4-22-88	$250.00	Registered
Laborer's District Council	3-21-88	$5,000.00	Registered
Maxima Corp	4-25-88	$1,000.00	Registered
National Alliance for Political Action	3-02-88	$2,000.00	Registered
Nat'l Bankers Assoc.	4-20-88 4-20-88	$250.00 $1,000.00	Registered

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE
Failure to Itemize Contributions from Political Committees and Non-registered Organizations Disclosure Reports as Initially Filed

Contributor Name of Committee	Date of Contribution	Amount of Contribution	Registered/ Non-registered
National Education Association	2-11-88	$5,000.00	Registered
Nat'l Union of H&H Care Employees	2-12-88	$2,000.00	Registered
Pol. Fund Cmte of Amer. Postal Workers Union	4-08-88	$5,000.00	Registered
Ray Stock for Congress	3-24-88	$1,000.00	Registered
Realtors PAC	3-08-88	$250.00	Registered
Responsible Citizens Political League	2-19-88	$1,000.00	Registered
Seafarers PA Donation	4-26-88	$600.00	Registered
Sheet Metal Workers Internat'l Assoc.	3-08-88	$5,000.00	Registered
Society Corp. PAC	4-25-88	$300.00	Registered
Society for Adv. Ambul. Care	5-02-88	$250.00	Registered
United Elect Radio & Machine Workers	3-10-88	$100.00	Registered
United Mine Workers of America	2-12-88 3-04-88	$1,000.00 $4,000.00	Registered
Westcap General Purpose Pol. Cmte.	1-29-88	$250.00	Registered
Citicorp Voluntary Political Fund	4-15-88	$2,000.00	Registered
PAC for Residential Builders	5-13-88	$500.00	Non-registered
Albert R. Wynn Campaign Fund	[illegible]4-88	$500.00	Non-registered
Non-partisan Political Support for General Electric	3-29-88	$3,000.00	Registered
The Bethune Dubois PAC	6-14-88	$1,000.00	Registered

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE
Failure to Itemize Contributions from Political Committees and Non-registered Organizations Disclosure Reports as Initially Filed

Contributor Name of Committee	Date of Contribution	Amount of Contribution	Registered/ Non-registered
Bear, Stearns and Co. Political Committee	8-25-88	$5,000.00	Registered
The Coalition for Politics & Education	2-10-88	$1,000.00	Non-registered
Arab Community of St. Croix	6-30-88	$8,630.00	Non-registered
Ministers of AME Church	2-12-88	$4,050.00	Non-registered
Greeks for Jackson '88	6-28-88	$5,700.00	Non-registered
Islamic Society of North America	9-01-88	$5,000.00	Non-registered
Apollo Theatre Patrons	3-10-88	$1,000.00	Non-registered
	3-10-88	$1,000.00	
	3-10-88	$263.00	
	3-10-88	$1,000.00	
	3-10-88	$1,000.00	
YS Rainbow Coalition	7-29-88	$1,490.71	Non-registered
Total 1988 as initially filed		$117,583.71	
Grand total - 1987 and 1988 itemization errors for reports as initially filed		$134,583.71	

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE
Failure to Itemize Contributions from Political Committees and Non-registered Organizations Disclosure Reports as Amended

Contributor	1987	Amount	
Active Ballot Club	11-05-87	$5,000.00	Registered
Subtotal (1987)		$5,000.00	
	1988		
American Federation of State & Cty Municipal Employees	3-02-88 4-04-88	$300.00 $500.00	Registered
National Education Association PAC	2-11-88	$5,000.00	Registered
Westcap General Purpose Political Committee	3-04-88	$250.00	Registered
Albert Wynn Campaign Committee	1-04-88	$500.00	Non-registered
PAC for Residential Builders of San Fran.	5-13-88	$500.00	Non-registered
Non-Partisan Support for General Electric	3-29-88	$3,000.00	Registered
The Bethune Dubois PAC	6-14-88	$1,000.00	Registered
The Coalition for Political Action and Education	2-10-88	$1,000.00	Non-registered
Arab Community of St. Croix	6-30-88	$8,630.00	Non-registered
Ministers of AME Church	2-12-88	$4,050.00	Non-registered
Greeks for Jackson '88	6-28-88	$5,700.00	Non-registered
Islamic Society of North America	9-01-88	$5,000.00	Non-registered
Apollo Theatre Patrons	3-10-88 3-10-88 3-10-88 3-10-88 3-10-88	$1,000.00 $1,000.00 $1,000.00 $1,000.00 $263.00	Non-registered
YS Rainbow Coalition	7-29-88	$1,490.71	Non-registered
Subtotal (1988)		$41,183.71	
Total errors - 1987 and 1988		$46,183.71	

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Jesse Jackson for President '88 Committee ("JJFP")

Reporting of Contributions Received from Individuals

Itemization of Contributions from Individuals

Section 434 (b)(3)(A) of Title 2 of the United States Code requires a political committee to report the identification of each person who makes a contribution to the committee in an aggregate amount or value in excess of $200 per calendar year together with the date and amount of such contribution.

Section 431(13) of Title 2 of the United States Code defines the term "identification" to be in the case of any individual, the name, mailing address, and the occupation of such individual, as well as the name of his or her employer.

The JJFP's contribution records made available were reviewed by the Audit staff to determine whether all contributions received from individuals aggregating in excess of $200 per calendar year were itemized as required on the JJFP's disclosure reports. The results of our review indicated that 69% of the itemizable contributions received during 1987, and 62% of those contributions received during 1988, were not itemized as required on the reports as initially filed.

On October 19, 1989 the JJFP filed amended reports for 1987 and 1988 which materially corrected the itemization omissions for 1988. The amended reports filed for 1987, however, yielded an error rate of 61% for itemization.

At the exit conference the JJFP was advised of the high error rate for itemization. The JJFP representatives had no explanation and appeared willing to correct the problem through amendments. Subsequent to the exit conference a JJFP representative suggested that the high error rate may have resulted from programming anomalies in the software used to generate the Schedules A-P for the 1987 reports as amended.

In the interim audit report ("IAR") the Audit staff recommended that the JJFP within 30 calendar days of service of that report file amended Schedules A-P to disclose the itemizable contributions received from individuals during 1987. The Audit staff did not recommend action with regard to 1988; amendments filed during fieldwork had materially corrected the deficiencies on the initial filings for 1988.

Subsequent to the IAR the Audit staff has attempted to quantify the itemization errors within the 1987 and 1988 reports as initially filed. Although contributions from individuals are recorded on magnetic media it is not practical to obtain an accurate total of itemizable activity from this data. Many duplicate contributions are present within or between the data sets of contributions and preclude a meaningful aggregation by calendar year. Further, any total so derived would not be comparable to the reported itemized activity because the JJFP (1) itemized contributions which did not aggregate in excess of $200 per calendar year, (2) failed to report the correct aggregate year-to-date totals for many contributions it did itemize, or (3) reported aggregates for contributions which do not appear on the magnetic medium.

The Audit staff calculated an itemization error by determining the difference between the total of contributions individually greater than $200 within one magnetic data set and the contributions greater than $200 itemized on the reports. To this difference the Audit staff added itemizable contributions which were not included on the data set. The Audit staff estimates that the JJFP failed to itemize at least $1,109,864.91 of itemizable contributions from individuals for 1987 and 1988. This estimate is a conservative figure because it does not include all itemizable activity. The estimate is also low because the magnetic data is contained within two data sets which are not structurally compatible or mutually exclusive. The Audit staff therefore only used magnetic data from the set which was the most complete for each reporting period. It is the opinion of the Audit staff that the total of contributions requiring itemization that the JJFP failed to itemize exceeds $1,109,864.

The Audit staff also noted in the IAR a material problem with regard to disclosure of contributor information on the reports as originally filed. The JJFP filed amendments on October 19, 1989 which materially corrected these irregularities. The Audit staff recommended no further action on this matter.

The JJFP failed to file amendments to correct the itemization errors for 1987 (as of December 18, 1991) as recommended in the IAR. The Audit staff notes that had the JJFP filed amendments to correct the itemization problem in 1987, the matter would still be referable based on the Materiality Thresholds. Finally, the Audit staff notes that the itemization problem in 1988 is also referable based on the Materiality Thresholds despite the amendments filed prior to the completion of fieldwork.

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Recommendation #5

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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Jesse Jackson for President '88 Committee ("JJFP")

Itemization of Disbursements

Sections 434(b)(4)(A) and (5)(A) of Title 2 of the United States Code state that each report shall disclose expenditures made to meet candidate or committee operating expenses; and the name and address of each person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure.

1. National Accounts

The Audit staff performed a sample review of disbursements made from the National bank accounts (bank accounts maintained at JJFP headquarters). Of those disbursements required to be itemized, a material number were not itemized on the disclosure reports as originally filed. On October 19, 1989, the JJFP filed amended reports which materially corrected this itemization problem.

Further, an Audit staff review of selected disbursements from both the National and State accounts identified 40 disbursements, totaling $1,181,559.31, which were not itemized as required on the JJFP's disclosure reports as initially filed.

After reviewing the amended reports filed by the JJFP on October 19, 1989, the Audit staff noted seven disbursements, totaling $99,434.75*/, which still were not itemized as required.

At the exit conference, the Audit staff provided the JJFP with a schedule detailing these seven disbursements.

2. State Accounts

The Audit staff reviewed all disbursements from State bank accounts (bank accounts maintained at state offices) in 1987 and identified 49 disbursements, totaling $17,890.12, which were not itemized as required on the JJFP's disclosure reports as initially filed.

The review of amended reports filed by the JJFP on October 19, 1989 indicated that 35 of the 49 errors noted

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*/ Reduced to six items, totaling $69,434.75, since the interim audit report.

above were corrected and 14 errors, totaling $5,147.93, remain uncorrected. In addition, 25 disbursements, totaling $5,248.31, that were itemized correctly on the reports as initially filed were not itemized as required on the reports as amended. Therefore, 39 (14 + 25) disbursements, totaling $10,396.24 ($5,147.93 + $5,248.31), still require corrective action by the JJFP.

At the exit conference, the Audit staff provided the JJFP with schedules detailing all disbursements not itemized on the amended reports.

For 1988, disbursements were reviewed on a sample basis by the Audit staff. Of those disbursements required to be itemized, 76% were not itemized on the disclosure reports as initially filed. The amended reports filed by the JJFP on October 19, 1989, were materially correct with regard to itemization of 1988 disbursements.

In the interim audit report ("IAR") the Audit staff recommended that the JJFP within 30 calendar days of service of that report file amended reports correcting the itemization problems not corrected subsequent to the initial filing.

The JJFP stated in its response to the IAR that it will file amendments. As of December 18, 1991, the JJFP has failed to file the requested amendments.

Subsequent to the IAR, the Audit staff has quantified the itemization errors on the reports as initially filed for both National and State accounts. From this review the Audit staff identified 2498 disbursements totaling $2,960,004.84 which were not itemized as required. These errors are summarized on Attachment 1 for both initial filings and amended reports.*/

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Recommendation #6

The Audit staff recommends that this matter be referred to the Office of General Counsel. The Audit staff notes, above, that had the JJFP filed the recommended amendments the matter would still be referable pursuant to Commission approved Materiality Thresholds.

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*/ One itemization error category for the amended filings has been reduced by $30,000 since the interim report. Post IAR review of loan activity (see Exhibit B) reclassified an item as a non-reportable transaction.

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE
Itemization Errors - Disbursements

Description	Reports as Initially Filed No.	Reports as Initially Filed Amount	Reports as Amended No.	Reports as Amended Amount
National and State Accounts Selected Disbursements	40	$1,181,559.31	6	$69,434.75
National Accounts Other Disbursements				
1987	85	$55,737.68	0	$.00
1988	758	$745,944.13	0	$.00
State Accounts-1987	49	$17,890.12	39	$10,396.24
State Accounts-1988	1566	$958,873.60	1	$500.00
TOTAL ITEMIZATION ERROR	2498	$2,960,004.84	46	$80,330.99

Jesse Jackson for President '88 Committee ("JJFP")

Disclosure of Disbursements

Sections 434(b)(4)(A) and (5)(A) of Title 2 of the United States Code state that each report shall disclose expenditures made to meet candidate or committee operating expenses; and the name and address of each person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure.

Section 104.3(b)(4)(i) of Title 11 of the Code of Federal Regulations states, in part, that statements or descriptions such as "advance", "election day expenses", "other expenses", "expenses", "expense reimbursement", "miscellaneous", "outside services", "get-out-the-vote" and "voter registration" would not meet the requirements of 11 C.F.R. §104.3(b)(4) for reporting the purpose of an expenditure.

1. National Accounts - Selected Disbursements

The Audit staff reviewed 286 selected disbursements and noted 44 disbursements, totaling $978,289.39, for which an inadequate purpose was included on the disclosure reports as initially filed by the JJFP.

However, when these same 286 disbursements were traced to the amendments filed on October 19, 1989, 93 payments, totaling $5,412,979.20, were disclosed inadequately as to purpose. These errors resulted from the use of such purpose descriptors as "outside services", "contracted services", and "consulting contractor". Three vendors (Gerald Austin & Associates, Changing America, Harris Bank) comprised a significant portion of the disbursements disclosed inadequately. At the exit conference, the JJFP was presented a schedule detailing these disbursements.

2. National Accounts - Sample Review

The balance of the disbursements made from National accounts were reviewed on a sample basis. The results of testing these disbursements indicated that a material number of the itemized disbursements were not disclosed adequately on the reports as initially filed.

The Audit staff's review of amended reports filed October 19, 1989, indicated that 37% of the itemized disbursements were not disclosed adequately. The Audit staff analyzed the disclosure errors and expanded its review for the problem areas identified as follows.

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a. Contracted Services

The Audit staff identified 136 items, totaling $167,488.92, for which the purpose was disclosed inadequately as "contracted services". At the exit conference, the JJFP was provided schedules detailing these disbursements.

b. Inadequate Address

The Audit staff also identified 281 disbursements, totaling $339,689.92, for which either no address or an incomplete address was disclosed. The JJFP was provided with schedules detailing these payments at the exit conference.

c. Wrong Payee

During the campaign, the JJFP utilized bank drafts which are bearer instruments and have a maximum value stated on the face (i.e., not more than $50, $100). Drafts were provided to campaign staff and were used to purchase goods and services and to pay travel and subsistence expenses incurred by campaign staff. For bank drafts, the Audit staff noted that the JJFP often disclosed these disbursements as paid to the signatory of the draft instead of the actual payee. The Audit staff identified 154 drafts, totaling $10,868.47, for which an incorrect payee was disclosed. At the exit conference, the JJFP was given schedules detailing these disbursements.

d. Salary & Travel

Although the majority of the errors were noted as described in subsections a., b., and c., above, a material error rate was identified relative to reported payments listed as salary or travel. These errors occurred because purposes disclosed as either salary or travel for individuals were apparently interchanged. Each individual receiving either salary or travel reimbursement payments apparently was assigned a purpose code for either salary or travel by the JJFP, and every payment to that individual was then disclosed under that purpose code (salary or travel) regardless of the actual purpose, which may be salary for one payment and travel reimbursement for others.

3. State Accounts

The Audit staff reviewed all disbursements from State accounts for 1987 and identified 10 payments, totaling $2,464.77, that were disclosed inadequately on the reports as initially filed. From the review of amended reports filed on October 19, 1989, 23 disbursements, totaling $7,356.40, were disclosed inadequately. At the exit conference, the JJFP was given a schedule detailing these disbursements.

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Disbursements from State accounts were tested on a sample basis for 1988. There was a 66% error rate relative to disclosure of purpose on the reports as initially filed. Amended reports filed on October 19, 1989, resulted in the error rate being reduced to 30%. Within the 30% error rate, 87% of the errors occurred when "outside services" was used to describe the purpose of the disbursement. At the exit conference, the JJFP was apprised of this problem.

In the interim audit report ("IAR") the Audit staff recommended that the JJFP within 30 calendar days of service of that report file amended Schedules B-P as follows:

(i) For (1) above, provide an adequate purpose for the disbursements mentioned.

(ii) For (2)(a), change "contracted services" to a purpose which adequately describes the actual work performed or goods received.

(iii) For (2)(b), provide a complete address for the payees mentioned.

(iv) For (2)(c), disclose the correct payee for bank drafts.

(v) For (2)(d), disclose the correct purpose for payments of salary and travel expenses.

(vi) For (3) above, disclose an adequate purpose for the twenty-three 1987 disbursements mentioned. For 1988, disclose a purpose which describes the work performed for all disbursements previously disclosed as having been made for "outside services."

The JJFP stated in its response that it will file amendments to provide the additional explanations needed with regard to disbursements. As of December 18, 1991, the JJFP has failed to file amendments to correct the disclosure of disbursements.

Subsequent to the IAR the Audit staff has estimated the dollar value of disbursements lacking the required disclosure information. The Audit staff has determined that at least 718 disbursements totaling $1,852,651.25 from both National and State accounts were disclosed inadequately with respect to address or purpose in the reports as initially filed. The reports as amended during fieldwork included at least 943 disbursements totaling $6,101,330.48 for which the disclosed purpose or address was inadequate, or the disclosed payee was incorrect. Incorrectly disclosed payees were not noted in the reports as initially filed;

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none of the disbursements which generated these errors in the amended reports were itemized in the initial filings. These problems are summarized on Attachment 1.

Recommendation #7

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Summary of Disclosure Errors for Disbursements as Initially Filed and as Amended

Description	No.	Inadequate as Initially Filed	No.	Inadequate as Amended
National Accounts - Inadequate purposes for Selected Disbursements	44	$978,289.39	93	$5,412,979.20
National Accounts - Other Disbursements				
a. Inadequate Purpose				
Contracted Services	125	$197,786.10	136	$167,488.92
*** Consulting Contractors	286	$409,550.70		
Outside Services	26	$21,129.91		
Outside Labor	3	$1,350.00		
b. Inadequate Address	243	$260,691.39	281	$339,689.92
Errors duplicated for both purpose and address:	-27	($24,861.17)	0	0
c. Wrong Payee	**	**	154	$10,868.47
* d. Salary & Travel	1	$626.37	10	$5,133.68
State Accounts - 1987 Inadequate purpose	10	$2,464.77	23	$7,356.40
State Accounts --1988				
Outside Services	4	$3,055.39	160	$108,848.20
Consulting	1	$1,000.00	38	$26,733.01
Inadequate address	5	$3,223.79	55	$27,301.47
Errors duplicated for both purpose and address:	-3	($1,655.39)	-7	($5,068.79)
Total for Audit Period	718	$1,852,651.25	943	$6,101,330.48

* Amounts are values of sample item errors only.
**These disbursements were not itemized on the reports as initially filed.
***Also includes 4 items totaling $3,538.10 whose purpose was listed as 'consulting'.

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Jesse Jackson for President '88 Committee ("JJFP")

Recordkeeping for Refunds and Rebates

Section 434(b)(2)(I) of Title 2 of the United States Code states, in part, that each treasurer of a political committee is required to file reports disclosing refunds, rebates, and other offsets to operating expenditures.

Section 434(b)(3)(F) of Title 2 of the United States Code requires that each report filed under this section shall disclose the identification of each person who provides a rebate, refund, or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of such receipt.

Section 431(13)(B) of Title 2 of the United States Code defines the term "identification" to include, in the case of any person, the name and address of such person. In addition, 2 U.S.C. 431(11) defines "Person" to include an individual, partnership, corporation, association, labor organization or committee.

Section 104.14(b)(1) of Title 11 of the Code of Federal Regulations states, in part, that each political committee required to file any report under this subchapter shall maintain records relevant to such reports, including vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and data from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness.

Section 102.9(c) of Title 11 of the Code of Federal Regulations states, in part, the treasurer shall preserve all records and accounts required to be kept for 3 years after the report to which such records related is filed.

In the interim audit report ("IAR") we stated that we were unable to review refunds and rebates because neither refund/rebate documentation nor JJFP workpapers in support of these receipts were provided. We recommended in that report that the JJFP provide us with all deposit batches, statements of account, expense vouchers, invoices, contracts, explanations of expenditures and receipts, and any other information necessary to perform a review of refunds and rebates. We first requested the necessary documentation from the JJFP within a letter dated August 1, 1990.

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The JJFP's response to the IAR, received September 17, 1991, contained documentation meant to support the receipt of refunds and rebates. The documentation included bank statements, deposit tickets, check copies, invoices to press organizations, and an accounts receivable ledger.

Our review of this information, along with deposit batches and reported offset activity, indicated that we were not provided with a material amount of documentation relative to offsets to expenditures. We determined that the JJFP received, at a minimum, $929,810.20 in offsets to expenditures during the audit period. However, the support for offsets totaled only $837,871.14. Therefore, it appears that the JJFP received at least $91,939.06 in offsets to expenditures for which we had no documentation. See Attachment 1. The undocumented amount represents 9.89% of total offsets that appear to have been received by the JJFP.

Furthermore, we were unable to determine if the amounts billed to the press for air travel were correct. The JJFP did not provide passenger manifests or specific costs of flights associated with travel by the press. Therefore, we did not have the documentation necessary to verify that all invoices and check copies were provided by the JJFP or the information necessary to verify the accuracy of the invoices and statements that were provided.

Finally, our limited review of billings and receipts that were provided relative to press travel indicated that the JJFP may have net receivables due from press organizations. The invoices for billings to the press totaled $939,319.78, whereas receipts from the press totaled $872,650.66. Within these totals we identified $101,352.33 in apparent receivables from press organizations and $34,683.20 in apparent overpayments by press organizations.

It is the opinion of the Audit staff that the JJFP has failed to provide the documentation necessary to perform a substantive review of offsets to expenditures.

<u>Recommendation #8</u>

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds for recordkeeping.

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Offsets to expenditures (refunds,rebates) itemized on the amended disclosure reports for which supporting documentation was not provided.

Report Period	Reported Vendor	Report Date	Purpose Per Report	No. Item	Amount Per Report
01/87-09/87	Ancient Egyptian A.N.O.M.	08/19/87	trav reimb	1	1,029.00
	Monsour Medical Foundation	09/02/87	trav reimb	1	1,620.00
	JBH Air Charter	09/16/87	Pays refund	1	298.43
	Christian Science Monitor	09/30/87	JJ's Book	1	18.95
10/87	British Broadcasting	10/21/87	media travel	1	150.00
	CNN	10/30/87	media travel	1	1,584.00
11/87	Knight Ridder	11/13/87	media travel	1	644.00
01/88	Beacon Travel, Inc.	01/13/88	refund	1	298.00
	United Airlines	01/28/88	refund	1	210.00
02/88	Midway Airlines	02/01/88	refund	1	70.00
	Southern Bell	2/11/88	refund	1	413.05
	Manchete-Bloch Editores, S.A.	2/29/88	press travel	1	545.75
	Times Newspapers of G.B.	2/26/88	press travel	1	1,000.00
03/88	Dagbladet	3/14/88	press travel	1	150.00
	Paul Gazan	3/07/88	press travel	1	100.00
	Paul Gazan	3/07/88	press travel	1	100.00
	Paul Gazan	3/07/88	press travel	1	100.00
	USA Today	3/14/88	press travel	1	750.00
	Magnum Photos	3/09/88	press travel	1	150.00
	Am. Legion-Manchester Post 79	4/07/88	refund	1	200.00
06/88	U.S. Secret Service	6/29/88	travel	1	31,796.84
07/88	U.S. Secret Service	7/01/88	travel	1	46,080.83
08/88	Advance Logic Telephones	8/29/88	refund	1	3,500.00
09/88	United States Trust Company of New York	9/19/88	refund	1	1,130.21
			Total:		$91,939.06
			Item Total:	24	

* These items have been traced by amount and date to deposits listed on bank statements from various JJFP88 accounts.

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Jesse Jackson for President '88 Committee ("JJFP")

Itemization of Offsets to Expenditures

Section 434(b)(3)(F) of Title 2 of the United States Code states that each report under this section shall disclose the identification of each person who provides a rebate, refund, or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of such receipt.

Section 431(13) of Title 2 of the United States Code defines "identification" in the case of any other person, the full name and address of such person. In addition, 2 U.S.C. 431(11) defines "Person" to include an individual, partnership, association, corporation, labor organization, or committee.

Documentation in support of Offsets to Expenditures (Refunds and Rebates) was not available for review by the Audit staff during fieldwork. In the interim audit report ("IAR"), the Audit staff recommended that the JJFP provide to the Audit staff all deposit batches, statements of account, expense vouchers, invoices, contracts, explanations of expenditures and receipts, and any other information to perform a review of refunds and rebates. The Audit staff also noted that further recommendations may be forthcoming.

The Audit staff reviewed the documentation provided by the JJFP in response to the interim report and identified a material problem relative to itemization of refunds and rebates for both the disclosure reports as initially filed and the reports as amended on January 30, 1990. See Attachment 1. For the reports as initially filed the JJFP failed to itemize 124 offsets totaling $235,128.36; on the reports as amended the JJFP failed to itemize 36 offsets totaling $66,083.41.

The Audit staff recognizes that the JJFP did not have the opportunity to respond at the interim stage. However, both the itemization errors within the reports as initially filed and the reports as amended on January 30, 1990 are referable to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

Recommendation #9

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

Schedule of itemization errors of offsets to expenditures (refunds, rebates) for the period of 1/01/87 through 9/30/88.

Name of Vendor	Check Number	Check Date	Check Amount	Deposit Date if Known	Not Is'd (By Rpt #)	(#1) Reports as Initially Filed		(#2) Reports as Amended	
						Amount	Item	Amount	Item
Tampa Tribune	74791	10/19/87	644.00		1	644.00	1		
Los Angeles Times	167796	11/06/87	644.00		1	644.00	1		
Chicago Tribune	493	11/17/87	644.00	2/01/88	1	644.00	1		
CBS	95796	11/24/87	1,242.00		1	1,242.00	1		
Time Inc.	12080	1/06/88	3,000.00	1/08/88	1	3,000.00	1		
Newsday	wt	1/06/88	3,000.00	1/06/88	1	3,000.00	1		
St. Petersburg Times	739457	1/06/88	1,000.00	1/08/88	1	1,000.00	1		
New York Times	8865	1/06/88	500.00	1/08/88	1	500.00	1		
Rolling Stone	44660	1/07/88	1,000.00	1/11/88	1	1,000.00	1		
ABC	930455	1/08/88	5,000.00	1/10/88	1	5,000.00	1		
WCAU-TV	991420	1/14/88	2,000.00	1/15/88	1	2,000.00	1		
Jet Magazine	1663	2/02/88	5,000.00		1	5,000.00	1		
NBC			11,265.00	2/17/88	2			11,265.00	1
New York Post	29073		1,400.00	2/26/88	2			1,400.00	1
New York Post	799	2/23/88	500.00		1	500.00	1		
London Times - Sunday	1274	2/23/88	400.00		1	400.00	1		
WCVB-TV	2710	2/24/88	900.00		1	900.00	1		
Swiss Television	Money Dr	2/24/88	600.00		1	600.00	1		
Dallas Morning News	177253	2/24/88	500.00		1	500.00	1		
Lisee Leconte Inc.	542	2/25/88	900.00		2			900.00	1
AP	19265	2/26/88	1,150.00		2			1,150.00	1
Newsweek	193141	2/29/88	2,000.00		1	2,000.00	1		
London Times	1430	2/29/88	700.00		1	700.00	1		
Boston Globe	5436	2/29/88	2,650.00		1	2,650.00	1		
NHK Japan Broadcastin	248	2/29/88	450.00		1	450.00	1		
Literary Research Inc	2193	2/29/88	300.00		1	300.00	1		
Newsday	176	2/29/88	600.00		1	600.00	1		
WBBM-TV	731499	3/01/88	450.00		1	450.00	1		
New York Daily News	5129	3/03/88	900.00		1	900.00	1		
Phoenix News	wt	3/04/88	750.00	3/04/88	12	750.00	1	750.00	1
Unknown	cash chk	3/05/88	900.00		12	900.00	1	900.00	1
Richard Benedetto	480106	3/10/88	750.00		12	750.00	1	750.00	1
R.E. Turner	6819	3/15/88	1,000.00	4/12/88	1	1,000.00	1		
NBC	510863	3/16/88	103.96		1	103.96	1		
Washington Post	449259	3/22/88	278.08	4/12/88	1	278.08	1		
New England Telephone	908700	3/23/88	697.06	6/29/88	12	697.06	1	697.06	1
Chattanooga Times	10478	3/25/88	900.00	4/15/88	1	900.00	1		
New England Telephone	908847	3/29/88	386.89	6/29/88	12	386.89	1	386.89	1
Fort Worth Star-Teleg	101324	3/29/88	150.00	4/12/88	1	150.00	1		

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Ekstra Bladet	104	3/30/88	600.00	4/12/88	12	600.00	1	600.00	1
Paul Gazan	104	3/30/88	600.00		1	600.00	1		
Rocky Mountain News	400	4/01/88	300.00	4/12/88	1	300.00	1		
Contract Press Images	14339	4/04/88	5,000.00	4/12/88	1	5,000.00	1		
Detroit News	7831	4/04/88	600.00	4/12/88	1	600.00	1		
WGBH Educational Foun	8760	4/05/88	10,800.00	4/12/88	1	10,800.00	1		
Publications Filipacc	2356	4/06/88	600.00	4/12/88	1	600.00	1		
Publications Filipacc	2357	4/06/88	600.00	4/12/88	1	600.00	1		
St. Petersburg Times	777680	4/07/88	83.76	4/12/88	1	83.76	1		
Chicago Tribune	70363	4/08/88	568.99	4/12/88	1	568.99	1		
San Francisco Chronic	15450	4/08/88	1,763.61	4/15/88	1	1,763.61	1		
New York Times	9148	4/11/88	410.18	4/15/88	1	410.18	1		
Illinois Bell	2032758	4/12/88	2,238.60	5/25/88	1	2,238.60	1		
Comm. of Kentucky	3218817	4/12/88	1,000.00	5/02/88	1	1,000.00	1		
Reuters	177944	4/12/88	268.76	4/28/88	1	268.76	1		
Comsat Video Enterpri	27601	4/13/88	300.00	5/11/88	12	300.00	1	300.00	1
Boston Globe	68478	4/13/88	2,007.30	4/26/88	1	2,007.30	1		
Reuters	164423	4/13/88	600.00	4/15/88	1	600.00	1		
C & P Telephone	989649	4/14/88	260.13	7/07/88	2			260.13	1
ABC	956446	4/14/88	600.00	4/26/88	1	600.00	1		
CBS	105241	4/14/88	4,514.87	4/26/88	1	4,514.87	1		
WGCI	20866	4/14/88	1,100.00	4/26/88	1	1,100.00	1		
Illinois Bell	3999185	4/14/88	21.51	5/02/88	1	21.51	1		
Europeo Magazine	536	4/15/88	450.00	5/11/88	1	450.00	1		
United Parcel	863905	4/15/88	3,260.52	5/11/88	1	3,260.52	1		
Illinois Bell	2032810	4/15/88	299.11	5/25/88	1	299.11	1		
Newsday	272956	4/18/88	3,771.72	4/26/88	1	3,771.72	1		
Knight-Ridder, Inc.	86177	4/18/88	4,962.07	4/26/88	1	4,962.07	1		
Newsday	272957	4/18/88	4,458.48	4/26/88	1	4,458.48	1		
WLS Television	17822	4/20/88	6,141.75	4/26/88	1	6,141.75	1		
K.F. Williams Sig Pro	364	4/20/88	723.01	5/11/88	1	723.01	1		
Dallas Morning News	211754	4/21/88	240.90	5/11/88	1	240.90	1		
NBC	wt	4/21/88	14,901.61	4/21/88	1	14,901.61	1		
Los Angeles Times	311950	4/22/88	2,966.36	4/26/88	1	2,966.36	1		
CBS	105957	4/25/88	7,005.88	5/11/88	1	7,005.88	1		
Dayton Daily News/Jou	192140	4/26/88	450.00	5/11/88	1	450.00	1		
Boston Herald	305	4/27/88	150.00	5/11/88	1	150.00	1		
Atlanta Journal/Const	60517	4/28/88	944.26	5/11/88	1	944.26	1		
South Central Bell	762998	4/28/88	236.54	6/06/88	12	236.54	1	236.54	1
Newsweek	44777	4/29/88	12,147.88	5/11/88	1	12,147.88	1		
Washington Post	455602	5/02/88	10,698.26	5/11/88	1	10,698.26	1		
New England Telephone	909655	5/02/88	626.76	6/29/88	12	626.76	1	626.76	1
ABC	38488	5/04/88	6,529.34	5/11/88	1	6,529.34	1		
Sacramento Bee	554495	5/06/88	1,500.00	5/31/88	12	1,500.00	1	1,500.00	1
Baltimore Sun	2459	5/07/88	287.03		1	287.03	1		
WGBH Educational Foun	171082	5/09/88	5,106.00	5/13/88	1	5,106.00	1		
Paragon Recordin Stud	18944	5/09/88	872.50	6/13/88	12	872.50	1	872.50	1
United Parcel	392918	5/11/88	62.00	5/25/88	1	62.00	1		
Los Angeles Herald Ex	4452	5/12/88	600.00	5/31/88	1	600.00	1		
South Central Bell	88627	5/18/88	572.31	6/06/88	12	572.31	1	572.31	1
United Parcel	45926815	5/19/88	48.46	5/25/88	1	48.46	1		
Robert Gunnison	1197	5/19/88	450.00	5/31/88	12	450.00	1	450.00	1
Sheraton Centre	17127	5/20/88	5,466.75	6/13/88	12	5,466.75	1	5,466.75	1
New England Telephone	910222	5/23/88	772.97	6/29/88	12	772.97	1	772.97	1

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New England Telephone	910293	5/26/88	5,340.08	6/29/88	12	5,340.08	1	5,340.08	1
United Parcel	46167848	5/27/88	258.50	6/06/88	12	258.50	1	258.50	1
New York Post	84923	5/31/88	150.00	6/18/88	1	150.00	1		
United Parcel	46249346	6/01/88	26.95	6/06/88	12	26.95	1	26.95	1
ABC	969970	6/03/88	14,930.40	6/11/88	12	14,930.40	1	14,930.40	1
South Central Bell	1176087	6/03/88	5,756.08	6/21/88	12	5,756.08	1	5,756.08	1
LDDS-Long distance di	6416		217.24	6/06/88	12	217.24	1	217.24	1
United Parcel	46128756		80.10	6/06/88	12	80.10	1	80.10	1
United Parcel	46410924	6/07/88	18.56	6/18/88	12	18.56	1	18.56	1
United Parcel	46452449	6/08/88	60.22	6/18/88	12	60.22	1	60.22	1
United Parcel	46491993	6/09/88	23.40	6/18/88	12	23.40	1	23.40	1
St. Petersburg Times	792289	6/09/88	445.89	6/18/88	1	445.89	1		
AP	16776	6/09/88	375.08	6/18/88	1	375.08	1		
United Parcel	46532161	6/10/88	53.50	6/18/88	12	53.50	1	53.50	1
United Parcel	46572802	6/13/88	4.32	6/18/88	12	4.32	1	4.32	1
Chicago Tribune	96034	6/14/88	6,320.26	6/18/88	1	6,320.26	1		
Sentinel Communicatio	57014	6/14/88	201.08	6/18/88	1	201.08	1		
United Parcel	46655838	6/15/88	13.66	6/21/88	12	13.66	1	13.66	1
WLS Telvision	19037	6/15/88	9,154.96	6/18/88	12	9,154.96	1	9,154.96	1
US News & World Repor	60880	6/15/88	2,200.76	6/18/88	1	2,200.76	1		
Dallas Morning News	219843	6/16/88	239.47	6/24/88	1	239.47	1		
San Francisco Examine	109524	6/16/88	3,194.55	6/24/88	1	3,194.55	1		
Fort Worth Star-Teleg	115555	6/16/88	1,142.62	6/24/88	1	1,142.62	1		
United Parcel	262986	6/17/88	1.50	6/24/88	12	1.50	1	1.50	1
WMAQ-TV	13453	6/17/88	737.07	6/24/88	1	737.07	1		
Newsday	283566	6/20/88	2,551.88	6/28/88	1	2,551.88	1		
Atlanta Journal/Const	63319	6/20/88	239.37	6/28/88	1	239.37	1		
Wall Street Journal	316255	6/21/88	298.81	6/28/88	1	298.81	1		
New York Post	88756	6/22/88	1,971.46	6/28/88	1	1,971.46	1		
New York Times	9474	6/23/88	780.20	6/28/88	1	780.20	1		
Detroit News	149940	6/24/88	152.43	6/28/88	1	152.43	1		
Marketing Concepts In	1124	6/28/88	468.50	6/30/88	1	468.50	1		
Better Business Equip	196	7/23/88	3,822.50	8/29/88	1	3,822.50	1		
Tables & Chairs, Inc.	7316	7/25/88	273.94	8/29/88	1	273.94	1		
Village Voice	35166	8/09/88	1,515.95	8/22/88	1	1,515.95	1		
Chicago Tribune	198611	8/31/88	287.03		12	287.03	1	287.03	1
				Total:		$235,128.36		$66,083.41	
				Item Total:		124		36	

Errors were determined to be items for which supporting documentation was found and for which disclosure was not made on the reports as initially filed and/or amended.

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New Yorkers for Jesse Jackson '88 ("NYJJ")

Misstatement of Financial Activity

Sections 434(b)(1), (2) and (4) of Title 2 of the United States Code state, in relevant part, that each report shall disclose the amount of cash on hand at the beginning of each reporting period, and the total sum of all receipts and disbursements for the reporting period and calendar year.

The Audit staff's reconciliation of the NYJJ's reported activity to its bank records revealed the net misstatements as shown below:

Receipts

Reported receipts for the period January 1, 1988 to September 30, 1988 were overstated by $36,969.99. The net overstatement was a result of the following:

• NSF Activity Reported	$25,465.77
• Receipts Activity Unadjusted for Debit and Credit Memoranda	9,969.86
• Net Miscellaneous Adjustments	1,534.36
TOTAL RECEIPTS OVERSTATED	$36,969.99

Disbursements

Reported disbursements for the period January 1, 1988 to September 30, 1988 were overstated by $34,832.80. The net overstatement was a result of the following:

• Voided Checks Reported	$18,718.54
• Reported Refunds to Individuals, Unverified (See Finding IV.E. of the interim audit report)	17,304.77
• October 1988 Disbursements Reported During September	2,172.32
• Net Overreported Amount Resulting from Over/under Reporting for Some Disbursements and Miscellaneous Mathematical Errors	2,065.02
• Underreported Bank Charges	(318.41)

• Unreported Disbursements	(4,937.78)
• Unexplained Adjustment to Disbursements by NYJJ	(921.14)
• Unexplained Difference	749.48
TOTAL DISBURSEMENTS OVERSTATED	$34,832.80

Ending Cash on Hand

Reported ending cash was overstated by $1,637.19. The overstatement of ending cash on hand is a result of the misstatement of receipts and disbursements as explained above; and a NYJJ error ($500) made within total disbursements reported for the April 15 Quarterly Report ($36,969.99 - $34,832.80 - $500 = $1,637.19).

At the exit conference, NYJJ representatives were advised of these misstatements and provided with copies of workpapers detailing the discrepancies.

In the interim audit report ("IAR") the Audit staff recommended that within 30 days of service of that report, the NYJJ amend the reports to correct the discrepancies noted.

In its response to the IAR, the JJFP stated that it will file amendments to correct the bank activity. Neither JJFP nor NYJJ filed amendments with the response or as of December 18, 1991.

Subsequent to the IAR, the Audit staff has adjusted the deficiences of reported bank activity to include the activity of the undisclosed bank account, Chase Lincoln First of Rochester, NY. Documentation relative to this account was requested in the IAR (IAR Finding IV.H.1.) and was provided by the JJFP in response to the recommendation of the Audit staff (IAR Recommendation #22). The misstatement of financial activity as adjusted for the undisclosed account is detailed on Attachment 1 to this exhibit.

Recommendation #10

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to the Commission approved Materiality Thresholds.

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New Yorkers for Jesse Jackson '88
Misstatement of Financial Activity

Receipt Misstatement Description	Amount Over(under)stated
DISCLOSED ACCOUNT	
NSF Activity reported	$25,465.77
Receipts Activity Unadjusted for for Debit and Credit Memoranda	$9,969.86
Net Miscellaneous Adjustments	$1,534.36
UNDISCLOSED ACCOUNT	
Unreported Receipts	($36,212.81)
TOTAL RECEIPTS OVER(UNDER)STATED	$757.18
Absolute value of misstatement:	$73,182.80

Disbursement Misstatement Description	Amount Over(under)stated
DISCLOSED ACCOUNT	
Voided Checks Reported	$18,718.54
Reported Refunds to Individuals, unverified	$17,304.77
October 1988 disbursements Reported during September	$2,172.32
Net Miscellaneous adjustments	$2,065.02
Underreported Bank Charges	($318.41)
Unreported disbursements	($4,937.78)
Unexplained Adjustment by Committee	($921.14)
Unexplained Difference	$749.48
UNDISCLOSED ACCOUNT	
Disbursements not reported	($23,702.52)
TOTAL DISBURSEMENTS OVER(UNDER)STATED:	$11,130.28
Absolute value of misstatement:	$70,889.98

Ending Cash on Hand Misstatement Description	Amount Over(under)stated
DISCLOSED ACCOUNT	
Net of receipts and disbursement misstatement:	$1,637.19
UNDISCLOSED ACCOUNT	
Unreported ending cash on hand:	($12,510.29)
TOTAL CASH ON HAND OVER(UNDER)STATED	($10,873.10)
Absolute value of misstatement:	$14,147.48

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New Yorkers for Jesse Jackson '88("NYJJ")

Itemization of Transfers from Other Authorized Committees

Section 434(b)(3)(C) of Title 2 of the United States Code states that each report shall disclose the identification of each authorized committee which makes a transfer to the reporting committee.

Section 431(13) of Title 2 of the United States Code defines the term "identification" to mean, in the case of any other person, the full name and address of such person. In addition, 2 U.S.C. $431(11) defines "Person" to include an individual, partnership, corporation, association, labor organization or committee.

Section 104.3(a)(4)(iii)(A) of Title 11 of the Code of Federal Regulations requires a political committee to report the identification of each authorized committee which makes a transfer to the reporting committee, together with the date and amount of such transfer.

The Audit staff reviewed all transfers from authorized committees and noted that four transfers from the JJFP and JJFP-CA to NYJJ, totaling $71,929.72 (see Attachment 1), were not itemized, as required.

At the exit conference on September 11, 1990, a schedule of the above transfers was provided to NYJJ representatives.

In the interim audit report ("IAR"), the Audit staff recommended that within 30 days of service of that report, NYJJ file amended Schedules A-P to properly disclose these transfers.

Although the JJFP stated in its response to the IAR that it will file amendments, it has not filed amendments to correct this disclosure deficiency as of December 18, 1991. The Audit staff notes that even if JJFP or NYJJ had filed amendments, this matter would still be referable pursuant to the Materiality Thresholds.

Recommendation #11

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

New Yorkers for Jesse Jackson '88
Itemization of Transfers from Other Authorized Committees

Transferor	Check date	Check Amount
Jesse Jackson for President	04/04/88	$56,000.00
Jesse Jackson for President	04/08/88	$3,600.00
Jesse Jackson for President	04/14/88	$2,329.72
Jesse Jackson for President 88' Committee-California	04/18/88	$10,000.00
Total transfers not itemized		$71,929.72

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New Yorkers for Jesse Jackson '88("NYJJ")

Failure to Maintain Receipt Records

Sections 432(c)(1), (2), (3) and (d) of Title 2 of the United States Code state that the treasurer of a political committee shall keep an account of all contributions received by or on behalf of such political committee; the name and address of any person who makes any contribution in excess of $50, together with the date and amount of such contribution by any person; and, the identification of any person who makes a contribution or contributions aggregating more than $200 during a calendar year, together with the date and amount of any such contribution. The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this subchapter for 3 years after the report is filed.

Section 431(13) of Title 2 of United States Code states that the term "identification" means, in the case of any individual, the name, the mailing address, and the occupation, as well as the name of his or her employer; and in such case of any other person, the full name and address of such person.

During the period reviewed, January 1, 1988 to September 30, 1988, NYJJ reported $1,494,661.96 in contributions from individuals. The Audit staff was unable to perform any substantive tests with respect to contributions from individuals due to insufficient records. The available documentation only supported about 80% of the amount reported.

NYJJ was provided with a schedule of deposits for which documentation was inadequate in a letter dated August 1, 1990 and again at the exit conference on September 11, 1990. See Finding IV.H.2. of the interim audit report. On September 21, 1990, NYJJ representatives provided 24 of the 57 deposit batches that were requested, but even those batches did not sufficiently support the deposit totals and allow for substantive testing by the Audit staff. Specific problems relating to these deposits were discussed with NYJJ representatives and included the following:

1. Deposits whose non-currency support included photocopies of checks, the total of which represented less than 90% of the non-currency deposit.

2. Deposits whose support included two or more photocopies of the same check.

3. A deposit comprised of transfers from the JJFP for which photocopies of checks from individuals were provided to support the amount deposited.

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4. A deposit whose support included two batches of checks from individuals and two photocopies of the same deposit ticket; each batch fully supported the deposit but no contributions were duplicated between batches.

5. Deposits whose support included contributor checks the dates of which were later than the date of deposit.

In the interim audit report ("IAR"), the Audit staff recommended that within 30 days of service of that report NYJJ provide documentation to support fully the deposits requested and an explanation for the discrepancies noted above. The Audit staff also stated that further recommendations may be forthcoming based on review of the records.

Deposit records which materially supported the amount of the missing documentation were received from the bank depository in response to subpoenas issued by the Commission. Some deposit records could not be provided because of poor quality of microfilm.

The Audit staff reviewed the NYJJ subpoenaed receipt records and identified excessive contributions (included in Exhibit A) and a referral relative to failure to itemize contributions from individuals (Exhibit M).

In response to the IAR, the JJFP acknowledged that it had been unable to provide the documentation requested. The JJFP attributed the insufficient documentation problem to errors made by an outside accounting firm that was retained initially by the JJFP to prepare for the audit.

The Audit staff could not quantify directly the dollar total of missing receipt records because the condition of the deposit batches in-house did not allow a ready comparison to the records supplied through the subpoenas. See discussion above, under items 1.-5.

The Audit staff estimated the dollar amount of missing records not provided initially by the JJFP by summing the following: (1) facially itemizable subpoenaed contributions not on the magnetic media records, (2) unsupported cash deposits identified through the subpoenaed records, and (3) records that the bank was unable to provide. See Attachment 1. Thus the NYJJ failed to maintain contributor records totaling at least $95,620.94.

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Recommendation #12

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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New Yorkers for Jesse Jackson '88
Failure to Maintain Records - Receipts

Description		Amount
Records on subpoenaed deposits not initially supported		$29,361.00
Cash receipts identified from subpoenaed records		$28,526.00
Subpoenaed records not provided by bank due to poor film		$6,025.00
	*	$31,708.94
Estimated minimal total		$95,620.94

* Corresponds to 'Mass Collections' itemized by NYJJ on same date for $31,708.96.

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New Yorkers for Jesse Jackson '88 ("NYJJ")

Itemization of Contributions from Individuals

Section 434(b)(3)(A) of Title 2 of the United States Code requires a political committee to report the identification of each person who makes a contribution to the committee in an aggregate amount or value in excess of $200 per calendar year together with the date and amount of such contribution.

Section 431(13) of Title 2 of the United States Code defines the term "identification" to be in the case of any individuals, the name, mailing address, and the occupation of such individuals, as well as the name of his or her employer.

The NYJJ contribution records made available by the JJFP and records supplied through subpoenas were reviewed by the Audit staff to determine whether all contributions received from individuals aggregating in excess of $200 during a calendar year were itemized as required on the NYJJ disclosure reports. The results of our review indicated that 28% of the contributions required to be itemized, were not.

The Audit staff quantified the itemization error by (1) identifying the difference between the amounts facially itemizable on the magnetic media and the facially itemizable amounts on the reports, and adding to that (2) the amount of facially itemizable contributions from the subpoenaed records that were not included on the magnetic media. Thus the Audit staff has estimated a minimal total of $74,035.34 of itemizable contributions that were not itemized.

The Audit staff recognizes that this problem was not addressed in the interim audit report ("IAR") and that NYJJ did not have the opportunity to respond. However, the Audit staff also notes that the JJFP or NYJJ failed to file amendments with respect to recommendations for any finding within the IAR. Furthermore, this problem would be referable to the Office of General Counsel even if the JJFP or NYJJ had responded with amendments.

Recommendation #13

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

9504365283 67

New Yorkers for Jesse Jackson '88 ("NYJJ")

Disclosure of Payee Information

Section 434(b)(5)(A) of Title 2 of the United States Code states that each report shall disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure.

The Audit staff reviewed NYJJ disbursements on a sample basis to determine whether disbursements aggregating in excess of $200 per calendar year were itemized and fully disclosed as required. The results of this testing indicated that a material number of the itemizable disbursements were not disclosed adequately with respect to address or purpose.

At the exit conference on September 11, 1990, the NYJJ representatives were advised of the disclosure omissions.

In the interim audit report ("IAR") the Audit staff recommended that within 30 calendar days of service of that report NYJJ file amended Schedules B-P to disclose the address and purpose for all disbursements requiring itemization.

In its response to the IAR the JJFP stated that it had identified the missing addresses and purposes for the majority of disbursements noted by the Audit staff. The JJFP further stated that it would provide the required amendments. No amendments were filed with the response nor as of December 18, 1991.

Subsequent to the IAR the Audit staff has quantified the extent of disclosure errors for disbursements. The Audit staff identified 76 disbursements totaling $85,308.84 (see Attachment 1) which lack adequate disclosure information relative to address or purpose.

The Audit staff notes that had the JJFP or NYJJ filed amendments with the response, this matter would still be referable to the Office of General Counsel pursuant to the Materiality Thresholds.

Recommendation #14

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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New Yorkers for Jesse Jackson '88
Summary of Disclosure Errors for Itemized Disbursements

Report Period	Incomplete Address #	Incomplete Address Amount	Missing Purpose #	Missing Purpose Amount	Indequate Purpose* #	Indequate Purpose* Amount	Total Purpose #	Total Purpose Amount	Total Errors #	Total Errors Amount
1/28/88- 3/30/88	17	$24,083.71	0	$.00	0	$.00	0	$.00	17	$24,083.71
4/01/88- 6/30/88	44	$45,826.79	6	$9,305.50	4	$3,997.20	10	$13,302.70	54	$59,129.49
7/01/88- 9/30/88	2	$508.65	0	$.00	7	$3,308.65	7	$3,308.65	9	$3,817.30
Subtotal	63	$70,419.15	6	$9,305.50	11	$7,305.85	17	$16,611.35	80	$87,030.50
Errors duplicated between categories:										
1/28/88- 3/31/88	0	$.00	0	$.00	0	$.00	0	$.00	0	$.00
4/01/88- 6/30/88	3	$1,513.01	1	$300.00	2	$1,213.01	3	$1,513.01	3	$1,513.01
7/01/88- 9/30/88	1	$208.65	0	$.00	1	$208.65	1	$208.65	1	$208.65
Subtotal	4	$1,721.66	1	$300.00	3	$1,421.66	4	$1,721.66	4	$1,721.66
Total disclosure errors adjusted for duplicates									76	$85,308.84

* Examples of inadequate purposes include:
- 'services rendered'
- 'reimbursement for expenses'
- 'Westchester Office'
- 'Campaign services rendered'
- 'GOTV'

New Yorkers for Jesse Jackson '88 ("NYJJ")

Failure to File Reports

Section 433(d)(1) of Title 2 of the United States Code states that a political committee may terminate only when such a committee files a written statement that it will no longer receive any contributions or make disbursements and that such committee has no outstanding debts or obligations.

The last report filed by NYJJ was the October Quarterly report which covered the period from July 1, 1988 through September 30, 1988. This report disclosed no outstanding debts or obligations, an ending cash on hand balance of $21,863.02, and did not indicate that it was the termination report.

The Audit staff reviewed all bank records, statements and cancelled checks provided by NYJJ for the period October through December 1988. This review indicates no receipts were deposited after September 30, 1988 and the September 30, 1988 ending cash on hand balance was expended. The account appears to have been closed on December 13, 1988.

It should be noted that NYJJ responded to the Commission's April 11, 1989 Request for Additional Information on June 30, 1989, and stated that "the Year End Report, for the period October 1 to December 31, 1988, was a termination report". However, Commission records do not reflect receipt of this report and NYJJ was sent a failure to file notice with respect to the 1988 Year-end report. As of the end of the audit fieldwork, NYJJ had not filed the above mentioned report or responded to the failure to file notice.

In the interim audit report ("IAR") the Audit staff recommended that within 30 calendar days of service of that report NYJJ file a report covering the period October 1, 1988 to termination disclosing fully all activity including the disposition of residual funds, if any.

The JJFP, in its response to the IAR, stated that it "...will ensure that the Commission receives all required reports fully disclosing all activity including the disposition of residual funds for the New York operation". The JJFP or NYJJ did not file the required reports with its response nor as of December 18, 1991.

Recommendation #15

The Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

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Jesse Jackson for President '88 Committee ("JJFP")

Apparent Prohibited Contributions

Section 441b(a) of Title 2 of the United States Code states, in part, that it is unlawful for any national bank or any corporation organized by authority of any law of Congress to make a contribution or expenditure in connection with any election to federal office and further states that it is unlawful for any candidate, political committee or any other person to accept or receive any contribution prohibited by this section.

In addition, Section 441b(b)(2) of Title 2 of the United States Code states, in part, that for purposes of this section, the term "contribution or expenditure" shall include any direct or indirect payment, distribution, loan, advance, deposit or gift of money, or other services, or anything of value (except loans made by banks in the ordinary course of business) to any candidate, campaign committee or political party or organization.

Sections 103.3(b)(1) and (2) of Title 11 of the Code of Federal Regulations state, in part, that contributions that present questions as to whether they were made by corporations or labor organizations may be, within ten days of the treasurer's receipt, either deposited into a campaign depository or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. If the contribution cannot be determined to be legal, the treasurer shall, within thirty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. If the treasurer in exercising his or her responsibilities determined that at the time a contribution was received and deposited, it did not appear to be made by a corporation or labor organization, but later discovers that it is illegal based on new evidence, the treasurer shall refund the contribution to the contributor within thirty days of the date on which the illegality was discovered. If the committee does not have sufficient funds to refund the contribution at the time the illegality is discovered, the committee shall make the refund from the next funds it receives.

During our review of receipts deposited into bank accounts maintained in various states, the Audit staff was unable to trace one deposit, totaling $60,000, as an interaccount transfer from the JJFP's National accounts into a New Jersey state account. However, during our review of records made available by the JJFP's media vendor, the Audit staff noted that the media vendor's bank statement listed a debit for $60,000 annotated as

a payment to "Jackson 88 NJ". This debit to the media vendor's account occurred one day after a June 6, 1988 credit of $60,000 to the New Jersey state account.

In the interim audit report ("IAR") Audit staff also noted, during the review of contributions from individuals, 10 apparent prohibited contributions totaling $3,525. Of these, four contributions ($3,100) appeared to be from incorporated entities, whose corporate status was verified with the appropriate Secretary of State. The remaining six contributions ($425) appeared to have been made by labor organizations.

Finally, as detailed at IAR Finding II.C., Unreported Loan Activity, the Audit staff noted an apparent prohibited contribution in the amount of $5,364.89. Documentation made available relative to a bank loan indicated that a state account repaid the amount of the bank loan and an additional $5,364.89 for repayment of expenses apparently paid by a development company on behalf of the campaign.

In the IAR the Audit staff recommended that within 30 calendar days of service of that report the JJFP take the following action:

- demonstrate that the $60,000 debit to the media vendor's account was not a prohibited contribution;

- demonstrate that the $5,364.89 advance made by the development company on behalf of the JJFP was not prohibited; and

- refund any prohibited funds.

The Audit staff also noted that further recommendations may be forthcoming.

The JJFP responded to the IAR by providing evidence that the $60,000 debit to the media vendor's account was a transfer of unused funds advanced by the JJFP. The JJFP also narrated the circumstances surrounding the $5,364.89 payment made by the development company on behalf of the campaign. The development company was a partnership entity and all payments were reimbursed by JJFP timely.

The Audit staff review of the response to the IAR eliminated the $60,000 receipt and $5,364.89 payment from consideration as prohibited transactions. However, with respect to the 10 receipts totaling $3,525, the JJFP responded by stating:

> "Owing to continuing work which is required to clarify the source and amounts of contributions actually

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received...the Committee continues to review the contributions in question and will be in communication with Audit about the results of this effort."

As of December 18, 1991, the JJFP has not provided any evidence that these apparent prohibited contributions were permissible, and has not provided evidence of refunds with respect to these receipts.

During our review of Refund and Rebate documentation provided by the JJFP in response to the IAR (IAR Finding II.J.1.a.), the Audit staff identified two apparent prohibited receipts for $2,000 and $10,000 from two incorporated entities. The $2,000 receipt was annotated as "honorarium", and was payable to Reverend Jesse Jackson. The $10,000 receipt involved a billing by the JJFP for airplane expenses incurred, presumably by the JJFP, for a speech presented to an incorporated association in San Francisco, California. See Attachment 1, pages 1 and 2. Although no additional documentation was provided, the Audit staff did note that both receipts were itemized as offsets on the reports as initially filed, but were not itemized on the amended reports.

Finally, post IAR review of Excessive Contributions (Exhibit A) has reclassified one $5,000 contribution from the Islamic Society of North America as a prohibited receipt.

The Audit staff now recognizes 13 receipts totaling $20,525 as prohibited contributions. See Attachment 2.

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Recommendation #16

Audit staff recommends that this matter be referred to the Office of General Counsel pursuant to Commission approved Materiality Thresholds.

JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

THE FLORIDA JUNIOR COLLEGE
AT JACKSONVILLE FOUNDATION, INC.
501 WEST STATE STREET
JACKSONVILLE, FL 32202

2520

93-5
650

February 12 19 88

PAY TO THE ORDER OF Reverend Jesse Jackson $ 2,000.00

Two Thousand and no/100 ---------- DOLLARS

Florida National Bank

FOR honorarium BANQUET 2/24/88

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INVOICE

February 5, 1988

JACKSON FOR PRESIDENT
30 W. WASHINGTON
CHICAGO, ILLINOIS 60602

TO: BLACK FORD AND LINCOLN MERCURY DEALERS ASSOCIATION
16550 Greenfield
Detroit, Michigan 48221

Expenses for speech before BLACK FORD AND LINCOLN MERCURY DEALERS ASSOCIATION, FEBRUARY 5, 1988, SAN FRANCISCO, CALIFORNIA.

DC9 @ $2500/hr x 4 hours = $10,000

TOTAL: $10,000

Steve Lassiter

CAMPAIGN MANAGER

Deposit 2/9/87
Plane Account

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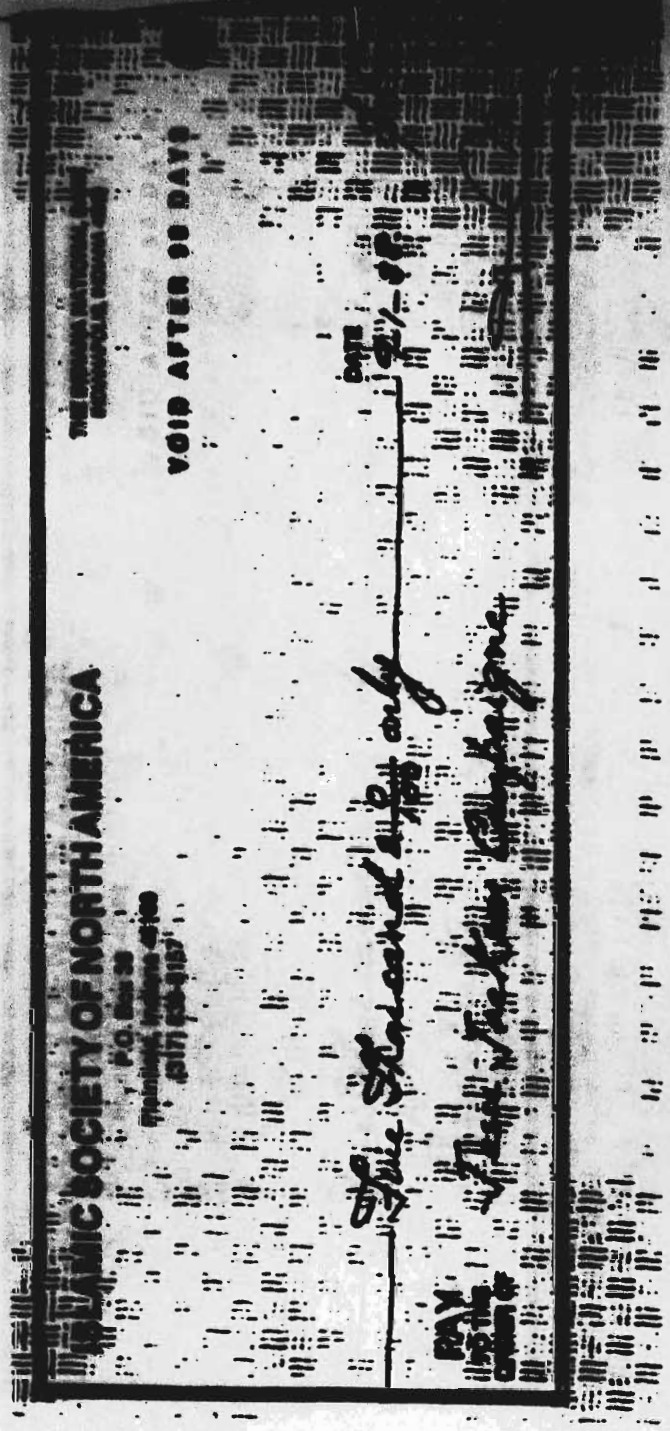

TWO SIGNATURES _____

AMOUNT $ _____

CHECK # _____

1	2	3	4	5	6
				A	

ACCT. NAME _____

Jesse Jackson for President '88 Committee
Apparent Prohibited Contributions

Business/Union Name,City,State	Batch Deposit Reference	Date of Incorporation	Contribution Amount
The Chapman Company Baltimore, MD	3/14/88/901	9/16/86	100.00
Art Exchange Berkeley, CA	6/02/88/701	5/04/87	1,000.00
Ashley Security International, Inc. Denver, CO	3/29/88/162	5/28/85	1,000.00
Transformative Mgmt., Inc. Denver, CO	3/29/88/162	7/09/85	1,000.00
Graphic Communication International Union, Local 583 San Francisco, CA	4/30/88/702	N/A	100.00
Svc. Empl. Int'l. Union, Local 285 Boston, MA	4/30/88/702	N/A	50.00
ILWU, Local Six San Francisco, CA	4/30/88/702	N/A	50.00
Service Empl., Local 18 Oakland, CA	4/30/88/702	N/A	25.00
Compton Fire Fighters, Local #2216 Compton, CA	6/07/88/714	N/A	100.00
A.F.S.C.M.E., Local 2217	5/31/88	N/A	100.00
The Fl. Jr. College at Jacksonville Foundation, Jacksonville, FL	3/21/88	12/29/86	2,000.00
Black Ford-Lincoln-Mercury Dealers Assoc., Inc. Detroit, MI	2/09/88	1/05/84	10,000.00
Islamic Society of North America Plainfield, IN	9/06/88/006	7/14/81	5,000.00
		Total:	$20,525.00

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 3, 1992

Julius Glazer, Treasurer
Jesse Jackson for President 88
Committee-California
698 South Berendo Street #102
Los Angeles, CA 90005

Re: MUR 3492
Jesse Jackson for President 88
Committee-California and
Julius Glazer, as treasurer

Dear Mr. Glazer:

Recently you requested that the Federal Election Commission permit Jess Jackson for President 88 Committee-California ("Committee") to terminate pursuant to 2 U.S.C. § 433(d) and Section 102.3 of the Commission's Regulations. Because of an ongoing enforcement matter involving your Committee, this request must be denied.

I recognize that in May 1992 you received a letter from the Reports Analysis Division indicating that the Committee's termination request had been accepted. However, because of the information above, please disregard that inadvertantly erroneous notice. Therefore, I must remind you that the Committee must continue to file all the required reports with the Commission until such time as the enforcement matter has been closed as to the Committee.

If you have any questions, you can reach me at 202/219-3690.

Sincerely,

Teresa A. Hennessy

Teresa A. Hennessy
Assistant General Counsel

cc: Reports Analysis Division

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR 3492
STAFF MEMBER: Frances B. Hagan

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer[1]
New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer
Steven W. Blood
Herb W. Lilly
Burgess Meredith
Kim Naffa
Armetia Pinkston
Samuel Weiner
Apollo Theater Patrons
Arab Community St. Croix
Greeks for Jackson
Ministers/AME Church
Capitol National Bank
Joel Ferguson
F&S Development Company
Sol Steadman
Florida Junior College at Jacksonville Foundation, Inc.
Black Ford-Lincoln-Mercury Dealers Association, Inc.
Islamic Society of North America

RELEVANT STATUTES: 2 U.S.C. § 431(8)(B)
2 U.S.C. § 431(13)
2 U.S.C. § 432(c)
2 U.S.C. § 432(d)
2 U.S.C. § 433(b)(6)
2 U.S.C. § 434(a)
2 U.S.C. § 434(b)
2 U.S.C. § 441a

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1. On July 19, 1991, the Committee submitted a Statement of Organization form naming as assistant treasurer May Louie. The statement was signed by Jesse L. Jackson, Jr., as treasurer. However, we have received no Committee correspondence notifying us that Jesse L. Jackson, Jr., has replaced Howard Renzi as treasurer. Therefore, Howard Renzi remains the treasurer of record. The reason to believe notification letter will notify the Committee that additional information is necessary.

2 U.S.C. § 441b(a)
26 U.S.C. § 9033(a)
11 C.F.R. § 100.7
11 C.F.R. § 103.3(b)(3)
11 C.F.R. § 104.3(b)(4)
11 C.F.R. § 110.1(e)

INTERNAL REPORTS CHECKED: Referral materials

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

This matter was generated by an audit of the Jesse Jackson for President '88 Committee ("the Committee") pursuant to 26 U.S.C. § 9038(a), to determine whether the Committee complied with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and the Presidential Primary Matching Payment Account Act ("the Matching Payment Act"). See also 26 U.S.C. § 9039(b) and 11 C.F.R. §§ 9038.1(a)(1) and (2). On March 25, 1992, the Commission approved the referral of sixteen items to the Office of the General Counsel for enforcement purposes. (Attachment 1). Six of these items arose from an audit of New Yorkers for Jesse Jackson '88 ("the New York Committee"), an authorized committee of the Jesse Jackson for President '88 Committee.

II. FACTUAL AND LEGAL ANALYSIS

A. Introduction

This introduction sets forth the issues involved in this matter, noting the various recommendations concerning particular respondents. To settle this matter as expeditiously as possible, this Office is also recommending that the Commission enter into conciliation prior to a finding of probable cause

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with certain respondents, as appropriate. The report closes with a discussion of the conciliation proposals. Other recommended resolutions are specifically noted herein.

Section B of this report addresses excessive contributions received by the Committee from individuals and non-registered organizations. At the conclusion of this section, this Office recommends that the Commission find reason to believe that the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 441a(f), and that six individuals and four non-registered organizations violated 2 U.S.C. § 441a(a)(1)(A). This Office recommends that the Commission take no further action and close the file regarding two of the individuals. In Section C of this report, this Office addresses unreported loan activity. This Office concludes this section with a recommendation that the Commission find reason to believe that the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f) and 441b(a). Further, this Office also recommends that the Commission find reason to believe Capitol National Bank violated 2 U.S.C. § 441b(a), and that Joel Ferguson violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b(a). This Office also recommends that the Commission find reason to believe that the F&S Development Company and Sol Steadman violated 2 U.S.C. § 441a(a)(1)(A), but take no further action. Section D of this report addresses contributions received by the Committee from various corporations and labor organizations. At the conclusion of Section D, this Office recommends that the Commission find

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reason to believe that the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, the Black Ford-Lincoln-Mercury Dealers Association, Inc., and the Islamic Society of North America violated 2 U.S.C. § 441b(a). We recommend that the Commission find reason to believe that the Florida Junior College at Jacksonville Foundation, Inc. violated 2 U.S.C. § 441b(a), but take no further action.

Several of the items referred to this Office concern the Committee's failure to report and maintain records as required by the Act, which will be addressed in Section E of this report. In Section E, this Office recommends that the Commission find reason to believe that the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) and 26 U.S.C. § 9033(a). Finally, Section F of this report addresses the failure of New Yorkers for Jesse Jackson '88 to report and maintain records as required by the Act. At the conclusion of Section F, this Office recommends that the Commission find reason to believe that New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a) and 434(b).

B. Excessive Contributions from Individuals and Non-registered Organizations

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in

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any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

Under 2 U.S.C. § 441a(f), no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the limitations set forth in section 441a of the Act. Furthermore, no officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under section 441a of the Act.

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request reattribution of the contribution by the contributor in accordance with 11 C.F.R. § 110.1(k). If reattribution is not obtained, the treasurer shall, within sixty days of the

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treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).[2]

According to the referral, the Audit staff identified excessive contributions received by the Committee from 322 individuals totaling $157,801.88. (Attachment 1, pages 6-32). Of this amount, the Committee made refunds totaling $41,865 to 100 contributors. (Attachment 1, page 5). These refunds, which were made between 198 and 659 days of deposit, were not timely in accordance with 11 C.F.R. § 103.3(b)(3). Excessive contributions totaling $115,936.88 from 222 individuals remain unresolved. (Attachment 1, page 5).

In addition, the Audit staff identified excessive contributions received by the Committee from eight non-registered organizations totaling $21,928.71. (Attachment 1, page 33). The referral does not indicate that the Committee has refunded any of these apparent excessive contributions.

Under usual procedures, this Office would recommend that the Commission find reason to believe against each individual and non-registered organization donating more than twice the contribution limitation, i.e. more than $2,000. However, the referral indicates that there are 25 individual contributors and five non-registered entities that contributed more than twice

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2. The requirements that excessive contributions be refunded within sixty days, and that corporate contributions be refunded within thirty days, became effective April 8, 1987. Prior to that time, the Commission's regulations provided that such refunds must be made within a reasonable time. See 11 C.F.R. § 103.3(b) (1987). In this case, six contributions were received before April 1987.

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the amount of the limit. Because pursuit of each of these individuals and organizations would seriously tax the Commission's resources, this Office does not recommend that the Commission make findings against the individuals and organizations at this level of giving.

As to those donating more than $3,000 but less than $4,000, this Office recommends that the Commission find reason to believe but take no further action. The notification letters to these two individuals will include an admonishment stating that "the making of excessive contributions is a violation of 2 U.S.C. § 441a(a)."

Based on this analysis and information in the audit referral, the following contributors require recommendations:

Contributor	Total Contributions	Excessive Amount	Unresolved Amount
Herb W. Lilly	$4,042	$3,042	$3,042
Burgess Meredith	$5,000	$4,000	$4,000
Kim Naffa	$5,000	$4,000	$4,000
Samuel Weiner	$4,000	$3,000	$3,000
Apollo Theater Patrons	$4,263	$3,263	$3,263

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Arab Community St. Croix	$8,630	$7,630	$7,630
Greeks for Jackson	$5,700	$4,700	$4,700
Ministers/AME Church	$4,050	$3,050	$3,050
Steven W. Blood	$3,450	$2,450	$1,000
Armetia Pinkston	$3,100	$2,100	$ 100

This Office recommends that the Commission find reason to believe that the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of $157,801.88 in excessive contributions from individuals and $21,928.71 in excessive contributions from non-registered organizations. This Office also recommends that the Commission enter into conciliation with the Committee and its treasurer prior to a finding of probable cause to believe concerning this issue. Furthermore, this Office recommends that the Commission find reason to believe that Herb W. Lilly, Burgess Meredith, Kim Naffa, Samuel Weiner, Apollo Theater Patrons, Arab Community St. Croix, Greeks for Jackson, and Ministers/AME Church violated 2 U.S.C. § 441a(a)(1)(A).[4] We recommend that the Commission approve proposed conciliation agreements prior to a finding of probable cause to believe regarding these individuals and unregistered organizations. This Office also recommends that the Commission find reason to believe, but take no further action against Steven W. Blood and Armetia Pinkston for violations of 2 U.S.C. § 441a(a)(1)(A).

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4. There is no indication from the referral that any of the excessive contributions from the four non-registered organizations included funds prohibited by the Act. Thus, this Office is not making section 441b(a) recommendations concerning the contributions from the four non-registered organizations.

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Ministers/AME Church	$4,050	$3,050	$3,050
Steven W. Blood	$3,450	$2,450	$1,000
Armetia Pinkston	$3,100	$2,100	$ 100

This Office recommends that the Commission find reason to believe that the Jesse Jackson for President '88 Committee and Howard Rensi, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of $157,801.88 in excessive contributions from individuals and $21,928.71 in excessive contributions from non-registered organizations. This Office also recommends that the Commission enter into conciliation with the Committee and its treasurer prior to a finding of probable cause to believe concerning this issue. Furthermore, this Office recommends that the Commission find reason to believe that Herb W. Lilly, Burgess Meredith, Kim Naffa, Samuel Weiner, Apollo Theater Patrons, Arab Community St. Croix, Greeks for Jackson, and Ministers/AME Church violated 2 U.S.C. § 441a(a)(1)(A).[3] We recommend that the Commission approve proposed conciliation agreements prior to a finding of probable cause to believe regarding these individuals and unregistered organizations. This Office also recommends that the Commission find reason to believe, but take no further action against Steven W. Blood and Armetia Pinkston for violations of 2 U.S.C. § 441a(a)(1)(A).

3. There is no indication from the referral that any of the excessive contributions from the four non-registered organizations included funds prohibited by the Act. Thus, this Office is not making section 441b(a) recommendations concerning the contributions from the four non-registered organizations.

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C. Unreported Loan Activity

Under 2 U.S.C. § 434(b)(2)(H), each report filed under section 434 of the Act shall disclose for the reporting period and calendar year the total amount of all receipts from all loans other than loans made by or guaranteed by the candidate. 2 U.S.C. § 434(b)(3)(E) provides that each report filed under section 434 of the Act shall disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount or value of such loan.

Under 2 U.S.C. § 441b(a), it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office or for any political committee knowingly to accept such a contribution. 2 U.S.C. § 441b(a) further prohibits any officer or director of any corporation or any national bank to consent to any contribution prohibited by Section 441b(a) of the Act.

2 U.S.C. § 431(8)(B)(vii) excludes from the definition of contribution any loan of money by a state bank, a Federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii) further provides that such a loan shall be made on a basis which assures repayment, evidenced by a written

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instrument, subject to a due date or amortization schedule, and shall bear the usual and customary interest rate of the lending institution.

11 C.F.R. § 110.1(e) states that a contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate; or by agreement of the partners, as long as: only the profits of the partners to whom the contribution is attributed are reduced and these partners' profits are reduced in proportion to the contribution attributed to each of them. A partnership contribution shall not exceed the contribution limitations.

This item of the referral involves two instances of unreported loan activity. According to the referral, the Committee failed to report a loan received from the Capitol National Bank in Lansing, Michigan, on March 16, 1988 in the amount of $8,497.24. (Attachment 1, page 34). The Committee failed to report both the receipt of the loan and the repayment of the loan on its disclosure reports.

In the Interim Audit Report, the Audit staff recommended that the Committee provide all documentation relating to the loan, an explanation as to why the loan should be considered as having been made in the ordinary course of business, and an explanation of the circumstances involving $5,364.89 in expenses paid by a development company. In response to the Interim Audit

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Report, the Committee stated that the loan was arranged by Mr. Joel Ferguson, a campaign volunteer who was charged with opening the Michigan primary campaign for the Committee and who was the owner of the F&S Development Company. The Committee stated that Mr. Ferguson also was a member of the Executive Committee and Board of Directors of Capitol National Bank. The Committee further stated that Mr. Ferguson "undertook . . . to make the necessary arrangements for a small loan from Capitol National Bank, to provide the campaign with immediate operating resources before instate Michigan fundraising could begin or transfers from the national account could be negotiated and obtained."

The Committee asserted that the loan "was made on full commercial terms, in the ordinary course of business." However, the Committee failed to provide any documentation to support this assertion. The Committee further asserted that the loan agreement was prepared under Mr. Ferguson's supervision "in writing and reflected terms and conditions consistent with the prevailing market and entirely appropriate for a transaction of this scale." The Committee noted that the loan was promptly repaid by the Committee with full interest at prevailing market rates in slightly more than 30 days. Finally, the Committee maintained that the failure to disclose the receipt and repayment of the loan "was due solely to the hurried nature of the Michigan primary campaign's establishment."

The Michigan state account repaid the loan on April 20, 1988 with a check in the amount of $14,081.17 made payable to

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Capitol National Bank. The purpose of the check was to repay the loan ($8,497.24) and interest ($219.04) plus expenses paid by Mr. Ferguson's development company on behalf of the campaign ($5,364.89). It appears that the $5,364.89 was for the repayment of campaign expenses incurred by the F&S Development Company. In response to the Interim Audit Report, the Committee stated that Mr. Ferguson conducted "volunteer activities" on the premises of his company and incurred certain expenses that "were paid from partnership sources but always with the expectation that the Committee would reimburse the partnership at fair market rates, within a commercially reasonable time." It is unclear why the loan to Capitol National Bank and the expenses incurred by the F&S Development Company were repaid at the same time. In the response to the Interim Audit Report, the Committee offered the following explanation: "It would appear therefore that Mr. Ferguson arranged to have Capitol National credit the partnership account or forward the funds in reimbursement of expenses incurred by the Jackson campaign."[4]

Although this item is not specifically referred, it appears that F&S Development Company's payment of campaign expenses in excess of $1,000 on behalf of the Committee constitutes an

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4. In the Interim Audit Report, the Audit staff recommended that the Committee demonstrate that the $5,364.89 advance by the F&S Development Company was not a prohibited contribution. Upon review of the Committee's response, the Audit staff concluded that the advance was not a prohibited contribution because the development company was a partnership and all expenses were reimbursed by the Committee in a timely manner. (Attachment 1, page 79). Therefore, this item was not included as part of the referral.

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excessive contribution by the partnership which was not reported by the Committee. 2 U.S.C. §§ 441a(a)(1)(A) and 431(11) and 11 C.F.R. § 110.1(e). In addition, a portion of the contribution of $5,364.89 is attributable to each partner. It appears that F&S Development Company is a two person partnership, and thus half of the amount of expenses is attributable to Mr. Ferguson and to his partner Sol Steadman. Thus, through the partnership advance of expenses, Mr. Ferguson and Mr. Steadman have each made individual excessive contributions of $1,682.44 (half of $5,364.89 less $1,000) to the Committee. These contributions were not reported.

The referral indicates that the Committee has failed to file amendments disclosing the loan from Capitol National Bank or the advance from F&S. Further, the referral indicates that, in the opinion of the Audit staff, the Committee failed to provide documentation to show that the loan should be considered as made in the ordinary course of business. (Attachment 1, page 34). This Office believes that the Committee has failed to demonstrate that the loan from Capitol National Bank was not a prohibited contribution. 2 U.S.C. § 431(8)(B)(vii) provides that a loan made in accordance with applicable law and in the ordinary course of business is excluded from the definition of a contribution if the loan is made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and bears the usual and customary interest rate of the lending institution. The loan from Capitol National Bank was evidenced by a written instrument, subject to

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a due date, and bore the bank's usual and customary interest rate. (Attachment 2). However, the Committee has failed to demonstrate that the loan was made in the ordinary course of business and on a basis which assured repayment. The promissory note, signed by Mr. Ferguson, shows that the loan was unsecured. There is no evidence which suggests that the Committee and the bank entered into a written agreement whereby the Committee pledged future receipts to the bank, such as matching funds. See 11 C.F.R. § 100.7(b)(11)(i)(B)(1991).[5] Furthermore, Mr. Ferguson's role as a member of the Bank's Executive Committee and Board of Directors suggests that the Committee may have received preferential treatment in obtaining the loan. The Committee admitted that the loan agreement was "arranged" by Mr. Ferguson and prepared "under his supervision." Thus, the circumstances of the loan suggest that the loan was not made in the ordinary course of business and, therefore, may constitute a prohibited contribution.

Furthermore, the circumstances of the loan from Capitol National Bank also raise the issue of whether Mr. Ferguson, as guarantor of the loan, made an excessive contribution to the Committee. As stated earlier, the promissory note was signed by Mr. Ferguson. Because Mr. Ferguson is liable for the loan, the entire amount of the loan ($8,716.28) is considered a contribution from Mr. Ferguson to the Committee. 11 C.F.R.

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5. Although the new bank loan regulations were not in effect in 1988, the regulations offer guidance as to the Commission's intent regarding the requirement that a loan shall be made on a basis which assures repayment.

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§ 100.7(a)(1)(i)(C)(1988).

For the reasons stated above, this Office recommends that the Commission find reason to believe that Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f) and 441b(a). This Office also recommends that the Commission find reason to believe that Capitol National Bank and Joel Ferguson, as a director of the Bank, violated 2 U.S.C. § 441b(a); and that Joel Ferguson, Sol Steadman, and F&S Development Company violated 2 U.S.C. § 441a(a)(1)(A). We also recommend that the Commission enter into conciliation prior to a finding of probable cause to believe concerning the Committee and its treasurer, the Capitol National Bank, and Joel Ferguson. As to F&S Development Company and Sol Steadman, we recommend that the Commission find reason to believe that each violated 2 U.S.C. § 441a(a)(1)(A), but take no further action based on the amount of the violations and because there are no unresolved excessive amounts. (See discussion of excessive contributions in Section B above.)

The second instance of unreported loan activity concerns an apparent loan received from Drexel National Bank. (Attachment 1, page 35). Information in the referral indicates that the Committee may have received a loan or letter of credit from Drexel National Bank in Illinois for up to $30,000 that has not been reported. In response to the Interim Audit Report, the Committee included within other documentation a collateral receipt from Drexel National Bank suggesting that in March 1988 the Committee may have assigned a $30,000 certificate of deposit

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as collateral for the Drexel bank loan.

According to the referral, the Committee did not disclose a loan from Drexel National Bank, nor did the Committee report any interest paid to or received from Drexel National Bank. Therefore, this Office recommends that the Commission find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with an apparent undisclosed loan from Drexel National Bank. This Office also recommends that the Commission enter into conciliation prior to a finding of probable cause to believe concerning this issue.

D. Prohibited Contributions

Under 2 U.S.C. § 441b(a), it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election for Federal office, or for any political committee knowingly to accept such a contribution.

According to the referral, the Audit staff identified 13 contributions received by the Committee from corporations and labor organizations totaling $20,525. These contributions are detailed in a chart prepared by the Audit staff. (Attachment 1, page 84). In response to the Interim Audit Report, the Committee made the following statement concerning 10 of the apparent prohibited contributions totaling $3,525: "Owing to continuing work which is required to clarify the source and amounts of contributions actually received, . . . the Committee continues to review the contributions in question and will be in

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communication with Audit about the results of this effort."

To date, the Committee has failed to demonstrate that these contributions totaling $3,525 were not prohibited contributions. Furthermore, subsequent to the Interim Audit Report, the Audit staff identified three additional apparent prohibited contributions received by the Committee, totaling $17,000. (Attachment 1, pages 79-80).

Based on the foregoing, this Office recommends that the Commission find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 441b(a). This Office also recommends that the Commission, consistent with its practice in these matters, not pursue the 10 corporate entities that contributed $1,000 or less. As to the three corporations that contributed more than $1,000, ordinarily this Office would recommend that they be pursued. However, in light of this agency's priorities and limited resources, see Heckler v. Chaney, 470 U.S. 821 (1985), this Office recommends that the Commission find reason to believe that the Florida Junior College at Jacksonville Foundation, Inc., the corporation donating in excess of $1,000 but less than $4,000 to the Committee, violated 2 U.S.C. § 441b(a) and take no further action against it. The letter to this corporation will include admonishment language stating that "corporate contributions are a violation of 2 U.S.C. § 441b(a)." With respect to the Black Ford-Lincoln-Mercury Dealers Association, Inc. that gave $10,000, and the Islamic Society of North America that gave $5,000, this Office recommends that the

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Commission find reason to believe that each violated 2 U.S.C. § 441b(a). Further, we recommend that the Commission enter into conciliation with these respondents prior to a finding of probable cause to believe concerning this issue.

E. Reporting and Recordkeeping Violations by the Committee

1. Misstatement of Financial Activity

2 U.S.C. § 434(b)(1) requires that each report filed under this section of the Act shall disclose the amount of cash on hand at the beginning of the reporting period. 2 U.S.C. § 434(b)(2) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the categories set forth in subsections 434(b)(2)(A) through (K). Finally, 2 U.S.C. § 434(b)(4) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the categories set forth in subsections 434(b)(4)(A) through (I).

This item of the referral relates to the misstatement of financial activity as reported on the Committee's 1987 disclosure reports.[6] The Audit staff initially identified the following misstatements in the Committee's 1987 disclosure

6. The referral notes that the Committee also misstated financial activity in its 1988 disclosure reports. However, the misstatement of financial activity for 1988 is not part of this referral because the amendments filed on January 30, 1990 materially corrected the misstatement. (Attachment 1, page 39).

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reports: (1) reported receipts were overstated by $1,139.75; (2) reported disbursements were overstated by $19,728.67; and (3) reported ending cash was understated by $18,588.92. (Attachment 1, page 38). The Committee filed amended reports for 1987 financial activity on January 30, 1990. The Audit staff identified the following misstatements in the Committee's amended reports: (1) reported receipts were overstated by $2,247.65; (2) reported disbursements were overstated by $11,933.77; and (3) reported ending cash was understated by $9,686.12. (Attachment 1, page 38). According to the referral, the Committee has failed to file further amendments to correct the misstatement of 1987 financial activity.

In view of the above Audit findings, this Office recommends that the Commission find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the misstatement of financial activity, and enter into conciliation prior to a finding of probable cause to believe.

2. Reporting of Contributions Received from Political Committees

2 U.S.C. § 434(b)(3)(B) requires that each report filed under section 434 of the Act shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification", in the case of any person other than an individual, means the name and address of

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such person.

The Audit staff's review of contributions received by the Committee from party committees, other political committees and non-registered organizations for 1987 and 1988 resulted in the identification of 70 contributions totaling $134,583.71 which the Committee failed to itemize as required by the Act. (Attachment 1, page 40). In addition, the Audit staff noted six contributions from political committees and non-registered organizations which the Committee incorrectly itemized as contributions from individuals. The Audit staff also identified one transfer from an authorized committee and one receipt from a state account which the Committee incorrectly itemized as contributions from individuals. (Attachment 1, page 41).

The Committee filed amended reports for 1987 and 1988 on October 19, 1989. In the amended reports, the Committee corrected the reporting errors initially identified by the Audit staff with the exception of 20 contributions from other political committees and non-registered organizations totaling $46,183.71. (Attachment 1, page 41). In the Interim Audit Report, the Audit staff recommended that the Committee file amended reports to correct the remaining reporting errors. The Committee has failed to file the amended reports as recommended by the Audit staff.

In light of the above Audit findings, this Office recommends that the Commission find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the

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Committee's failure to report contributions received from political committees in accordance with the Act. This Office also recommends that the Commission enter into conciliation with the Committee and its treasurer prior to a finding of probable cause to believe.

3. Reporting of Contributions Received from Individuals

2 U.S.C. § 434(b)(3)(A) requires that each report filed under Section 434 of the Act shall disclose the identification of each person other than a political committee who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification", in the case of an individual, means the name, mailing address and the occupation of such individual, as well as the name of his or her employer.

The Audit staff's review of contributions received by the Committee from individuals indicated that 69% of the contributions received during 1987 requiring itemization were not itemized, and that 62% of the contributions received during 1988 requiring itemization were not itemized. (Attachment 1, page 47). According to the referral, the minimum estimates of contributions received from individuals that were not itemized are $86,729.83 for 1987 and $1,023,135.08 for 1988.

The Committee filed amended reports for 1987 and 1988 on October 19, 1989. The amended reports materially corrected the

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itemization errors for 1988, but resulted in an error rate of 61% for 1987. (Attachment 1, page 47). The Committee has failed to file further amended reports as recommended by the Audit staff.

Based on the foregoing, this Office recommends that the Commission find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report contributions received from individuals in accordance with the Act. This Office also recommends that the Commission enter into conciliation with the Committee and its treasurer prior to a finding of probable cause to believe.

4. Reporting of Disbursements

2 U.S.C. § 434(b)(4)(A) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all expenditures made to meet candidate or committee operating expenses. 2 U.S.C. § 434(b)(5)(A) requires that each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure. Under 11 C.F.R. § 104.3(b)(4), "purpose" means a brief statement or description of why the disbursement was made. Examples of statements or descriptions which do not meet the requirement to report the purpose of an

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expenditure include: "advance," "election day expenses," "other expenses," "expenses," "expense reimbursement," "miscellaneous," "outside services," "get-out-the-vote" and "voter registration." 11 C.F.R. § 104.3(b)(4)(i)(A)(1987).

The Audit staff's review of reported disbursements made from the Committee's national and state bank accounts revealed 2,498 disbursements totaling $2,960,004.84 which were not itemized as required by the Act. (Attachment 1, pages 50-51). These disbursements are summarized on a chart prepared by the Audit staff. (Attachment 1, page 52).

In addition, the Audit staff's review of the Committee's reports revealed 718 disbursements totaling $1,852,651.25 from the Committee's national and state bank accounts which were itemized but lacked the disclosure information required by the Act.[7] Amended reports filed by the Committee on October 19, 1989 included 943 disbursements totaling $6,101,330.48 which lacked the disclosure information required by the Act. (Attachment 1, pages 53-56). These disbursements also are summarized on a chart prepared by the Audit staff. (Attachment 1, page 57).

Based on the above Audit findings, this Office recommends that the Commission find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to

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7. These reporting errors primarily involve the failure to disclose the purpose of the disbursement in accordance with the requirements of the Act and the regulations.

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report disbursements in accordance with the Act. This Office also recommends that the Commission enter into conciliation with the Committee and its treasurer prior to a finding of probable cause to believe.

5. Reporting and Recordkeeping for Refunds, Rebates and Offsets to Expenditures

2 U.S.C. § 434(b)(2)(I) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all rebates, refunds and other offsets to operating expenditures. 2 U.S.C. § 434(b)(3)(F) requires that each report filed under section 434 of the Act shall disclose the identification of each person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of such receipt.

Under the Matching Payment Act and Commission regulations, Presidential candidates seeking Federal Funds for their primary election campaigns must agree to keep and furnish to the Commission all documentation relating to disbursements and receipts including any books, records, and other information that the Commission may request (including bank records for all accounts) and all documentation required to be maintained. 26 U.S.C. § 9033(a); 11 C.F.R. § 9033.1(b)(5) and 11 C.F.R. § 9033.11.

In the Interim Audit Report, the Audit staff stated that it was unable to review refunds and rebates because the Committee

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failed to provide documentation or workpapers in support of these receipts. On August 1, 1990, the Audit staff requested the necessary documentation from the Committee. The Committee provided the Audit staff with limited documentation on September 17, 1991. The referral indicates that the Committee received at least $91,939.06 in refunds and rebates for which no documentation was provided. (Attachment 1, page 59). The refunds and rebates for which the Committee failed to provide supporting documentation are summarized on a chart prepared by the Audit staff. (Attachment 1, page 60).

In addition, the referral indicates that the Committee failed to provide documentation necessary to verify the amounts billed to the press for air travel. (Attachment 1, page 59). The Audit staff's limited review of billings and receipts for press travel identified $101,352.33 in apparent receivables from press organizations and $34,683.20 in apparent overpayments by press organizations. (Attachment 1, page 59).

Furthermore, the referral indicates that the Committee failed to itemize 124 offsets totaling $235,128.36 on its initial disclosure reports for 1987 and 1988. (Attachment 1, page 61). A review of the Committee's amended reports revealed that the Committee failed to itemize 36 offsets totaling $66,083.41. (Attachment 1, page 61). A schedule of itemization errors of offsets to expenditures prepared by the Audit staff is attached to this Report. (Attachment 1, pages 62-64).

Based on the foregoing, this Office recommends that the Commission find reason to believe the Jesse Jackson for

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President '88 Committee and Howard Rensi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report rebates, refunds and other offsets to expenditures in accordance with the Act. This Office also recommends that the Commission find reason to believe the Jesse Jackson for President '88 Committee and Howard Rensi, as treasurer, violated 26 U.S.C. 9033(a) by failing to keep and furnish records and other documentation. This Office also recommends that the Commission enter into conciliation with the Committee and its treasurer prior to a finding of probable cause to believe concerning these issues.

F. Reporting and Recordkeeping Violations by New Yorkers for Jesse Jackson '88

1. Misstatement of Financial Activity and Failure to Report Depository

As stated earlier, 2 U.S.C. §§ 434(b)(1), (2) and (4) require that each report filed under section 434 of the Act shall disclose the amount of cash on hand at the beginning of the reporting period, and the total amount of all receipts and disbursements for the reporting period and the calendar year. Pursuant to 2 U.S.C. § 433(b)(6), a committee's statement of organization shall include a listing of all banks or other depositories used by the committee.

According to the referral, the Audit staff identified the following misstatements in the New York Committee's reports for the period of January 1, 1988 to September 30, 1988: (1) reported receipts were overstated by $36,969.99; (2) reported disbursements were overstated by $34,832.80; and (3) reported

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ending cash was overstated by $1,637.19. (Attachment 1, pages 65-66). The New York Committee failed to file amendments to correct the misstatement of financial activity as recommended by the Audit staff.

Furthermore, the Audit staff made adjustments to these totals subsequent to the Interim Audit Report to reflect financial activity related to an undisclosed bank account at the Chase Lincoln First of Rochester, New York. The misstatement of financial activity as adjusted for the undisclosed bank account follows:

1) over- and understated receipts:	$73,182.80
2) over- and understated disbursements:	$70,889.98
3) over- and understated ending cash:	$14,147.48.

(Attachment 1, page 67).

Based on the above Audit findings, this Office recommends that the Commission find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the misstatement of financial activity. Although the audit referral did not specifically refer the New York Committee for failure to disclose the Chase Lincoln First bank account on the statement of organization, this Office recommends that the Commission find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 433(b)(6).

2. Reporting of Transfers from Other Authorized Committees

2 U.S.C. § 434(b)(3)(C) requires that each report filed under Section 434 of the Act shall disclose the identification of each authorized committee which makes a transfer to the reporting committee.

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The Audit staff identified four transfers from the Committee and the Jesse Jackson for President '88 Committee-California to the New York Committee that were not itemized as required by section 434(b)(3)(C) of the Act. These four transfers totaled $71,929.72. (Attachment 1, page 68). According to the referral, the New York Committee has not filed amendments to correct these reporting errors.

For the reasons stated above, this Office recommends that the Commission find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report transfers from authorized committees in accordance with the Act. This Office also recommends that the Commission enter into conciliation with the New York Committee and its treasurer prior to a finding of probable cause to believe.

3. Failure to Maintain Receipt Records

2 U.S.C. §§ 432(c)(1), (2) and (3) require that the treasurer shall keep an account of all contributions received by or on behalf of a political committee, the name and address of any person who makes any contribution in excess of $50, together with the date and amount of any such contribution, and the identification of any person who makes a contribution or contributions aggregating more than $200 during a calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 432(d), the treasurer shall preserve all records required to be kept by Section 434 and copies of all

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reports required to be filed by the Act for three years after the report is filed.

According to the referral, the New York Committee reported receipt of contributions from individuals totaling $1,494,661.96 during the period from January 1, 1988 to September 30, 1988. The Audit staff found that it was unable to perform any substantive tests concerning contributions from individuals because the New York Committee failed to provide sufficient documentation to support these contributions. (Attachment 1, page 70). In the Interim Audit Report, the Audit staff requested that the New York Committee provide documentation to support several deposits and to provide an explanation for discrepancies noted. In response to the Interim Audit Report, the New York Committee stated that "insufficiencies in the original production resulted from error by an outside accounting firm retained initially to prepare for the audit." Based upon a review of bank records received in response to subpoenas issued by the Commission, the Audit staff estimated that the New York Committee failed to maintain contributor records totaling $95,620.94. (Attachment 1, page 71).

Based upon the foregoing, this Office recommends that the Commission find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c) and (d) in connection with the New York Committee's failure to maintain records relevant to contributions received from individuals. This Office also recommends that the Commission enter into conciliation with the New York Committee

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and its treasurer prior to a finding of probable cause to believe.

4. Reporting of Contributions from Individuals

As stated earlier, 2 U.S.C. § 434(b)(3)(A) requires that each report filed under section 434 of the Act shall disclose the identification of each individual who makes a contribution during the reporting period in excess of $200, or whose contributions have an aggregate value in excess of $200 within the calendar year.

The Audit staff's review of contributions received by the New York Committee from individuals indicated that 28% of the contributions received from individuals were not itemized as required by the Act. (Attachment 1, page 74). The Audit staff estimated that the total of contributions from individuals which were not itemized properly was at least $74,035.34.[8]

In view of the above Audit findings, this Office recommends that the Commission find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report contributions received from individuals in accordance with the Act. This Office also recommends that the Commission enter into conciliation with the New York Committee and its treasurer prior to a finding of probable cause to believe.

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8. The referral noted that this item was not addressed in the Interim Audit Report and, therefore, the New York Committee has not had an opportunity to respond to this finding.

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5. Reporting of Payee Information

Under 2 U.S.C. § 434(b)(5)(A), each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure in an aggregate amount in excess of $200 within the calendar year is made, together with the date, amount and purpose of each such expenditure.

The Audit staff's review of reported disbursements made by the New York Committee revealed 76 disbursements totaling $85,308.84 which were not correctly itemized as required by the Act.[10] (Attachment 1, page 75). These reporting errors are summarized on a chart prepared by the Audit staff. (Attachment 1, page 76).

In response to the Interim Audit Report, the New York Committee stated that it had identified the missing information for the majority of the disbursements noted by the Audit staff. However, the New York Committee has not filed amended reports to correct these reporting errors.

Based upon the foregoing, this Office recommends that the Commission find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report disbursements in accordance with the Act. This Office also recommends that the Commission enter into conciliation with the New York Committee and its treasurer prior to a finding of

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10. These reporting errors primarily involve the failure to disclose the payee's address and the purpose of the disbursement in accordance with the Act and the regulations. See 2 U.S.C. § 434(b)(5)(A) and 11 C.F.R. § 104.3(b)(4).

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probable cause to believe.

6. Failure to File Reports

Under 2 U.S.C. § 434(a)(1), each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of section 434. 2 U.S.C. § 433(d)(1) provides that a political committee may terminate only when such a committee files a written statement, in accordance with section 432(g) of the Act, that it will no longer receive any contributions or make any disbursement and that such committee has no outstanding debts or obligations.

According to the referral, the last report filed by the New York Committee was the October 1988 Quarterly Report. This report indicated that the New York Committee had no outstanding debts or obligations, and had a cash on hand balance of $21,863.02. The New York Committee did not indicate that the October 1988 Quarterly Report was its termination report.

The Audit staff reviewed all bank records, statements and canceled checks provided by the New York Committee for the period of October through December 1988. The Audit staff's review revealed that the New York Committee deposited no receipts after September 30, 1988 and that the cash on hand balance as of September 30, 1988 had been expended. The New York Committee's account apparently was closed on December 13, 1988.

In the Interim Audit Report, the Audit staff recommended that the New York Committee file a report covering the period of October 1, 1988 to termination. In response to this

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recommendation, the New York Committee stated that it would "ensure that the Commission receives all required reports fully disclosing all activity including the disposition of residual funds for the New York operation." To date, the New York Committee has not filed any additional reports.[10]

For the reasons stated above, this Office recommends that the Commission find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(a) for failure to file reports in accordance with the Act. This Office also recommends that the Commission enter into conciliation with the New York Committee and its treasurer prior to a finding of probable cause to believe.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTIES

Attached are proposed conciliation agreements that this Office is prepared to offer in settlement of the violations in this matter.

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10. In response to a Request for Additional Information, the New York Committee stated that its "Year End Report for the period of October 1 to December 31, 1988, was a termination report." Commission records do not reflect receipt of the 1988 Year End Report.

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IV. RECOMMENDATIONS

1. Find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a) and 26 U.S.C. § 9033(a).

2. Find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a) and 434(b).

3. Find reason to believe the following people violated 2 U.S.C. § 441a(a)(1)(A):

a. Herb W. Lilly
b. Burgess Meredith
c. Kim Naffa
d. Samuel Weiner

4. Find reason to believe the following organizations violated 2 U.S.C. § 441a(a)(1)(A):

a. Apollo Theater Patrons
b. Arab Community St. Croix
c. Greeks for Jackson
d. Ministers/AME Church

5. Find reason to believe the following people violated 2 U.S.C. § 441a(a)(1)(A), but take no further action and close the file as it relates to them:

a. Steven W. Blood
b. Armetia Pinkston
c. F&S Development Company
d. Sol Steadman

6. Find reason to believe the Capitol National Bank violated 2 U.S.C. § 441b(a).

7. Find reason to believe Joel Ferguson violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b(a).

8. Find reason to believe that the following violated 2 U.S.C. § 441b(a):

a. Black Ford-Lincoln-Mercury Dealers Association, Inc.
b. Islamic Society of North America

9. Find reason to believe that the Florida Junior College at Jacksonville Foundation, Inc. violated 2 U.S.C. § 441b(a), but take no further action and close the file as it relates to that corporation.

10. Enter into conciliation with the following prior to a finding of probable cause to believe:

a. Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer
b. New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer
c. Herb W. Lilly
d. Burgess Meredith
e. Kim Naffa
f. Samuel Weiner
g. Apollo Theater Patrons
h. Arab Community St. Croix
i. Greeks for Jackson
j. Ministers/AME Church
k. Capitol National Bank
l. Joel Ferguson
m. Black Ford-Lincoln-Mercury Dealers Association, Inc.
n. Islamic Society of North America

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12. Approve the attached Factual and Legal Analyses, proposed Conciliation Agreements, and the appropriate letters.

11/5/93
Date

Lawrence M. Noble
General Counsel

Attachments:

1. Referral Materials
2. Capitol National Bank Promissory Note dated March 16, 1988
3. Factual and Legal Analyses (9, without attachments)
4. Proposed Conciliation Agreements (7)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/DELORES HARDY
COMMISSION SECRETARY

DATE: NOVEMBER 12, 1993

SUBJECT: MUR 3492 - FIRST GENERAL COUNSEL'S REPORT DATED NOVEMBER 5, 1993.

The above-captioned document was circulated to the Commission on Monday, November 8, 1993 at 4:00 P.M.

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

Commissioner Aikens	
Commissioner Elliott	
Commissioner McDonald	
Commissioner McGarry	
Commissioner Potter	
Commissioner Thomas	XX

This matter will be placed on the meeting agenda for Tuesday, November 30, 1993.

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

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3492
Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer;	)	
New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer;	)	
Steven W. Blood;	)	
Herb W. Lilly;	)	
Burgess Meredith;	)	
Kim Naffa;	)	
Armetia Pinkston;	)	
Samuel Weiner;	)	
Apollo Theater Patrons;	)	
Arab Community St. Croix;	)	
Greeks for Jackson;	)	
Ministers/AME Church;	)	
Capitol National Bank;	)	
Joel Ferguson;	)	
F&S Development Company;	)	
Sol Steadman;	)	
Florida Junior College at Jacksonville Foundation, Inc.;	)	
Black Ford-Lincoln-Mercury Dealers Association, Inc.;	)	
Islamic Society of North America.	)	

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CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on November 30, 1993, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 3492:

(continued)

1. Find reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a), and 26 U.S.C. § 9033(a).

2. Find reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a), and 434(b).

3. Find reason to believe the following people violated 2 U.S.C. § 441a(a)(1)(A), but take no further action and close the file with respect to them:

   a. Herb W. Lilly
   b. Burgess Meredith
   c. Kim Naffa
   d. Samuel Weiner

4. Find reason to believe the following organizations violated 2 U.S.C. § 441a(a)(1)(A), but take no further action and close the file with respect to them:

   a. Apollo Theater Patrons
   b. Arab Community St. Croix
   c. Greeks for Jackson
   d. Ministers/AME Church

5. Find reason to believe the following people violated 2 U.S.C. § 441a(a)(1)(A), but take no further action and close the file as it relates to them:

   a. Steven W. Blood
   b. Armetia Pinkston
   c. F&S Development Company
   d. Sol Steadman

(continued)

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6. Find reason to believe the Capitol National Bank violated 2 U.S.C. § 441b(a), but take no further action and close the file with respect to this respondent.

7. Find reason to believe Joel Ferguson violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b(a), but take no further action and close the file with respect to this respondent.

8. Find reason to believe that the following violated 2 U.S.C. § 441b(a), but take no further action and close the file with respect to these respondents:

   a. Black Ford-Lincoln-Mercury Dealers Association, Inc.
   b. Islamic Society of North America

9. Find reason to believe that the Florida Junior College at Jacksonville Foundation, Inc. violated 2 U.S.C. § 441b(a), but take no further action and close the file as it relates to that corporation.

10. Enter into conciliation with the following prior to a finding of probable cause to believe:

   a. Jesse Jackson for President '88 Committee and Howard Rensi, as treasurer.
   b. New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer.

(continued)

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11. Approve the Factual and Legal Analyses and the proposed conciliation agreements as recommended in the General Counsel's report dated November 5, 1993

12. Direct the Office of General Counsel to send appropriate letters pursuant to the actions noted above and the meeting discussion, with letters of admonishment to be sent to those respondents on whom the file has been closed.

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

Attest:

12-6-93
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Howard R. Renzi, Treasurer
Jesse Jackson for President '88
Committee
Seventh Floor
2550 M Street, N.W.
Washington, D.C. 20037

RE: MUR 3492
Jesse Jackson for President '88
Committee
Howard R. Renzi, as treasurer

Dear Mr. Renzi:

On November 30, 1993, the Federal Election Commission found that there is reason to believe the Jesse Jackson for President '88 Committee ("Committee") and you, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 26 U.S.C. § 9033(a) of the Presidential Primary Matching Payment Account Act, Chapter 96 of Title 26, U.S. Code. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

In addition, we note that on July 19, 1991, the Committee submitted a Statement of Organization form naming as assistant treasurer May Louie. The statement was signed by Jesse L. Jackson, Jr., as treasurer. However, we have received no Committee correspondence notifying us that Jesse L. Jackson, Jr., has replaced Howard Renzi as treasurer. Such information is necessary to change the Committee treasurer.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement

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of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement along with the civil penalty to the Commission. In light of the fact that conciliation negotiations prior to a finding of probable cause to believe are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

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

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

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

cc: Jesse L. Jackson

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR 3492

RESPONDENTS: Jesse Jackson for President '88 Committee
Howard Renzi, as treasurer

Generation of Matter

This matter was generated by an audit of the Jesse Jackson for President '88 Committee ("the Committee") pursuant to 26 U.S.C. § 9038(a), to determine whether the Committee complied with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and the Presidential Primary Matching Payment Account Act ("the Matching Payment Act"). See also 26 U.S.C. § 9039(b) and 11 C.F.R. §§ 9038.1(a)(1) and (2).

Excessive Contributions from Individuals and Non-registered Organizations

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

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Under 2 U.S.C. § 441a(f), no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the limitations set forth in section 441a of the Act. Furthermore, no officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under section 441a of the Act.

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor.

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11 C.F.R. § 103.3(b)(3) (1987).[1]

During the audit of the Jesse Jackson for President '88 Committee, the Audit staff identified excessive contributions received by the Committee from 322 individuals totaling $157,801.88. (Attachment 1, pages 1-26). Of this amount, the Committee made refunds totaling $41,865 to 100 contributors. These refunds, which were made between 198 and 659 days of deposit, were not timely in accordance with 11 C.F.R. § 103.3(b)(3). Excessive contributions totaling $115,936.88 from 222 individuals remain unresolved.

In addition, the Audit staff identified excessive contributions received by the Committee from eight non-registered organizations totaling $21,928.71. (Attachment 1, page 27). There is no indication that the Committee has refunded any of these apparent excessive contributions.

Therefore, there is reason to believe that the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of $157,801.88 in excessive contributions from individuals and $21,928.71 in excessive contributions from non-registered organizations.

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1. The requirements that excessive contributions be refunded within sixty days, and that corporate contributions be refunded within thirty days, became effective April 8, 1987. Prior to that time, the Commission's regulations provided that such refunds must be made within a reasonable time. See 11 C.F.R. § 103.3(b) (1987). In this case, at least six contributions were received before April 1987.

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Unreported Loan Activity

Under 2 U.S.C. § 434(b)(2)(H), each report filed under section 434 of the Act shall disclose for the reporting period and calendar year the total amount of all receipts from all loans other than loans made by or guaranteed by the candidate. 2 U.S.C. § 434(b)(3)(E) provides that each report filed under section 434 of the Act shall disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount or value of such loan.

Under 2 U.S.C. § 441b(a), it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office or for any political committee knowingly to accept such a contribution. 2 U.S.C. § 441b(a) further prohibits any officer or director of any corporation or any national bank to consent to any contribution prohibited by section 441b(a) of the Act.

2 U.S.C. § 431(8)(B)(vii) excludes from the definition of contribution any loan of money by a state bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii) further provides that such a loan shall be made on a basis which assures repayment, evidenced by a written instrument, subject to a

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due date or amortization schedule, and shall bear the usual and customary interest rate of the lending institution.

The referral noted two instances of unreported loan activity. The Committee failed to report a loan received from the Capitol National Bank in Lansing, Michigan, on March 16, 1988 in the amount of $8,497.24. The Committee failed to report both the receipt of the loan and the repayment of the loan on its disclosure reports.

Auditors asked the Committee for all documentation relating to the loan, an explanation as to why the loan should be considered as having been made in the ordinary course of business, and an explanation of the circumstances involving $5,364.89 in expenses paid by a development company. In response, the Committee explained that the loan was arranged by Mr. Joel Ferguson, a campaign volunteer who was charged with opening the Michigan primary campaign for the Committee and who was the owner of the F&S Development Company. The Committee stated that Mr. Ferguson also was a member of the Executive Committee and Board of Directors of Capitol National Bank. The Committee further stated that Mr. Ferguson "undertook . . . to make the necessary arrangements for a small loan from Capitol National Bank, to provide the campaign with immediate operating resources before instate Michigan fundraising could begin or transfers from the national account could be negotiated and obtained."

The Committee asserted that the loan "was made on full commercial terms, in the ordinary course of business." However, the Committee failed to provide any documentation to support this

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assertion. The Committee further asserted that the loan agreement was prepared under Mr. Ferguson's supervision "in writing and reflected terms and conditions consistent with the prevailing market and entirely appropriate for a transaction of this scale." The Committee noted that the loan was promptly repaid by the Committee with full interest at prevailing market rates in slightly more than 30 days. Finally, the Committee maintained that the failure to disclose the receipt and repayment of the loan "was due solely to the hurried nature of the Michigan primary campaign's establishment."

The Michigan state account repaid the loan on April 20, 1988 with a check in the amount of $14,081.17 made payable to Capitol National Bank. The purpose of the check was to repay the loan ($8,497.24) and interest ($219.04) plus expenses paid by Mr. Ferguson's development company on behalf of the campaign ($5,364.89). It appears that the $5,364.89 was for the repayment of campaign expenses incurred by the F&S Development Company. In response to the Interim Audit Report, the Committee stated that Mr. Ferguson conducted "volunteer activities" on the premises of his company and incurred certain expenses that "were paid from partnership sources but always with the expectation that the Committee would reimburse the partnership at fair market rates, within a commercially reasonable time." It is unclear why the loan to Capitol National Bank and the expenses incurred by the F&S Development Company were repaid at the same time. In the response to the Interim Audit Report, the Committee offered the following explanation: "It would appear therefore that Mr. Ferguson

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arranged to have Capitol National credit the partnership account or forward the funds in reimbursement of expenses incurred by the Jackson campaign."[2]

It appears that F&S Development Company's payment of campaign expenses in excess of $1,000 on behalf of the Committee constitutes an excessive contribution by the partnership which was accepted but not reported by the Committee. 2 U.S.C. §§ 441a(a)(1)(A) and 431(11) and 11 C.F.R. § 110.1(e). In addition, a portion of the contribution of $5,364.89 is attributable to each partner. It appears that F&S Development Company is a two person partnership, and thus half of the amount of expenses is attributable to Mr. Ferguson and to his partner Sol Steadman. Thus, through the partnership advance of expenses, Mr. Ferguson and Mr. Steadman have each made individual excessive contributions of $1,682.44 (half of $5,364.89 less $1,000) to the Committee. These contributions were not reported.

The referral indicates that the Committee has failed to file amendments disclosing the loan from Capitol National Bank. Further, the referral indicates that in the opinion of the Audit staff, the Committee failed to provide documentation to show that the loan should be considered as made in the ordinary course of business. Thus, the Committee has failed to demonstrate that the

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2. In the Interim Audit Report, the Audit staff recommended that the Committee demonstrate that the $5,364.89 advance by the F&S Development Company was not a prohibited contribution. Upon review of the Committee's response, the Audit staff concluded that the advance was not a prohibited contribution because the development company was a partnership and all expenses were reimbursed by the Committee in a timely manner.

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loan from Capitol National Bank was not a prohibited contribution. 2 U.S.C. § 431(8)(B)(vii) provides that a loan made in accordance with applicable law and in the ordinary course of business is excluded from the definition of a contribution if the loan is made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and bears the usual and customary interest rate of the lending institution. The loan from Capitol National Bank was evidenced by a written instrument, subject to a due date, and bore the bank's usual and customary interest rate. (Attachment 1, page 28). However, the Committee has failed to demonstrate that the loan was made in the ordinary course of business and on a basis which assured repayment. The promissory note, signed by Mr. Ferguson, shows that the loan was unsecured. There is no evidence that the Committee and the bank entered into a written agreement whereby the Committee pledged future receipts to the bank, such as matching funds. See 11 C.F.R. § 100.7(b)(11)(i)(B)(1991). Furthermore, Mr. Ferguson's role as a member of the Bank's Executive Committee and Board of Directors suggests that the Committee may have received preferential treatment in obtaining the loan. The Committee admitted that the loan agreement was "arranged" by Mr. Ferguson and prepared "under his supervision." Thus, the circumstances of the loan suggest that the loan was not made in the ordinary course of business and, therefore, may constitute a prohibited contribution.

Furthermore, the circumstances of the loan from Capitol National Bank also raise the issue of whether Mr. Ferguson made an

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excessive contribution to the Committee. As stated earlier, the promissory note was signed by Mr. Ferguson. Because Mr. Ferguson is liable for the loan, the entire amount of the loan ($8,716.28) is considered as a contribution from Mr. Ferguson to the Committee. 11 C.F.R. § 100.7(a)(1)(i)(C)(1988).

Therefore, there is reason to believe that Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f) and 441b(a).

The second instance of unreported loan activity concerns an apparent loan received from Drexel National Bank. Information in the referral indicates that the Committee may have received a loan or letter of credit from Drexel National Bank in Illinois for up to $30,000 that has not been reported. In response to the Interim Audit Report, the Committee included within other documentation a collateral receipt from Drexel National Bank suggesting that in March 1988 the Committee assigned a $30,000 certificate of deposit as collateral for the Drexel bank loan. (Attachment 1, page 29).

According to the referral, the Committee did not disclose a loan from Drexel National Bank, nor did the Committee report any interest paid to or received from Drexel National Bank. Therefore, there is reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with an apparent undisclosed loan from Drexel National Bank.

D. Prohibited Contributions

Under 2 U.S.C. § 441b(a), it is unlawful for any corporation or labor organization to make a contribution or expenditure in

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connection with any election for federal office, or for any political committee knowingly to accept such a contribution.

According to the referral, the Audit staff identified 13 contributions received by the Committee from corporations and labor organizations totaling $20,525. These contributions are detailed in a chart prepared by the Audit staff. (Attachment 1, page 30). As to 10 apparent prohibited contributions totaling $3,525, the Committee made the following statement: "Owing to continuing work which is required to clarify the source and amounts of contributions actually received, . . . the Committee continues to review the contributions in question and will be in communication with Audit about the results of this effort." The Committee has failed to demonstrate that these contributions were not prohibited contributions. Furthermore, subsequent to the Interim Audit Report, the Audit staff identified three additional prohibited contributions of $17,000, for a total of $20,525 in prohibited contribution received by the Committee.

Based on the foregoing, there is reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 441b(a).

E. Reporting and Recordkeeping Violations by the Committee

1. Misstatement of Financial Activity

2 U.S.C. § 434(b)(1) requires that each report filed under this section of the Act shall disclose the amount of cash on hand at the beginning of the reporting period. 2 U.S.C. § 434(b)(2) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the

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total amount of all receipts, and the total amount of all receipts in the categories set forth in subsections 434(b)(2)(A) through (K). Finally, 2 U.S.C. § 434(b)(4) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the categories set forth in subsections 434(b)(4)(A) through (I).

This item of the referral relates to the misstatement of financial activity as reported on the Committee's 1987 disclosure reports. The Audit staff initially identified the following misstatements in the Committee's 1987 disclosure reports: (1) reported receipts were overstated by $1,139.75; (2) reported disbursements were overstated by $19,728.67; and (3) reported ending cash was understated by $18,588.92. The Committee filed amended reports for 1987 financial activity on January 30, 1990. The Audit staff identified the following misstatements in the Committee's amended reports: (1) reported receipts were overstated by $2,247.65; (2) reported disbursements were overstated by $11,933.77; and (3) reported ending cash was understated by $9,686.12. According to the referral, the Committee has failed to file further amendments to correct the misstatement of 1987 financial activity.

Therefore, there is reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the misstatement of financial activity.

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2. Reporting of Contributions Received from Political Committees

2 U.S.C. § 434(b)(3)(B) requires that each report filed under section 434 of the Act shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification", in the case of any person other than an individual, means the name and address of such person.

The Audit staff's review of contributions received by the Committee from party committees, other political committees and non-registered organizations for 1987 and 1988 resulted in the identification of 70 contributions totaling $134,583.71 which the Committee failed to itemize as required by the Act. In addition, the Audit staff noted six contributions from political committees and non-registered organizations which the Committee incorrectly itemized as contributions from individuals. The Audit staff also identified one transfer from an authorized committee and one receipt from a state account which the Committee incorrectly itemized as contributions from individuals.

The Committee filed amended reports for 1987 and 1988 on October 19, 1989. In the amended reports, the Committee corrected the reporting errors initially identified by the Audit staff with the exception of 20 contributions from other political committees and non-registered organizations totaling $46,183.71. In the Interim Audit Report, the Audit staff recommended that the

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Committee file amended reports to correct the remaining reporting errors. The Committee has failed to file the amended reports as recommended by the Audit staff. (Attachment 1, 31-35).

Therefore, there is reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report contributions received from political committees in accordance with the Act.

3. Reporting of Contributions Received from Individuals

2 U.S.C. § 434(b)(3)(A) requires that each report filed under section 434 of the Act shall disclose the identification of each person other than a political committee who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification", in the case of an individual, means the name, mailing address and the occupation of such individual, as well as the name of his or her employer.

The Audit staff's review of contributions received by the Committee from individuals indicated that 69% of the contributions received during 1987 requiring itemization were not itemized, and that 62% of the contributions received during 1988 requiring itemization were not itemized. According to the referral, the minimum estimates of contributions received from individuals that were not itemized are $86,729.83 for 1987 and $1,023,135.08 for 1988.

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The Committee filed amended reports for 1987 and 1988 on October 19, 1989. The amended reports substantially corrected the itemization errors for 1988, but resulted in an error rate of 61% for 1987. The Committee has failed to file further amended reports as recommended by the Audit staff.

Therefore, there is reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report contributions received from individuals in accordance with the Act.

4. Reporting of Disbursements

2 U.S.C. § 434(b)(4)(A) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all expenditures made to meet candidate or committee operating expenses. 2 U.S.C. § 434(b)(5)(A) requires that each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure. Under 11 C.F.R. § 104.3(b)(4), "purpose" means a brief statement or description of why the disbursement was made. Examples of statements or descriptions which do not meet the requirement to report the purpose of an expenditure include: "advance", "election day expenses", "other expenses", "expenses", "expense reimbursement", "miscellaneous", "outside services",

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"get-out-the-vote" and "voter registration". 11 C.F.R. § 104.3(b)(4)(i)(A)(1987).

The Audit staff's review of reported disbursements made from the Committee's national and state bank accounts revealed 2,498 disbursements totaling $2,960,004.84 which were not itemized as required by the Act. These disbursements are summarized on a chart prepared by the Audit staff. (Attachment 1, page 36).

In addition, the Audit staff's review of the Committee's reports revealed 718 disbursements totaling $1,852,651.25 from the Committee's national and state bank accounts which lacked the disclosure information required by the Act.[3] Amended reports filed by the Committee on October 19, 1989, included 943 disbursements totaling $6,101,330.48 which lacked the disclosure information required by the Act. These disbursements also are summarized on a chart prepared by the Audit staff. (Attachment 1, page 37).

Therefore, there is reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report disbursements in accordance with the Act.

5. Reporting and Recordkeeping for Refunds, Rebates and Offsets to Expenditures

2 U.S.C. § 434(b)(2)(I) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all rebates,

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3. These reporting errors primarily involve the failure to disclose the purpose of the disbursement in accordance with the requirements of the Act and the regulations.

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refunds and other offsets to operating expenditures. 2 U.S.C. § 434(b)(3)(F) requires that each report filed under section 434 of the Act shall disclose the identification of each person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of such receipt.

Under the Matching Payment Act and Commission regulations, Presidential candidates seeking Federal Funds for their primary election campaigns must agree to keep and furnish to the Commission all documentation relating to disbursements and receipts including any books, records, and other information that the Commission may request (including bank records for all accounts) and all documentation required to be maintained. 26 U.S.C. § 9033(a); 11 C.F.R. § 9033.1(b)(5) and 11 C.F.R. § 9033.11.

In the Interim Audit Report, the Audit staff stated that it was unable to review refunds and rebates because the Committee failed to provide documentation or workpapers in support of these receipts. On August 1, 1990, the Audit staff requested the necessary documentation from the Committee. The Committee provided the Audit staff with limited documentation on September 17, 1991. The referral indicates that the Committee received at least $91,939.06 in refunds and rebates for which no documentation was provided. The refunds and rebates for which the Committee failed to provide supporting documentation are summarized on a chart prepared by the Audit staff. (Attachment 1,

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page 38).

In addition, the referral indicates that the Committee failed to provide documentation necessary to verify the amounts billed to the press for air travel. The Audit staff's limited review of billings and receipts for press travel identified $101,352.33 in apparent receivables from press organizations and $34,683.20 in apparent overpayments by press organizations.

Furthermore, the referral indicates that the Committee failed to itemize 124 offsets totaling $235,128.36 on its initial disclosure reports for 1987 and 1988. A review of the Committee's amended reports revealed that the Committee failed to itemize 36 offsets totaling $66,083.41. A schedule of itemization errors of offsets to expenditures prepared by the Audit staff is attached. (Attachment 1, pages 39-41).

Based on the foregoing, there is reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report rebates, refunds and other offsets to expenditures in accordance with the Act. There is also reason to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 26 U.S.C. 9033(a) by failing to keep and furnish records and other documentation.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Howard R. Renzi, Treasurer
Jesse Jackson for President '88
Committee
Seventh Floor
2550 M Street, N.W.
Washington, D.C. 20037

RE: MUR 3492
New Yorkers for Jesse Jackson '88
Committee
J. Wesley Parker, as treasurer

Dear Mr. Renzi:

On November 30, 1993, the Federal Election Commission found that there is reason to believe the New Yorkers for Jesse Jackson '88 Committee ("Committee") and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a), and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement along with the civil penalty to the Commission. In light of the fact that conciliation negotiations prior to a finding of probable cause to believe are limited to a

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maximum of 30 days, you should respond to this notification as soon as possible.

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

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

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosures
Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

cc: Jesse L. Jackson

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR 3492

RESPONDENTS: New Yorkers for Jesse Jackson '88
J. Wesley Parker, as treasurer

Generation of Matter

This matter was generated by an audit of the New Yorkers for Jesse Jackson '88 Committee, J. Wesley Parker, as treasurer, ("New York Committee"), an authorized committee of the Jesse Jackson for President '88 Committee ("the Jackson Committee") pursuant to 26 U.S.C. § 9038(a). The audit was conducted to determine whether the New York Committee complied with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and the Presidential Primary Matching Payment Account Act ("the Matching Payment Act"). See also 26 U.S.C. § 9039(b) and 11 C.F.R. §§ 9038.1(a)(1) and (2).

1. Misstatement of Financial Activity and Failure to Report Depository

2 U.S.C. §§ 434(b)(1), (2) and (4) require that each report filed under section 434 of the Act shall disclose the amount of cash on hand at the beginning of the reporting period, and the total amount of all receipts and disbursements for the reporting period and the calendar year. Pursuant to 2 U.S.C. § 433(b)(6), a committee's statement of organization shall include a listing of all banks or other depositories used by the committee.

According to the FEC audit review, the following misstatements were identified in reports of the New Yorkers for

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Jesse Jackson '88 and J. Wesley Parker, as treasurer, for the period of January 1, 1988 to September 30, 1988: (1) reported receipts were overstated by $36,969.99; (2) reported disbursements were overstated by $34,832.80; and (3) reported ending cash was overstated by $1,637.19. The New York Committee failed to file amendments to correct the misstatement of financial activity as recommended by the Audit staff.

Furthermore, the Audit staff made adjustments to these totals subsequent to the Interim Audit Report to reflect financial activity related to an undisclosed bank account at the Chase Lincoln First of Rochester, New York. The misstatement of financial activity as adjusted for the undisclosed bank account follows:

1) over- and understated receipts:	$73,182.80
2) over- and understated disbursements:	$70,889.98
3) over- and understated ending cash:	$14,147.48.

Therefore, there is reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the misstatement of financial activity. There is also reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 433(b)(6) for failure to disclose a bank depository.

2. <u>Reporting of Transfers from Other Authorized Committees</u>

2 U.S.C. § 434(b)(3)(C) requires that each report filed under Section 434 of the Act shall disclose the identification of each authorized committee which makes a transfer to the reporting committee.

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According to the audit, four transfers from the Jackson Committee and the Jesse Jackson for President '88 Committee-California to the New York Committee were not itemized as required by section 434(b)(3)(C) of the Act. These four transfers totaled $71,929.72. According to the audit referral, the New York Committee has not filed amendments to correct these reporting errors.

Therefore, there is reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report transfers from authorized committees in accordance with the Act.

3. Failure to Maintain Receipt Records

2 U.S.C. §§ 432(c)(1), (2) and (3) require that the treasurer shall keep an account of all contributions received by or on behalf of a political committee, the name and address of any person who makes any contribution in excess of $50, together with the date and amount of any such contribution, and the identification of any person who makes a contribution or contributions aggregating more than $200 during a calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 432(d), the treasurer shall preserve all records required to be kept by Section 434 and copies of all reports required to be filed by the Act for three years after the report is filed.

The New York Committee reported receipt of contributions from individuals totaling $1,494,661.96 during the period from

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January 1, 1988 to September 30, 1988. The Audit staff found that it was unable to perform any substantive tests concerning contributions from individuals because the New York Committee failed to provide sufficient documentation to support these contributions. In the Interim Audit Report, the Audit staff requested that the New York Committee provide documentation to support several deposits and to provide an explanation for discrepancies noted. In response to the Interim Audit Report, the New York Committee stated that "insufficiencies in the original production resulted from error by an outside accounting firm retained initially to prepare for the audit." Based upon a review of bank records received in response to subpoenas issued by the Commission, the Audit staff estimated that the New York Committee failed to maintain contributor records totaling $95,620.94.

Therefore, there is reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c) and (d) in connection with the New York Committee's failure to maintain records relevant to contributions received from individuals.

4. Reporting of Contributions from Individuals

2 U.S.C. § 434(b)(3)(A) requires that each report filed under section 434 of the Act shall disclose the identification of each individual who makes a contribution during the reporting period in excess of $200, or whose contributions have an aggregate value in excess of $200 within the calendar year.

The Audit staff's review of contributions received by the New York Committee from individuals indicated that 28% of the

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contributions received from individuals were not itemized as required by the Act. The Audit staff estimated that the total of contributions from individuals which were not itemized properly was at least $74,035.34.

Therefore, there is reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report contributions received from individuals in accordance with the Act.

5. Reporting of Payee Information

Under 2 U.S.C. § 434(b)(5)(A), each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure in an aggregate amount in excess of $200 within the calendar year is made, together with the date, amount and purpose of each such expenditure.

The Audit staff's review of reported disbursements made by the New York Committee revealed 76 disbursements totaling $85,308.84 which were not correctly itemized.[1] These reporting errors are summarized on a chart prepared by the Audit staff. (Attachment 1).

In response to the Interim Audit Report, the New York Committee stated that it had identified the missing information for the majority of the disbursements noted by the Audit staff. However, the New York Committee has not filed amended reports to

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1. These reporting errors primarily involve the failure to disclose the payee's address and the purpose of the disbursement in accordance with the Act and the regulations. See 2 U.S.C. § 434(b)(5)(A) and 11 C.F.R. § 104.3(b)(4).

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correct these reporting errors.

Therefore, there is reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report disbursements in accordance with the Act.

6. Failure to File Reports

Under 2 U.S.C. § 434(a)(1), each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of section 434. 2 U.S.C. § 433(d)(1) provides that a political committee may terminate only when such a committee files a written statement, in accordance with section 432(g) of the Act, that it will no longer receive any contributions or make any disbursement and that such committee has no outstanding debts or obligations.

According to the referral, the last report filed by the New York Committee was the October 1988 Quarterly Report. This report indicated that the New York Committee had no outstanding debts or obligations, and had a cash on hand balance of $21,863.02. The New York Committee did not indicate that the October 1988 Quarterly Report was its termination report.

The Audit staff reviewed all bank records, statements and canceled checks provided by the New York Committee for the period of October through December 1988. The Audit staff's review revealed that the New York Committee deposited no receipts after September 30, 1988 and that the cash on hand balance as of September 30, 1988 had been expended. The New York Committee's account apparently was closed on December 13, 1988.

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In the Interim Audit Report, the Audit staff recommended that the New York Committee file a report covering the period of October 1, 1988 to termination. In response to this recommendation, the New York Committee stated that it would "ensure that the Commission receives all required reports fully disclosing all activity including the disposition of residual funds for the New York operation." To date, the New York Committee has not filed any additional reports.[2]

Therefore, there is reason to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(a) for failure to file a report in accordance with the Act.

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2. In response to a Request for Additional Information, the New York Committee stated that its "Year End Report for the period of October 1 to December 31, 1988, was a termination report." Commission records do not reflect receipt of the 1988 Year End Report.

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Black Ford-Lincoln-Mercury
Dealers' Association
16550 Greenfield
Detroit, Michigan 48221

RE: MUR 3492
Black Ford-Lincoln-Mercury
Dealers' Association

Dear Sir or Madam:

On November 30, 1993, the Federal Election Commission found reason to believe that your organization violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to your organization. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making prohibited corporate contributions is a violation of 2 U.S.C. § 441b(a). You should take steps to ensure that these activities do not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondent: Black Ford-Lincoln-Mercury Dealers Association, Inc. **MUR 3492**

Under 2 U.S.C. § 441b(a), it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election for Federal office, or for any political committee knowingly to accept such a contribution.

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, the Black Ford-Lincoln-Mercury Dealers Association, Inc. made a contribution of $10,000 to the Jesse Jackson for President '88 Committee. Therefore, there is reason to believe that the Black Ford-Lincoln-Mercury Dealers Association, Inc. violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Islamic Society of North America
P.O. Box 38
Plainfield, Indiana 46168

RE: MUR 3492
Islamic Society of North America

Dear Sir or Madam:

On November 30, 1993, the Federal Election Commission found reason to believe that your organization violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to your organization. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making prohibited corporate contributions is a violation of 2 U.S.C. § 441b(a). You should take steps to ensure that these activities do not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondent: Islamic Society of North America MUR 3492

Under 2 U.S.C. § 441b(a), it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election for Federal office, or for any political committee knowingly to accept such a contribution.

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, the Islamic Society of North America, an incorporated entity, made a contribution of $5,000 to the Jesse Jackson for President '88 Committee. Therefore, there is reason to believe that the Islamic Society of North America violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Florida Junior College
at Jacksonville Foundation, Inc.
501 West State Street
Jacksonville, Florida 32202

RE: MUR 3492
Florida Junior College
at Jacksonville Foundation, Inc.

Dear Sir or Madam:

On November 30, 1993, the Federal Election Commission found reason to believe that your corporation violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to your corporation. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making prohibited corporate contributions is a violation of 2 U.S.C. § 441b(a). You should take steps to ensure that these activities do not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

Respondent: Florida Junior College at Jacksonville Foundation, Inc. MUR 3492

Under 2 U.S.C. § 441b(a), it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election for Federal office, or for any political committee knowingly to accept such a contribution.

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, the Florida Junior College at Jacksonville Foundation Inc., an incorporated entity, made a contribution of $2,000 to the Jesse Jackson for President '88 Committee. Therefore, there is reason to believe that the Florida Junior College at Jacksonville Foundation Inc. violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Mr. Sol Steadman
F&S Development Company
5815 S. Pennsylvania
Lansing, MI 48909

RE: MUR 3492
Sol Steadman

Dear Mr. Steadman:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Sol Steadman MUR 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 110.1(e) states that a contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate; or by agreement of the partners, as long as: only the profits of the partners to whom the contribution is attributed are reduced and these partners' profits are reduced in proportion to the contribution attributed to each of them. A partnership contribution shall not exceed the contribution limitations.

According to information ascertained by the Federal Election

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Commission in the ordinary course of carrying out its supervisory responsibilities, the F&S Development Company ("partnership"), an unincorporated partnership owned by two individual partners, Sol Steadman and Joel Ferguson, provided services and/or paid expenses of $5,364.89 on behalf of the Jesse Jackson for President '88 Committee ("Committee"). These expenses were incurred by partner Joel Ferguson during the 1988 Presidential primary while conducting volunteer activities for the Committee on the partnership's premises. The Committee's Michigan State account repaid the expenses through the Capitol National Bank. Partner and Committee volunteer Joel Ferguson is a member of the Executive Committee and Board of Directors of the bank.

The partnership's payment of campaign expenses on behalf of the Committee constitutes a contribution by the partnership. Because contributions by a partnership are attributable to each partner, and the F&S Development Company is a two person partnership, partner Sol Steadman is liable for half of the campaign contribution. 2 U.S.C. §§ 441a(a)(1)(A) and 431(11) and 11 C.F.R. § 110.1(e). Thus, through the partnership advance of expenses, Sol Steadman made contributions totaling $1,682.44 in excess of $1,000 with respect to a federal election in violation of 2 U.S.C. § 441a(a)(1)(A). Therefore, there is reason to believe that Sol Steadman violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Mr. Joel Ferguson
Mr. Sol Steadman
F&S Development Company
5815 S. Pennsylvania
Lansing, MI 48909

RE: MUR 3492
F&S Development Company

Dear Mr. Ferguson and Mr. Steadman:

On November 30, 1993, the Federal Election Commission found reason to believe that your partnership violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to your partnership. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). Your organization should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: F&S Development Company MUR 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 110.1(e) states that a contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate; or by agreement of the partners, as long as: only the profits of the partners to whom the contribution is attributed are reduced and these partners' profits are reduced in proportion to the contribution attributed to each of them. A partnership contribution shall not exceed the contribution limitations.

According to information ascertained by the Federal Election

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Commission in the ordinary course of carrying out its supervisory responsibilities, the F&S Development Company ("partnership"), an unincorporated partnership owned by two individual partners, provided services and/or paid expenses of $5,364.89 on behalf of the Jesse Jackson for President '88 Committee ("Committee"). These expenses were incurred by partner Joel Ferguson during the 1988 Presidential primary while conducting volunteer activities for the Committee on the partnership's premises. The Committee's Michigan State account repaid the expenses through the Capitol National Bank. Partner and Committee volunteer Joel Ferguson is a member of the Executive Committee and Board of Directors of the bank.

The partnership's payment of campaign expenses on behalf of the Committee constitutes a contribution by the partnership. 2 U.S.C. §§ 441a(a)(1)(A) and 431(11) and 11 C.F.R. § 110.1(e). Therefore, the partnership made contributions in excess of $1,000 with respect to a federal election in violation of 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Mr. Joel Ferguson
600 W. St. Joseph
Lansing, MI 48933

RE: MUR 3492
Joel Ferguson

Dear Mr. Ferguson:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. §§ 441a(a)(1)(A) and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making prohibited corporate contributions is a violation of 2 U.S.C. § 441b(a), and making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that these activities do not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Joel Ferguson MUR 3492

Under 2 U.S.C. § 441b(a), it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office or for any political committee knowingly to accept such a contribution. 2 U.S.C. § 441b(a) further prohibits any officer or director of any corporation or any national bank to consent to any contribution prohibited by Section 441b(a) of the Act.

2 U.S.C. § 431(8)(B)(vii) excludes from the definition of contribution any loan of money by a state bank, a Federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii) further provides that such a loan shall be made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and shall bear the usual and customary interest rate of the lending institution.

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies

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separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 110.1(e) states that a contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate; or by agreement of the partners, as long as: only the profits of the partners to whom the contribution is attributed are reduced and these partners' profits are reduced in proportion to the contribution attributed to each of them. A partnership contribution shall not exceed the contribution limitations.

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, on March 16, 1988, the Capitol National Bank in Lansing, Michigan, made a loan of $8,497.24 to the Jesse Jackson for President '88 Committee ("Committee") and Howard Renzi, as treasurer. The Committee did not disclose the loan or the loan repayment.

The Committee was asked to provide all documentation relating to the loan, an explanation as to why the loan should

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be considered as having been made in the ordinary course of business, and an explanation of the circumstances involving $5,364.89 in expenses paid by a development company. In response, the Committee stated that the loan was arranged by Mr. Joel Ferguson, a campaign volunteer who was charged with opening the Michigan primary campaign for the Committee and who was the owner of the F&S Development Company. The Committee stated that Mr. Ferguson also was a member of the Executive Committee and Board of Directors of Capitol National Bank. The Committee further stated that Mr. Ferguson "undertook . . . to make the necessary arrangements for a small loan from Capitol National Bank, to provide the campaign with immediate operating resources before instate Michigan fundraising could begin or transfers from the national account could be negotiated and obtained."

The Committee asserted that the loan "was made on full commercial terms, in the ordinary course of business." However, the Committee failed to provide any documentation to support this assertion. The Committee further asserted that the loan agreement was prepared under Mr. Ferguson's supervision "in writing and reflected terms and conditions consistent with the prevailing market and entirely appropriate for a transaction of this scale." The Committee noted that the loan was promptly repaid by the Committee with full interest at prevailing market rates in slightly more than 30 days. Finally, the Committee maintained that the failure to disclose the receipt and repayment of the loan "was due solely to the hurried nature of

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the Michigan primary campaign's establishment."

The Committee's Michigan state account repaid the loan on April 20, 1988 with a check in the amount of $14,081.17 made payable to Capitol National Bank. The purpose of the check was to repay the loan ($8,497.24) and interest ($219.04) plus expenses paid by Mr. Ferguson's development company on behalf of the campaign ($5,364.89). It appears that the $5,364.89 was for the repayment of campaign expenses incurred by the F&S Development Company. The Committee stated that Mr. Ferguson conducted "volunteer activities" on the premises of his company and incurred certain expenses that "were paid from partnership sources but always with the expectation that the Committee would reimburse the partnership at fair market rates, within a commercially reasonable time." It is unclear why the loan to Capitol National Bank and the expenses incurred by the F&S Development Company were repaid at the same time. The Committee offered the following explanation: "It would appear therefore that Mr. Ferguson arranged to have Capitol National credit the partnership account or forward the funds in reimbursement of expenses incurred by the Jackson campaign."

F&S Development Company's payment of campaign expenses in excess of $1,000 on behalf of the Committee constitutes an excessive contribution by the partnership which was accepted but not reported by the Committee. 2 U.S.C. §§ 441a(a)(1)(A) and 431(11) and 11 C.F.R. § 110.1(e). Therefore, a portion of the contribution of $5,364.89 is attributable to each partner. It appears that F&S Development Company is a two person

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partnership, and thus half of the amount of expenses is attributable to Mr. Ferguson and to his partner Sol Steadman. Thus, through the partnership advance of expenses, Mr. Ferguson has made an individual excessive contributions of $1,682.44 (half of $5,364.89 less $1,000) to the Committee which was not reported by the Committee.

No documentation was provided to show that the loan was secured and thus that it should be considered made in the ordinary course of business. The Committee has failed to demonstrate that the loan from Capitol National Bank was not a prohibited contribution. 2 U.S.C. § 431(8)(B)(vii) provides that a loan made in accordance with applicable law and in the ordinary course of business is excluded from the definition of a contribution if the loan is made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and bears the usual and customary interest rate of the lending institution. The loan from Capitol National Bank was evidenced by a written instrument, subject to a due date, and bore the bank's usual and customary interest rate. However, the Committee has failed to demonstrate that the loan was made on a basis which assured repayment. The promissory note shows that the loan was unsecured. There is no evidence that the Committee and the bank entered into a written agreement whereby the Committee pledged to the bank future receipts such as matching funds. See 11 C.F.R. § 100.7(b)(11)(i)(B)(1991). Furthermore, Mr. Ferguson's role as a member of the Bank's Executive Committee and Board of

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Directors suggests that the Committee may have received preferential treatment in obtaining the loan. The Committee admitted that the loan agreement was "arranged" by Mr. Ferguson and prepared "under his supervision." In fact, Mr. Ferguson signed the note. Thus, the circumstances of the loan show that the loan was not made in the ordinary course of business and, therefore, it constitutes a prohibited contribution.

Furthermore, the circumstances of the loan from Capitol National Bank also raise the issue of whether Mr. Ferguson made an excessive contribution to the Committee through his role in arranging the loan. As stated earlier, the promissory note was signed by Mr. Ferguson. Because Mr. Ferguson is liable for the loan, the entire loan amount ($8,716.28) is considered a contribution from Mr. Ferguson to the Committee. 11 C.F.R. § 100.7(a)(1)(i)(C)(1988).

Therefore, there is reason to believe that Joel Ferguson, as a director of the Capitol National Bank, violated 2 U.S.C. § 441b(a); and that Joel Ferguson violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Capitol National Bank
200 Washington Square North
Lansing, Michigan 48933

RE: MUR 3492
Capitol National Bank

Dear Sir or Madam:

On November 30, 1993, the Federal Election Commission found reason to believe that your bank violated 2 U.S.C. § 441b(a), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to your bank. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making a prohibited loan/contribution is a violation of 2 U.S.C. § 441b(a). You should take steps to ensure that these activities do not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Capitol National Bank MUR: 3492

Under 2 U.S.C. § 441b(a), it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office or for any political committee knowingly to accept such a contribution. 2 U.S.C. § 441b(a) further prohibits any officer or director of any corporation or any national bank to consent to any contribution prohibited by section 441b(a) of the Act.

2 U.S.C. § 431(8)(B)(vii) excludes from the definition of contribution any loan of money by a state bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii) further provides that such a loan shall be made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and shall bear the usual and customary interest rate of the lending institution.

Pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission determined that the Capitol National Bank ("Bank") in Lansing, Michigan, made a loan of $8,497.24 to the Jesse Jackson for President '88 Committee ("Committee") on

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March 16, 1988. The Committee was asked to provide all documentation relating to the loan, an explanation as to why the loan should be considered as having been made in the ordinary course of business, and an explanation of the circumstances involving $5,364.89 in expenses paid by a development company. In response, the Committee explained that the loan was arranged by Joel Ferguson, a campaign volunteer who was charged with opening the Michigan primary campaign for the Committee and who was owner of the F&S Development Company. The Committee stated that Mr. Ferguson also was a member of the Executive Committee and Board of Directors of Capitol National Bank. The Committee further stated that Mr. Ferguson "undertook . . . to make the necessary arrangements for a small loan from Capitol National Bank, to provide the campaign with immediate operating resources before instate Michigan fundraising could begin or transfers from the national account could be negotiated and obtained."

The Committee asserted that the loan "was made on full commercial terms, in the ordinary course of business." However, the Committee failed to provide any documentation to support this assertion. The Committee further asserted that the loan agreement was prepared under Mr. Ferguson's supervision "in writing and reflected terms and conditions consistent with the prevailing market and entirely appropriate for a transaction of this scale." The Committee noted that the loan was promptly repaid by the Committee with full interest at prevailing market rates in slightly more than 30 days. Finally, the Committee maintained that the failure to disclose the receipt and repayment of the loan

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"was due solely to the hurried nature of the Michigan primary campaign's establishment."

The Michigan state account repaid the loan on April 20, 1988 with a check in the amount of $14,081.17 made payable to Capitol National Bank. The purpose of the check was to repay the loan ($8,497.24) and interest ($219.04) plus expenses paid by Mr. Ferguson's development company on behalf of the campaign ($5,364.89). It appears that the $5,364.89 was for the repayment of campaign expenses incurred by the F&S Development Company. The Committee stated that Mr. Ferguson conducted "volunteer activities" on the premises of his company and incurred certain expenses that "were paid from partnership sources but always with the expectation that the Committee would reimburse the partnership at fair market rates, within a commercially reasonable time." It is unclear why the loan to Capitol National Bank and the expenses incurred by the F&S Development Company were repaid at the same time. The Committee offered the following explanation: "It would appear therefore that Mr. Ferguson arranged to have Capitol National credit the partnership account or forward the funds in reimbursement of expenses incurred by the Jackson campaign."

The Committee has not disclosed the loan from Capitol National Bank. Further, there is no documentation to show that the loan should be considered as made in the ordinary course of business. Thus, it appears that the loan from Capitol National Bank was a prohibited contribution.

2 U.S.C. § 431(8)(B)(vii) provides that a loan made in accordance with applicable law and in the ordinary course of

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business is excluded from the definition of a contribution if the loan is made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and bears the usual and customary interest rate of the lending institution. The loan from Capitol National Bank was evidenced by a written instrument, subject to a due date, and bore the bank's usual and customary interest rate. However, there has been no demonstration that the loan was made on a basis which assured repayment. The promissory note, signed by Mr. Ferguson, shows that the loan was unsecured. There is no evidence that the Committee and the Bank entered into a written agreement whereby the Committee pledged future receipts to the bank, such as matching funds. See 11 C.F.R. § 100.7(b)(11)(i)(B)(1991). Furthermore, Mr. Ferguson's role as a member of the Bank's Executive Committee and Board of Directors suggests that the Bank may have given the Committee preferential treatment in obtaining the loan. The Committee admitted that the loan agreement was "arranged" by Mr. Ferguson and prepared "under his supervision." The circumstances of the loan suggest that the loan was not made in the ordinary course of business, and thus the loan constitutes a prohibited contribution.

Therefore, there is reason to believe that Capitol National Bank violated 2 U.S.C. § 441b(a).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Apollo Theater Patrons
253 West 125th Street
New York, NY 10027

RE: MUR 3492
Apollo Theater Patrons

Dear Apollo Theater Patrons:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Apollo Theater Patrons MUR: 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate.

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If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, Apollo Theater Patrons made primary election contributions totaling $4,263, or $3,263 in excess of limitations to the Jesse Jackson for President '88 Committee ("Committee"). The Committee did not refund the excessive portion. Therefore, there is reason to believe that Apollo Theater Patrons violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Mr. Samuel Weiner
451 West Broadway, #4J
New York, NY 10012

RE: MUR 3492
Samuel Weiner

Dear Mr. Weiner:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Samuel Weiner MUR: 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate.

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If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, Samuel Weiner made primary election contributions totaling $4,000, or $3,000 in excess of limitations to the Jesse Jackson for President '88 Committee ("Committee"). The Committee did not refund the excessive portion. Therefore, there is reason to believe that Samuel Weiner violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Ms. Armetia Pinkston
2703 Hatcher Street
Dallas, TX 75215

RE: MUR 3492
Armetia Pinkston

Dear Ms. Pinkston:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Armetia Pinkston MUR: 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate.

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If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, Armetia Pinkston made primary election contributions totaling $3,100 or $2,100 in excess of limitations to the Jesse Jackson for President '88 Committee ("Committee"). The Committee did not refund the excessive portion. Therefore, there is reason to believe that Armetia Pinkston violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Ms. Kim Naffa
7390 Kite Drive
Anaheim, CA 92807

RE: MUR 3492
Kim Naffa

Dear Ms. Naffa:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Kim Naffa MUR: 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate.

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If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, Kim Naffa made primary election contributions totaling $5,000, or $4,000 in excess of limitations to the Jesse Jackson for President '88 Committee ("Committee"). The Committee did not refund the excessive portion. Therefore, there is reason to believe that Kim Naffa violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Mr. Herb W. Lilly
126 Guerrero Street
San Francisco, CA 94103

RE: MUR 3492
Herb W. Lilly

Dear Mr. Lilly:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Herb W. Lilly MUR: 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate.

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If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, Herb W. Lilly made primary election contributions totaling $4,042, or $3,042 in excess of limitations to the Jesse Jackson for President '88 Committee ("Committee"). The Committee did not refund the excessive portion. Therefore, there is reason to believe that Herb W. Lilly violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DECEMBER 20, 1993

Mr. Steven W. Blood
11600 Dilling Street
Studio City, CA 91604

RE: MUR 3492
Steven W. Blood

Dear Mr. Blood:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Steven W. Blood MUR: 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate.

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If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, Steven W. Blood made primary election contributions totaling $3,450, or $2,450 in excess of limitations to the Jesse Jackson for President '88 Committee ("Committee"). The Committee did not refund the excessive portion. Therefore, there is reason to believe that Steven W. Blood violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

DECEMBER 20, 1993

Mr. Burgess Meredith
P.O. Box 757
Inglewood, CA 90265

RE: MUR 3492
Burgess Meredith

Dear Mr. Meredith:

On November 30, 1993, the Federal Election Commission found reason to believe that you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act."). However, after considering the circumstances of this matter, the Commission also determined to take no further action and closed its file as it pertains to you. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that making contributions in excess of limitations is a violation of 2 U.S.C. § 441a(a)(1)(A). You should take steps to ensure that this activity does not occur in the future.

The file will be made public within 30 days after this matter has been closed with respect to all other respondents involved. You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply with respect to all respondents still involved in this matter.

If you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Scott E. Thomas
Chairman

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Burgess Meredith MUR: 3492

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate.

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If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

According to information ascertained by the Federal Election Commission in the ordinary course of carrying out its supervisory responsibilities, Burgess Meredith made primary election contributions totaling $5,000, or $4,000 in excess of limitations to the Jesse Jackson for President '88 Committee ("Committee"). The Committee did not refund the excessive portion. Therefore, there is reason to believe that Burgess Meredith violated 2 U.S.C. § 441a(a)(1)(A).

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OGC 0125

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OFFICE OF GENERAL COUNSEL

94 JAN -7 AM 10:01

PATTON, BOGGS & BLOW
2550 M STREET, N.W.
WASHINGTON, D.C. 20037
(202) 457-6000

TRT TELEX: 197780
TELECOPIER: 457-6315

WRITER'S DIRECT DIAL
(202) 457-6094

January 6, 1994

The Honorable Scott E. Thomas, Chairman
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
ATTN: Frances B. Hagan

Re: MUR 3492-Jesse Jackson for President '88 Committee, and New Yorkers for Jesse Jackson '88 Committee

Dear Mr. Chairman:

This week I returned from the holidays to discover in my mail your letters dated December 20, 1993, addressed to Howard R. Renzi as Treasurer of the committees referenced in the above-named Matter Under Review ("MUR") 3492. I assume that these letters were sent to my office as I have served as counsel to the above-named committees to assist them in responding to the Commission's Interim and Final Audit Reports.

Reverend Jesse Jackson has asked that we request, on behalf of the committees, an extension of 30 days during which time the committees will prepare a response to your two letters dated December 20. Reverend Jackson will complete and transmit shortly a Designation of Counsel form authorizing such counsel to receive any notifications and other communications from the Commission during the pendency of MUR 3492.

Sincerely,

Kate Boyce

Katharine R. Boyce

KRB/ald

received
1/6/94

cc: Jesse L. Jackson

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06C#0703

SAM WIENER 186 SACHEMS [illegible]D ROAD GUILFORD CT 06437 [illegible]3 453-6533

3 January 1994

Scott E. Thomas, Chairman
Federal Election Commission
Washington DC 20463

Re: MUR 3492 / Samuel Weiner (sic)

Dear Mr Thomas:

Although the Federal Election Commission has closed its file as it pertains to me, I am writing to clear the record for myself as well as for the Jackson campaign, should that still be an open file. And even if all the files have been closed, I still want to have the facts go on record. I am a strong proponent of election reform, and certainly would not take part in any effort to circumvent the current regulations.

Here are the facts as I remember them five years later:

I sent the Jackson campaign a check for $2000 as a contribution from my wife, Maureen Gaffney Wiener, and myself -- $1000 each. I heard nothing from them for a long time, and did not find the check cleared promptly, which I thought odd. I contacted the office in an effort to straighten it out. Now, here is where my memory is vague. I believe that they had recorded and negotiated the check. But it may be that the check was lost and I issued a duplicate. If that is what happened, I most certainly would have put a stop order on the first one. If this was the case *and* my bank paid the stopped check, I would have caught it in the reconciliation. In any case, I am quite certain that the Jackson campaign got just $2000, not $4000, from me and my wife.

I would be very interested in seeing the documentation which leads you to conclude that I (we) contributed $4000. It must have come from the Jackson offices. All I can say is, they were a bit messed up at the time, and it is easy to picture some garbled records.

I appreciate your attention to this matter.

Sincerely yours,

Samuel Wiener Jr

Samuel Wiener Jr
(my legal name, and that on my bank account)

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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011
(202) 628-6600 • FACSIMILE (202) 434-1690

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January 18, 1994

Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: MUR 3492

Dear Commissioners:

By letter dated January 6, 1994, counsel to the Jackson '88 Committee and Reverend Jackson, Ms. Kate Boyce of Patton, Boggs & Blow, acknowledged receipt of your notification of reason to believe dated December 20, 1993, and requested an extension of time.

The Jackson respondents and Patton, Boggs & Blow have since concluded that Perkins Coie will act as lead counsel and that a new designation of counsel, acknowledging the change, would be filed with the Commission. A copy of that designation executed by Reverend Jackson is enclosed. The original will be forwarded to your office as soon as it is received from the client.

Perkins Coie received copies of the relevant papers the week of January 3 and assumed the role of lead counsel the following week, the week of January 10, 1994. The firm requires additional time beyond that requested in the January 6, 1994 letter by Ms. Boyce to examine the Commission's position and prepare the necessary response. The firm has already identified a number of questions of both law and fact which it will be required to address at length and which, in light of the scope and nature of the Commission's findings, warrant careful briefing and consideration by the Commission.

The Jackson respondents request, therefore, an extension of time to March 15, 1994. The Jackson respondents do not wish to enter into preprobable conciliation at this time but

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will utilize the time that it is seeking under this extension request for the preparation for a full response on all legal and factual issues.

Very truly yours,

Robert F. Bauer

RFB:dma

Enclosure

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 3492

NAME OF COUNSEL: Robert F. Bauer/Judith L. Corley, Perkins Coie

ADDRESS: 607 14th Street, NW, Suite 800
Washington, DC 20005

TELEPHONE: (202) 628-6600

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.

11/12/94
Date

Signature

RESPONDENT'S NAME: Jesse Jackson for President '88 Committee and New Yorkers for Jesse Jackson '88 Committee

ADDRESS: C/O Rainbow Coalition
1700 K Street, NW, Suite 800
Washington, DC 20006

HOME PHONE:

BUSINESS PHONE: (202) 728-1180

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

SENSITIVE

MEMORANDUM JANUARY 28, 1994

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

SUBJECT: MUR 3492
Request for Extension of Time

On November 30, 1993, the Commission found reason to believe that Jesse Jackson for President '88 and Howard Rensi, as treasurer, and New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated various provisions of the Federal Election Campaign Act of 1971, as amended. The Commission also found reason to believe that Jesse Jackson for President '88 and Howard Rensi, as treasurer, violated a provision of the Presidential Primary Matching Payment Account Act. In addition, the Commission offered to enter into conciliation negotiations prior to a finding of probable cause to believe and approved two conciliation agreements in settlement of the various violations at issue concerning these Respondent committees and their respective treasurers. Respondents were notified of the Commission's determinations by letter dated December 20, 1993.

The Commission's notification letter was mailed to the treasurer's address of record, which was that of Respondents' counsel during the audit process. Audit counsel, by letter dated January 6, 1994, requested a 30 day extension to respond to the Commission's reason-to-believe findings, and indicated that a designation of counsel statement would be submitted shortly. Attachment B. Thereafter, by letter dated January 18, 1994, newly retained counsel requested an extension until March 15, 1994, to respond to the Commission's reason-to-believe findings in the above referenced matter. Attachment A. Counsel explained that he received copies of the "relevant papers the week of January 3 and assumed the role of lead counsel the following week, the week of January 10, 1993." Id. at 1. Counsel further noted that the "scope and nature of the Commission's findings, warrant careful briefing and consideration." Id. Counsel concluded that "Respondents do not wish to enter into preprobable [cause] conciliation at this time." Id.

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First, this Office notes that Respondents' response was due January 18, 1994.[1] We realize, however, that this is a complex matter which involved an extensive audit pursuant to 26 U.S.C. § 9038, and that the violations are of uncommon magnitude. We further note that the newly retained counsel did not represent the committee during the audit process. Furthermore, counsel has stated that his clients are not interested in pursuing pre-probable cause conciliation, and that he will use the time to prepare "a full response on all legal and factual issues." Id. at 2. Given these factors, this Office recommends that the Commission grant a one-time extension to March 15, 1994, for the Respondents to respond to the Commission's reason-to-believe findings in this matter. Although this extension is longer than we would ordinarily recommend, it should enable counsel to produce a comprehensive legal and factual response which should facilitate efficient resolution of this matter. We will advise counsel in our notification letter that no further extensions to respond to the Commission's reason to believe findings will be granted.

RECOMMENDATIONS

1. Grant Jesse Jackson for President '88 and Howard Renzi, as treasurer, and New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, until March 15, 1994 to respond to the Commission's reason-to-believe findings in this matter.

2. Approve the appropriate letter.

Attachments
A. Request for Extension dated January 18, 1994
B. Request for Extension dated January 6, 1994

Staff Assigned: Frances B. Hagan

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1. Under current Commission practice the response due date is calculated from the date of receipt. Thus, since audit counsel's holiday vacation schedule apparently delayed receipt of the Commission's notification letter until January 3, 1994, the response due date was January 18, 1994.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Jesse Jackson for President '88 and Howard Rensi, as treasurer;	)	MUR 3492
New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer --	)	
Request for Extension of Time.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on February 3, 1994, the Commission decided by a vote of 6-0 to take the following actions in MUR 3492:

1. Grant Jesse Jackson for President '88 and Howard Rensi, as treasurer, and New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, until March 15, 1994 to respond to the Commission's reason-to-believe findings in this matter.

2. Approve the appropriate letter, as recommended in the General Counsel's Memorandum dated January 28, 1994.

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

Attest:

2-4-94
Date

Delores Hardy
for Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat:	Fri.,	Jan. 28, 1994	2:22 p.m.
Circulated to the Commission:	Mon.,	Jan. 31, 1994	11:00 a.m.
Deadline for vote:	Thurs.,	Feb. 03, 1994	4:00 p.m.

dh

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEBRUARY 9, 1994

Robert F. Bauer, Esquire
Perkins Coie
607 14th Street, N.W.
Suite 800
Washington, D.C. 20005

RE: MUR 3492
Jesse Jackson for President '88 Committee
and Howard Rensi, as treasurer
New Yorkers for Jesse Jackson '88
Committee and
J. Wesley Parker, as treasurer

Dear Mr. Bauer:

This is in response to your letter dated January 18, 1994, which we received the same day, requesting an extension until March 15, 1994, to respond to the Federal Election Commission's reason to believe findings and pre-probable cause conciliation proposal. After considering the circumstances presented in your letter, the Commission has granted the requested extension. However, this is to advise you that this is a one-time-only extension and there will be no other extensions granted to respond to the reason to believe findings in this matter. Accordingly, your response is due by the close of business on March 15, 1994.

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

Sincerely,

Frances B. Hagan (ASR)

Frances B. Hagan
Paralegal Specialist

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OGC #271

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the Jesse Jackson for President '88 Committee and New Yorkers for Jesse Jackson '88 Committee	MUR 3492

RESPONSE TO THE COMMISSION'S REASON TO BELIEVE FINDING

I. INTRODUCTION

Seven years after Jesse Jackson opened his presidential campaign and six years after he ended it, the Office of General Counsel ("OGC") has recommended, and the Commission has found, "reason to believe" that his campaign committees committed various violations of the Act

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Clearly, the action taken and result sought by the Commission in this case are extraordinary.

The OGC's Report, however, does not illuminate the reasons why the Commission has proposed extraordinary enforcement action. It runs only 19 pages in length, exclusive of exhibits. The narrative of the report consists largely of a recitation of alleged facts. Some parts of this recitation, it will be shown below, are inaccurate. Almost half of the report is devoted to an analysis of two loans totaling $38,000 and an advance by a partnership totaling slightly in excess of $5,000. Moreover, as shown below, the exhibits do not consistently add much by way of clarification.

Even if the facts presented by the OGC are taken to be true, its legal analysis is, on its own terms, faulty. For example, regulations are applied which were not in effect at the time that these supposed lending violations occurred. The OGC also advances an apparent theory about the allocation of evidentiary burdens which is not reflected in the regulations. In this and other ways, the OGC's analysis is flawed and does not support the result it reaches and the Commission voted to endorse.

It appears that the OGC and the Commission reached this result by separately identifying all violations and, then treating each one the same, computing their total "dollar value." Under-reported and over-reported dollars are treated

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the same and a lending violation for these purposes is treated as no different than one involving apparent failure to report properly a rebate or refund. A problem with the itemization of a small contribution is weighed on the same scale as a larger or even considerably larger contribution which was not itemized. A violation is a violation, each one no different -- no more or less serious -- than the other. And where the reporting of a payment to a particular vendor is deemed inadequate, because the statement of purpose falls short of the required specificity, all dollars associated with all instances of reporting to that vendor are lumped together to produce a violation "value." In this way, a single inadequate description becomes, by repetition, "millions" of dollars in violations.

Proceeding in this way the Commission can work to a quick result, in only 19 pages.

As demonstrated below, this result cannot be sustained as a matter of law. The Respondents will argue specifically the following --

1. The analysis of the OGC is marred by errors of law and inconsistencies. Much of the analysis of an allegedly illegal loan made to the Committee, such as the supposition that full collateral was required, rests on regulations not in

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effect at the time of the loan. Other assertions, such as those about possible "insider" influence over the loan, do not comport with either the regulations then in effect or even those later promulgated after careful consideration by the Commission -- including consideration of the question of "insider" involvement. Inconsistencies include the acceptance of Committee corrections and amendments on some issues, and yet a disregard of those amendments and corrections on others,

2. The internal inconsistencies in the Office's analysis are mirrored in external inconsistencies between the treatment of Jackson and other 1988 Presidential candidates on similar issues. Those inconsistencies implicate, in particular, the new enforcement policy adopted by the Commission in 1993. By the proposed action here the Commission fails to follow its own announced policy of "prioritizing" enforcement efforts so that the most important violations are addressed and disposed of with higher penalties than those assessed against committees committing lesser offenses. The "total dollar value" approach in particular serves only to inflate the apparent significance of the violations committed by the Committee

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6. The Commission may not conduct this proceeding in violation of 28 U.S.C. § 2462 prohibiting agency enforcement

proceedings commenced more than five years from the date that the alleged violations occurred.

II. ERRORS OF LAW: THE CAPITAL NATIONAL BANK LOAN

The OGC has made substantial errors of law in the treatment of the loan made to the campaign by Capital National Bank in the amount of $8,516.00 and repaid by the campaign on the 31st day thereafter. What the OGC concedes in its analysis of this loan is considerably more significant than what it disputes.

The OGC acknowledges that the loan was made for bona fide campaign purposes in support of the committee's organizing efforts in the State of Michigan.[2] It acknowledges also that in the manner required by statute, the loan was evidenced by a written instrument with a specific due date and that its repayment terms included a market-compatible interest rate. The OGC does not dispute that the loan was promptly repaid. Its concern is limited to the absence of collateral and the way in which the loan was arranged.

"Insider" Assistance

The involvement of Mr. Joel Ferguson, leader of the campaign's Michigan effort and also a Bank board member, raises the OGC's concern that the loan was made on a

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[2] Reverend Jackson conducted a vigorous campaign in Michigan and won the caucuses held by the Democratic party in that state to determine the preference of Michigan Democratic voters for President in 1988.

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preferential, "insider" basis. The OGC suggests that any "insider" assistance in securing the loan could violate the statutory requirement on bank lending "in the ordinary course of business." The regulations then in effect did not, however, suggest that a request made to a board member or assistance received from that board member would constitute somehow impermissible "insider" involvement in violation of the Act. Moreover, the regulations then in effect were reconsidered and new regulations were promulgated in 1991.[3] Those new regulations also did not prohibit the involvement of a bank board member in arranging for a loan otherwise lawful under the Act.

The Commission has had ample occasion to consider the role of so-called "insiders," most notably in the course of its review of the John Glenn presidential bank loans of 1984. Questions were also raised there about "insider" involvement in those loans which, totaling $2 million, were obviously considerably greater in amount than the $8,516 borrowed by the Jackson campaign.[4] The Commission, however, settled with the Glenn Committee over these loans without imposing any "civil

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[3] 56 Fed. Reg.67118 (December 27, 1991).

[4] Federal Election Commission v. Bank One, Columbus, N.A., et al. (Civil Action No. C2-86-102) (1987). It goes without saying also that the Glenn loans remain largely unpaid and that the Commission only recently by advisory opinion made special provision for Senator Glenn to use personal funds to repay the balance now fully a decade in arrears. FEC Advisory Opinion 1993-19, 1 Fed. Elec. Camp. Fin. Guide (CCH) ¶ 6099 (Nov. 15, 1993).

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penalty," requiring only a (not otherwise characterized) "payment" of $4,000. This payment represented .002% of the total amount of lending in question under the Act.

"Collateral"

The concern with collateral is also without merit. As stated, the regulations on which the Commission apparently relies in addressing collateral were not in effect at the time this loan was made, received and repaid. The Commission went about revising its regulations then in effect in subsequent years in recognition that they provided poor guidance and resulted in the sort of confusion which characterized the Glenn case. The Commission cannot, now years after the fact, apply to a loan made in 1987, regulations promulgated in 1991. The regulation then in effect did not require full security for the loan and the Commission on a number of occasions found unsecured loans to be in compliance with the then existing statutory requirements.

Also for this reason, the OGC cites to no persuasive affect that "there is no evidence that the Committee and the bank entered into a written agreement whereby the Committee pledged future receipts . . ." No such pledge to future receipts was required and the regulations which make provision for such pledges did not become law until several years after

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the events in question. The question is: Did this loan violate any known standards of the Federal Election Campaign Act at that time? The answer, clearly, is that it did not.

Ferguson Guaranty

The Commission also puts into issue a promissory note executed on behalf of the Committee by Mr. Ferguson. The OGC seeks to treat this promissory note as personal to Mr. Ferguson and, on that basis, to hold that the note represents an excessive contribution. The Committee has stated previously, and reiterates on this occasion, that Mr. Ferguson acted as an authorized agent of the Committee and executed the note in that capacity.

The circumstances surrounding the execution of the promissory note fully support this position. The Jackson campaign applied for and received the loan and the Jackson campaign made the repayment. All paperwork reflecting this transaction treated the Jackson campaign as the borrower. At all times, moreover, the Jackson campaign agent who negotiated the loans and executed documents on behalf of the campaign was Joel Ferguson. In the same way that Ferguson acted on behalf of the Committee in executing all other documents necessary to the loan, so it would stand to reason that -- absent clear evidence of the contrary -- Ferguson operated on behalf of the Committee also in executing the promissory note.

On another occasion involving another presidential campaign, but not yet publicly released, the Commission raised

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the same issue but reached a different conclusion. The circumstances are virtually identical. There, an individual close to the campaign arranged for a loan and executed, on behalf of the campaign, all of the necessary loan documentation. The documents submitted for his execution included a guaranty. The individual in question did not review the guaranty closely and executed standard-issue bank paperwork for a personal guaranty.

Nevertheless, it was apparent from all surrounding circumstances that he executed the guaranty on behalf of the campaign and that the bank in turn treated the guaranty as a campaign, not personal, guaranty.[5] Any guaranty signed would appear under the circumstances to have reflected a campaign, not personal, commitment and should be treated as such. The same result is compelled here.

Evidentiary Burdens

These issues relate in turn to still another one raised by the OGC in its analysis: the allocation of evidentiary burdens. The OGC notes at page 8 that "the Committee has failed to demonstrate that the loan was made in the ordinary course of business and on a basis which assured repayment." The OGC does not state why the burden for making this case

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[5] In that case, unlike this one, the individual in question identified himself below the signature lines as "attorney-in-fact". The cases should not somehow turn on the happenstance that a lawyer happened to be involved in the one matter and a nonlawyer in this one. In both cases, an individual close to the campaign made arrangements on behalf of the campaign and executed all necessary documents in the name of the campaign.

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rest with the Committee. The Committee produced at the outset undisputed documentation which shows that a loan was made to the Committee and used for campaign purposes and that it was reflected in a written instrument with a specific due date and a market-compatible interest rate. Moreover, the campaign repaid the loan promptly and in full -- 31 days after it was incurred. Little doubt can be entertained that the loan was made "on a basis which assures repayment." This is not a case, it is fairly noted, where the obligation incurred was substantial. The total amount borrowed and the full amount repaid (excluding interest, also repaid in the amount of $214) was $8,516.

III. ERRORS OF FACT AND ADDITIONAL DOCUMENTATION

Respondents today submit additional confirmation and documentation to address and correct erroneous assumptions in the OGC presentation, and to provide, toward the same goal of clarification, additional information on certain issues.[6] The result should be the elimination from the "tally" of violations 17 items with $10,531.91 in value.

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[6]Attached at Exhibits A through D.

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IV. COMMISSION COMPUTATION OF "VIOLATIONS"

The "Total Dollar" Approach

The Introduction notes that the General Counsel's Report proceeds with the identification of violation after violation, each violation apparently being treated as equal in weight to all others. Of particular significance for the outcome is the Commission's treatment of the alleged reporting violations.

The General Counsel's report opens

with a recitation of violations not uncommon in presidential campaigns.[7] The Commission found that the Committee received contributions from individuals and political committees in violation of the contribution limitations. The amounts at issue were not uncommon.[8] The Commission adds the violation determined by way of the promissory note executed by Mr. Ferguson, which the Respondents strongly contest on the law.[9] The Committee is also charged with accepting fairly small contributions in violation of the limits from a partnership and also a limited

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[7] Although noticeably missing is a violation common to many major presidential campaigns -- state spending limit problems. The Committee had no such problem.

[8] See, e.g., MUR 3309 (In the Matter of Dole for President Committee) (1993) ($239,131.81 in excessive contributions from 418 individuals). The excessive contributions in that case exceed the total found in the present one by almost $100,000.

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number of contributions in violation of the outright prohibition against contributions from corporations and labor organizations.

Nothing so far distinguishes the Committee's record from any other. But there follows then a curious additional series of calculations which tend to swell that record in a way which superficially, but not acceptably, supports the inflated penalty demand of the agency.

The Commission, in particular, arrives at a highly inflated tally of so-called "reporting" violations. Some, such as misstatements of financial activity in the form of overstatements or understatements of receipts and disbursements, involve relatively small amounts of money. Misstatements of receipts and disbursements in 1987 represent less than 1% of total financial activity reported for 1987. Others, relating to itemization errors or failures, appear as large scale offenses against statutory requirements, when, in fact, the character of the disbursement is obvious from the face of the report. The problem of the Commission here is one of proportion: No attempt is made to distinguish between large scale itemization failures and small ones; or between those expenditures whose purposes are truly unclear and those which are perfectly self-explanatory.[10]

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[10] See also, MUR 2072 (In the Matter of John Glenn Presidential Committee, Inc.) where the respondents paid a civil penalty of $30,000 in part on cumulative cash on-hand overstatements several hundred times the amounts alleged against the Jackson respondents.

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For example, the Commission exhibits note some 93 items totaling $5.4 million which lack an adequate statement of purpose. A closer look at the figures reveals the limitations of the Commission's approach. Fully 52% of the $5.4 million, or $2,842,941.21, is made up of payments to Austin and Associates -- the consulting firm owned and operated by Gerald Austin, the leading campaign strategist and media consultant for the Jackson campaign. Those curious about the identify of Austin and Associates could certainly find out. In fact, far from an obscure item few people could be expected to know about, Mr. Austin's role in the campaign was widely covered in the press. So it turns out that over half of the expenditures in question -- tallied by the Commission dollar for dollar -- consist of payments to the most important and best known vendor of the campaign.

Similarly, another 31% of the $5.4 million -- $1,663,268.63 -- are made up of payments to Changing America, the committee's direct mail firm. Once again, the firm name is clearly stated and those concerned about its identify could easily enough find out. Those familiar with the Jackson campaign would already know.

None of this is to suggest that the insertion of the word "direct mail" before the term "contracted services" would not have improved the disclosure of Changing America, or that the same degree of improvement would not have been accomplished by adding "political and media" to the entry on Austin and

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Associates. Those changes most certainly would have improved compliance. The larger question, however, is whether the tally conducted by the Commission to swell the statement of violation is justified when it is apparent that, as in the case of the payments to Mr. Austin, the payments to Changing America were payments to a core, well-known vendor of the campaign.

These payments to core vendors -- to Austin and Changing America -- make up fully 83% of the total number of dollars cited as involved in these itemization violations amounting in the aggregate to $5.4 million. The Commission's treatment of the facts would lead an average reader to conclude that somehow the $5.4 million represented 93 discrete improperly reported disbursements.

In fact, by the omission of five words -- "political and media" which would have properly prefaced the Austin "contracted services" and the words "direct mail" which would have properly prefaced the Changing America entries -- the Committee suddenly discovers that it has committed "$4.5 million" in improperly reported disbursements. Each dollar of each disbursement on each occasion that an expenditure is improperly reported in this fashion is added up, treated the same, and thrown on the pile along with all the others. The inflation in the stated number of violations is considerable and wholly unjustified.

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Similarly the FEC fails to distinguish between consequential and inconsequential reporting lapses. The use of the inadequate term "contracted services" affects 136 separate reporting entries totaling $167,488.92. A total of 62 payees are involved in this problem. But of this total, some 22% of these payees received less than $500. Fully 48% received less than $1,000. Yet again, each dollar is added to the next, each payee treated the same as the next. The FEC marches in this fashion toward a large number which obscures the character of the problem and leads in the fashion described to an unjust result.

<u>Inconsistent Treatment of Amendments</u>

The Commission also does not make clear the nature or significance of its concern with amendments filed by the Committee. For example, the OGC notes at page 13 that some 62% of the contributions received in 1988 for which itemization was required, totaling $1,023,135, were not itemized properly. It also acknowledges that the Committee filed amendments for 1988 which "substantially corrected the itemization errors." Successful amendments were not filed for 1987. But still the OGC treats each dollar associated with <u>each</u> of the itemization errors in <u>both</u> 1987 and 1988 as the same in computing the violations

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This goal is not advanced by the Commission's analysis

Senator Dole's committee was specifically found to have violated the spending limits in both Iowa and New Hampshire by a combined total of nearly $600,000. It can be granted that these state-by-state limits are controversial; that the Commission has recommended their repeal by Congress; and that many campaigns have justly complained that their application in practice has proved frustrating and impeded successful compliance. All the same, spending limits constitute a core regulation within the public financing scheme.[11] Over the years, major party candidates in particular have struggled with these limits which significantly affect their common will to seize the considerable advantage afforded by victories in

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[11] Likewise, the House and Senate are currently debating as a central feature of campaign finance reform spending limits for House and Senate elections. See, e.g., S.3 enacted June 17, 1993.

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Point of Comparison: The Dole Case

Over the time that the Commission considered the Jackson case, it also developed, began to apply and publicly announced new prioritization standards for enforcement. These standards not only stress more timely enforcement, but also the establishment and implementation of priorities. The Commission is seeking overall to rationalize its enforcement process by distinguishing the important from the less important and assuring that offenses are addressed in a timely fashion and in a manner proportionate to their character. Thus, Commissioner (then Chairman) Thomas stated:

> The early effect of our new approach is shown by several fairly large civil penalties paid this year, including one case that totaled more than $122,000 [the Dole case] and others totaling $64,000, $57,000, $45,000 and $40,000. If paying civil penalties was considered simply the cost of doing business in the past, that will change.

the small early states with the lowest limits. No one violation has drawn more attention from press and public or inspired more concern about the enforcement of the election laws than these early state spending limits.

Dole violated them, in both early states, and Jackson committed violations of these limits in neither.[12]

It is presented also by another point of difference in the treatment of the two candidates. The Jackson Committee stands charged with accepting contributions from corporations which total (on the facts assumed by the Commission) $20,000. Dole, however, made regular use of corporate aircraft and received the substantial benefits of corporate paid air travel which was either not reimbursed in full or at the rates required by Commission regulations. The Jackson Committee did not have this problem. In fact, Jackson could not have hoped to attract the type of corporate support eagerly offered to Senator Dole. Senator Dole accepted that support, but his committee did not follow the regulations which distinguish between the lawful acceptance of corporate air travel and the

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[12]Moreover, the violations found by the Commission in the Dole early-state efforts include the misuse of a supposed "multicandidate() committee," Campaign America, which supported those efforts with illegal in-kind contributions.

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impermissible acceptance of corporate air travel. This is no different from any other illegal corporate contribution.

For years the Commission has acknowledged that Section 441(b) of the Act, prohibiting corporate contributions, is essential to the Congress' plan for campaign finance regulation. The prohibition dates to the early part of our century and repeated efforts have been made by the Congress to broaden the scope of the prohibition and to improve its enforcement. A great concern of the provision is that corporations will utilize their vast wealth to influence the conduct of elections.[13] Exceptions have been made, including the exception for corporate air travel, but the exceptions are carefully conditioned. At least one reform organization has called for the exception to be abolished and the press has closely followed the way the exception has been used and the threat it is widely believed to present for an electoral process free of illicit corporate influence.

These considerations strongly favored action against Senator Dole commensurate with the threat posed by these types of contributions. As in the case of the state-by-state limits, it is difficult to see how large a part if any these violations played in the overall settlement reached with the Dole Committee. But no one could come away from a review of the settlement agreement with the conviction that the Senator

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[13] See Robert E. Mutch, Campaign, Congress and the Courts (1988) at 108, 165-83.

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had been harshly treated on this score.

As noted, the problem with the Commission's treatment of this case lies in the way in which the reporting violations are computed. The Commission reaches impressive numbers in computing total violations, but it does so by treating every violation the same. The Dole audit serves as a useful point of comparison on this count as well. The Dole Committee failed to report the activity of most of the delegate committees operating on its behalf nationwide. As the OGC noted in the Dole enforcement proceeding, "many of the delegate committees filed some of the required disclosure reports. However, most of the delegate committees failed to file all of the required reports." MUR 3309, OGC Rep't (1991) at 32, n.23. The question presented here is not one of completeness of reporting, but of complete omission of the required financial disclosure.

Moreover, the Commission's prioritization standards would call for some consideration of the significance of the agency's enforcement of delegate committee activity. The Commission in 1984, only four years before the Dole Presidential campaign, addressed a major claim by candidate Gary Hart over the alleged illegal operation of delegate

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committees established to support his opponent, Walter Mondale. At that time, the organization and operation of these delegate committees were treated as crude devices for evading the state-by-state spending limits of the statute. The Mondale campaign "repaid" over $300,000 in delegate committee expenditures.

Thus, Dole was on notice about the significance of delegate committee operation and the role of proper delegate committee activity within the overall Commission scheme of enforcement. Still the Dole Committee did not properly report the activities of its delegate committees and the delegate committees for which he was responsible did not prepare proper records, did not maintain those records, did not file the required reports in all cases and in some cases did not report at all.[15]

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[15] While the total amount of money identified by the Commission as unreported by the delegate committees is relatively modest, on the order of $50,000, the point here is one of principle not only of money.

Pages 23 - 40 deal with the Commission's proposed conciliation of the case.

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IX. THE STATUTE OF LIMITATIONS HAS RUN

Federal law contains an absolute statute of limitations on actions brought by federal administrative agencies to assess penalties for violations of federal law or regulation. 28 U.S.C. 2462 states in particular:

> Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued if, within the same period, the offender or the property is found within the United States in order that proper service may be made thereon.

On March 4, 1994, the United States Court of Appeals for the District of Columbia Circuit in 3M Company v. Browner, 1994 U.S. App. LEXIS 3726 (D.C. Cir. Mar. 4, 1994) affirmed the application of this provision to all administrative agency actions to enforce federal law or regulation by processes which may result in the imposition of a civil penalty. The case involved an action brought by the Environmental Protection Agency, which the respondent in the matter resisted on the grounds that it was brought more than five years from the date that the violations in question occurred. The court considered a series of objections to the application of the statute and rejected all of them.

The court first confirmed that the statute of limitations applied to agency administrative proceedings, as well as individual proceedings. The court then rejected the claim by EPA that the statute applied only to actions to collect

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penalties already assessed and determined that the statute also applied to proceedings which assess or impose the penalty. The court also dismissed the suggestion that the statute ran only from the date that the violations were discovered by the administrative agency and determined instead that the statute ran from the date of the violation. In rejecting the "discovery rule," the court stated:

> We reject the discovery of violation rule EPA advocates as unworkable; outside the language of the statute; inconsistent with judicial interpretations of § 2462; unsupported by the discovery of injury rule adopted in non-enforcement, remedial cases; and incompatible with the functions served by a statute of limitations in penalty cases.

Slip Op. at 19.

Section 2462 plainly bars the action proposed by the Commission against the Jackson Respondents. All of the violations alleged by the Commission are based on reports filed in 1987 or 1988, but the agency's reason to believe finding was issued on December 20, 1993. Thus, the agency action occurred impermissibly six years after the 1987 alleged violations and more than five years after the violations alleged to have occurred in 1988.[28] For these reasons also, this action cannot stand.

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[28] The operation of statutes of limitations such as Section 2462 are not simply a technical defense. Board of Regents v. Tomanio, 446 U.S. 478, 487 (1980). Rather, they properly reflect the legislative judgment that after a prescribed period, even if one has a valid claim, a defendant's interest in repose and protection from loss of evidence prevails over the

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Respectfully Submitted,

Robert F. Bauer /M.E.E.

Robert F. Bauer
Marc E. Elias
PERKINS COIE
607 - 14th Street, N.W.
Suite 800
Washington, DC 20005-2011
(202) 628-6600

Attorneys for Jesse Jackson for President '88 Committee and New Yorkers for Jesse Jackson '88 Committee

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right to enforce. United States v. Kubrick, 444 U.S. 111, 117 (1979); Order of Railroad Telegraphers v. Railway Express Agency, Inc., 321 U.S. 342, 349 (1944). Such limitations provide potential defendants with security against stale claims and with freedom to plan without fear of potential future liability. Wilson v. Johns-Manville Sales Corp., 684 F.2d 111, 118-19 & nn. 40-41 (D.C. Cir. 1982). Statutes of limitations also reflect the concern that loss of evidence, "'whether by death or disappearance of witnesses, fading memories, disappearance of documents, or otherwise,'" seriously impairs the search for truth. Id. (quoting Kubrick, 444 U.S. at 117).

EXHIBIT A

2504365303

Jesse Jackson '88

MASS COLLECTION TRANSMITTAL FORM

MINISTERS OF THE A.M.E. CHURCH
2421 LANG ROAD
COLUMBIA, SC 29204

AMOUNT: 4050.00

DATE: 2.12.88

TYPE: CASHIERS, CHECK

THE AMOUNT IN QUESTION REPRESENTS A TRANSMITTAL OF FUNDRAISING PROCEEDS. IT IS NOT A CONTRIBUTION FROM MY PERSONAL FUNDS. A BRIEF DESCRIPTION OF THE SOURCE OF THE FUNDS FOLLOWS.

SIGNED: Bishop F.C. James

SOURCE OF FUNDS (DATE OF EVENT, TYPE OF EVENT, ETC.) :

SEE ATTACHED

Authorized and Paid for by Jesse Jackson '88 Committee, Howard Rossi, Treasurer

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JESSE JACKSON FOR PRESIDENT - 1988
FUND RAISING CAMPAIGN
PIEDMONT CONFERENCE
AME CHURCH - SOUTH CAROLINA
NOVEMBER, 1987

CONTRIBUTOR	AMOUNT	ADDRESS	OCCUPATION	EMPLOYER
Rev. W. J. Jefferson	$ 100.00	109 Green Avenue Greenville, SC 29601	Clergy	AME Church
Rev. J. F. Pope	100.00	678 Gage Street Greenwood, SC 29646	Clergy	AME Church
Rev. J. W. James	100.00	808 South Fant Street Anderson, SC 29621	Clergy	AME Church
Rev. C. R. Richburg	100.00	9507 Martindale Road Columbia, SC 29206	Clergy	AME Church
Rev. W. B. Williams	100.00	1308 Ogleby Street Greenwood, SC 29646	Clergy	AME Church
Rev. J. R. Glover	100.00	112 Williams Street Laurens, SC 29360	Clergy	AME Church
Rev. W. W. Adger, Jr.	100.00	1701 S. McDuffie St. Anderson, SC 29621	Clergy	AME Church
Rev. J. J. Robinson	100.00	Post Office Box 931 Abbeville, SC 29620	Clergy	AME Church
Rev. Casey Childs, II	100.00	Post Office Box 357 Fountain Inn, SC 29644	Clergy	AME Church
Rev. W. P. Gambrell	100.00	Route 13, Sunnyview Dr. Greenville, SC 29611	Clergy	AME Church
Rev. R. A. Houston	100.00	Route 3, Box 41 Gray Court, SC 29645	Clergy	AME Church
Rev. Andrew Jones	100.00	Route 2, Box 353 Gray Court, SC 29645	Clergy	AME Church
Rev. Carnell Morton	100.00	Post Office Box 638 Laurens, SC 29360	Clergy	AME Church

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JESSE JACKSON FOR PRESIDENT - 1988
FUNDRAISING CAMPAIGN
PIEDMONT CONFERENCE
AME CHURCH - SOUTH CAROLINA
NOVEMBER, 1987

CONTRIBUTOR	AMOUNT	ADDRESS	OCCUPATION	EMPLOYER
Rev. C. W. Norton	$ 100.00	120 Williams Street Greenwood, SC 29646	Clergy	AME Church
Rev. Wayman Coleman, III	100.00	Route 1, Box 130-A Bradley, SC 29819	Clergy	AME Church
Rev. W. L. Hunter	100.00	Route 3, Box 286 Clinton, SC 29325	Clergy	AME Church
Rev. J. L. Wilson	100.00	Route 1, Jameson Dr. Piedmont, SC 29673	Clergy	AME Church
Rev. Lovern Witherspoon	100.00	131 Valley Road Greenwood, SC 29646	Clergy	AME Church
Rev. William B. Brown	100.00	Post Office Box 82 Newberry, SC 29108	Clergy	AME Church
Rev. Phillip C. Anderson	100.00	Route 2, Box 379-B Greenwood, SC 29646	Clergy	AME Church
Rev. Larry Nelson	100.00	Post Office Box 24 Greenwood, SC 29646	Clergy	AME Church
Rev. Boyd E. McCraney, Jr.	100.00	100 Mountain Fork Taylors, SC 29687	Clergy	AME Church
Rev. L. N. Howard	100.00	Route 5, Box 311 Sumter, SC 29150	Clergy	AME Church
Rev. Lindsey E. Crumlin	100.00	Post Office Box 50226 Columbia, SC 29250	Clergy	AME Church
Rev. R. L. Johnson	100.00	318 John Street Anderson, SC 29621	Clergy	AME Church
Rev. H. N. Louden	100.00	Route 1, Box 485-B Ninety Six, SC 29666	Clergy	AME Church
Rev. W. P. Black	100.00	Route 2 Abbeville, SC 29620	Clergy	AME Church

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JESSE JACKSON FOR PRESIDENT 1988
FUND RAISING CAMPAIGN
PIEDMONT CONFERENCE
AME CHURCH - SOUTH CAROLINA
NOVEMBER, 1987

CONTRIBUTOR	AMOUNT	ADDRESS	OCCUPATION	EMPLOYER
Rev. P. L. Stackhouse	$ 100.00	Route 2, Box 258 Donalds, SC 29638	Clergy	AME Church
Rev. Effson C. Bryant	100.00	Post Office Box 1098 Abbeville, SC 29620	Clergy	AME Church
Rev. Phillip Washington	100.00	Route 4, Box 338-AA Abbeville, SC 29620	Clergy	AME Church
Rev. W. Utsey, Jr.	100.00	Post Office Box 1109 McCormick, SC 29835	Clergy	AME Church
Rev. Richard Harkness	100.00	4220 Highland Park Dr. Columbia, SC 29204	Clergy	AME Church
Mr. Calvin Tolbert	100.00	207 New Market Street Apartment 43-A Greenwood, SC 29646	Clergy	AME Church
Rev. Paul Wharton	100.00	129 Wheffield Drive Piedmont, SC 29673	Clergy	AME Church
Rev. Judy Paul	100.00	Route 2, Box 260 Iva, SC 29655	Clergy	AME Church
Rev. Larry Merrill	100.00	Route 2, Box 355 Gray Court, SC 29645	Clergy	AME Church
Rev. Odell Wharton	50.00	116 Woodland Drive Fountain Inn, SC 29644	Clergy	AME Church
Rev. J. W. Paul	50.00	Route 2, Box 672 Iva, SC 29655	Clergy	AME Church
Rev. Michael Ruff	50.00	1128 Turner Street Newberry, SC 29108	Clergy	AME Church
Rev. W. N. Norman, Jr.	50.00	Post Office Box 3184 Greenwood, SC 29648	Clergy	AME Church

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JESSE JACKSON FPR PRESIDENT - 1988
FUND RAISING CAMPAIGN
PIEDMONT CONFERENCE
AME CHURCH - SOUTH CAROLINA
NOVEMBER, 1987

CONTRIBUTOR	AMOUNT	ADDRESS	OCCUPATION	EMPLOYER
Rev. Sandra Smith	$ 50.00	401 Walnut Street Greenwood, SC 29646	Clergy	AME Church
Rev. Eloise Gary	50.00	Post Office Box 51 Plum Branch, SC 29845	Clergy	AME Church
Rev. James Rouse	50.00	Post Office Box 847 McCormick, SC 29835	Clergy	AME Church
Rev. Anthony Dunlap	50.00	Huntington Apts A-3 Greenwood, SC 29646	Clergy	AME Church
Rev. A. R. Stokes	50.00	Route 1, Box 55 McCormick, SC 29835	Clergy	AME Church
	$4,050.00			

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Jesse Jackson '88

MASS COLLECTION TRANSMITTAL FORM

REV TIMOTHY F EVANS
6724 IRONWOOD AVENUE
GARY IN 46403

AMOUNT: $1000.00

DATE: 2 2 88

TYPE: CASHIER'S CHECK

THE AMOUNT IN QUESTION REPRESENTS A TRANSMITTAL OF FUNDRAISING PROCEEDS. IT IS NOT A CONTRIBUTION FROM MY PERSONAL FUNDS. A BRIEF DESCRIPTION OF THE SOURCE OF THE FUNDS FOLLOWS.

SIGNED: _____

SOURCE OF FUNDS (DATE OF EVENT, TYPE OF EVENT, ETC.) :

Rev. Timothy F. Evans, my husband, passed away one year ago.
To my knowledge this contribution was not from his personal funds.

Mae Evans, Wife

Authorized and Paid for by Jesse Jackson '88 Committee, Howard Renzi, Treasurer

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You can count on me for the following:

Enclosed is my contribution to elect Jesse Jackson President:

☐ $25 ☐ $50 ☐ $100 ☐ ____

☐ $250 ☐ $500 ☐ $1000 ☑ ____

Make checks payable to: Jesse Jackson for President, '88 Committee

Jesse Jackson '88 President Committee

Federal election laws require us to provide the following information:

NAME Rev. Timothy F Evans

ADDRESS 6724 Ironwood Ave

CITY & STATE Gary, Ind. ZIP 46403

EMPLOYER Ivan Bulen Baptist Ch.

OCCUPATION Min. Ste

HOME PHONE ____ WORK PHONE ____

I will help with fundraising ☐ /recruiting others ☑

30 W. Washington St., Suite 300
Chic.

191

BANK ONE

311049

Rev Timothy F. Evans
PURCHASER

Feb. 22,1988
DATE

PAY TO THE ORDER OF

Jessie Jackson

The sum of $ 1 00 and 00 cts ***$1,000.00

1st Congressional Dist. Gary, Ind.

Esther Rocha
AUTHORIZED SIGNATURE
Esther Rocha

TWO SIGNATURES

AMOUNT $

1 M 2 B 3 D 4 P 5 A 6 A

Jesse Jackson '88

MASS COLLECTION TRANSMITTAL FORM

MS MARY JONES
672 SAINT NICHOLAS AVENUE
NEW YORK, NY 10030

AMOUNT: 727.65

DATE: 10.8.87

TYPE: MONEY ORDER

THE AMOUNT IN QUESTION REPRESENTS A TRANSMITTAL OF FUNDRAISING PROCEEDS. IT IS NOT A CONTRIBUTION FROM MY PERSONAL FUNDS. A BRIEF DESCRIPTION OF THE SOURCE OF THE FUNDS FOLLOWS.

SIGNED: Mary Jones

SOURCE OF FUNDS (DATE OF EVENT, TYPE OF EVENT, ETC.) :
(RAFFLES, BUS OUTTINGS, BAKE SALES) Dates can't remember

>50436530041

Authorized and Paid for by Jesse Jackson '88 Committee, Howard Renzi, Treasurer

Jesse Jackson '88

MASS COLLECTION TRANSMITTAL FORM

Ms Phyllis Lynch
609 Baldwin Avenue
Charlotte, NC 28204

AMOUNT: 1120.00

DATE: 3.10.88

TYPE: Money Order

THE AMOUNT IN QUESTION REPRESENTS A TRANSMITTAL OF FUNDRAISING PROCEEDS. IT IS NOT A CONTRIBUTION FROM MY PERSONAL FUNDS. A BRIEF DESCRIPTION OF THE SOURCE OF THE FUNDS FOLLOWS.

SIGNED: Phyllis D. Lynch

SOURCE OF FUNDS (DATE OF EVENT, TYPE OF EVENT, ETC.) :

3-5-88 Pass the hat at The United House of Prayer Church no single donation over $25.00. Money was counted, money order purchased & sent to D.C. office of Jackson 88.

Any further info needed please call me at 704-399-2275

Authorized and Paid for by Jesse Jackson '88 Committee, Howard Renzi, Treasurer

25043653042

Jesse Jackson '88

MASS COLLECTION TRANSMITTAL FORM

LILLIAN KESSLER
5366 CROWN COURT
CASTRO VALLEY, CA 94552

AMOUNT: $ 2,399.01

DATE: 6.7.88

TYPE: CHECK

THE AMOUNT IN QUESTION REPRESENTS A TRANSMITTAL OF FUNDRAISING PROCEEDS. IT IS NOT A CONTRIBUTION FROM MY PERSONAL FUNDS. A BRIEF DESCRIPTION OF THE SOURCE OF THE FUNDS FOLLOWS.

SIGNED: Lillian Kessler

SOURCE OF FUNDS (DATE OF EVENT, TYPE OF EVENT, ETC.) :
A PARTY HONORING JESSE JACKSON HELD AT THE CONVENTION CENTER IN HAYNARD, CA. PROCEEDS REPRESENT TICKET SALES, RAFFLES AND FOOD.

>50436530043

Authorized and Paid for by Jesse Jackson '88 Committee, Howard Renzi, Treasurer

Jesse Jackson '88

MASS COLLECTION TRANSMITTAL FORM

MS BRENDA WILLETT
117 PINE STREET
NACOGDOCHES, TX 75961

AMOUNT: 56.88

DATE: 3.9.88

TYPE: CASHIER'S CHECK

THE AMOUNT IN QUESTION REPRESENTS A TRANSMITTAL OF FUNDRAISING PROCEEDS. IT IS NOT A CONTRIBUTION FROM MY PERSONAL FUNDS. A BRIEF DESCRIPTION OF THE SOURCE OF THE FUNDS FOLLOWS.

SIGNED: Brenda Willett

SOURCE OF FUNDS (DATE OF EVENT, TYPE OF EVENT, ETC.) :

Around the first week of March 1988, several people in Nacogdoches, Texas picked up some campaign buttons and bumper stickers, and they wanted to make some small cash donations to the Jackson campaign. I obtained a money order for the total of those donations ($56.88) and mailed it to the Jackson campaign, since the Jackson headquarters in Austin, Texas had supplied the buttons, bumper stickers, and some paper flyers. Several people went door-to-door passing out flyers before the Democratic Primary.

Authorized and Paid for by Jesse Jackson '88 Committee, Howard Renzi, Treasurer

)50436530404

Jesse Jackson '88

MASS COLLECTION TRANSMITTAL FORM

MR JOSEPH L WILLIAMS
1730 DOULTON AVENUE
HUNTINGTON, WV 25701

AMOUNT: 199.00 AND 139.15

DATE: 5-1-88

TYPE: MONEY ORDER

THE AMOUNT IN QUESTION REPRESENTS A TRANSMITTAL OF FUNDRAISING PROCEEDS. IT IS NOT A CONTRIBUTION FROM MY PERSONAL FUNDS. A BRIEF DESCRIPTION OF THE SOURCE OF THE FUNDS FOLLOWS.

SIGNED: Joseph L. Williams
Treasurer

SOURCE OF FUNDS (DATE OF EVENT, TYPE OF EVENT, ETC.) :

Bean dinner, sale of buttons, etc. during the weeks immediately prior to the election (primary) in W. Va. were the source of funds. These were not personal contributions on my part.

>50436530045

Authorized and Paid for by Jesse Jackson '88 Committee, Howard Renzi, Treasurer

Total Amount of Contributions: $ [redacted]

Number of Contributors: Proceeds from fundraiser (3/19/88)

Number of Checks forwarded: 1 (one) money order

JJ'88 For President Campaign (West Virginia)
~~Huntington Committee~~
(Organization's name)

P.O. Box 12
(Address)

Huntington, W. Va. 25706-0012
(City State Zip code)

Jack E. Williams
(Name of person submitting this report)

NOTE: Send original with checks to National Office. Send a copy to WV Treasurer at the letterhead address above along with copies of the checks.

Authorized by JESSE JACKSON for PRESIDENT '88 CAMPAIGN/West Virginia, Richard E. Jones, Jr., Treasurer.

1150

BANK MONEY ORDER

NOT VALID FOR OVER $1,000.00

No. 96905

FOR Proceeds from fundraiser DATE March 24, 1988

PAY TO THE ORDER OF JJ'88 For President [redacted] $ *289.18*

FIRST HUNTINGTON NATIONAL BANK 289 dollars 18 cents

THE FIRST HUNTINGTON NATIONAL BANK
HUNTINGTON, WEST VIRGINIA 25706
ISSUING AGENT

SENDER'S SIGNATURE Jack E. Williams
ADDRESS Huntington, W.Va. JJ'88 Pres. Comm.
P.O. Box 12
Huntington, W.Va. 25706-0012

TWO SIGNATURES
AMOUNT $
CHECK #

1	2	3	4	5	6
M	A	D	P	A	A

ACCT. NAME 1st Huntington National Bank

EXHIBIT B

2 5 0 4 3 6 5 3 0 4 7

MICHAEL CARR 250 00

270 BENEDICT CANYON DR
BEVERLY HILLS CA 90210

9 30 89 · 002 1000.00 NSF / 1703
5 17 88 · 711 250.00 / 2044 250 00

1703

MICHAEL J. CARR
GWENDOLYN CARR
270 BENEDICT CANYON
BEVERLY HILLS, CA 90210
(213) 273-2562

Sept 27 1989

$ 1,000.00

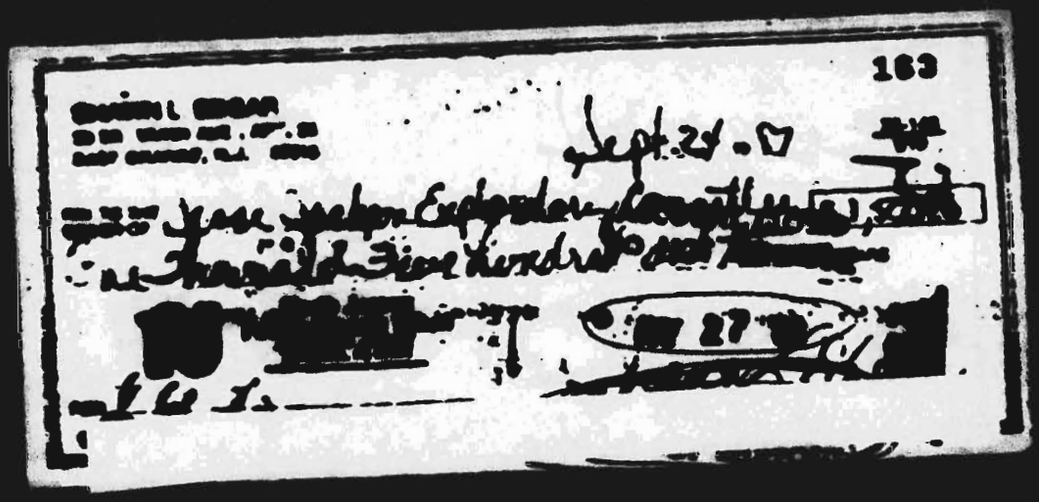
Our Thanks

SECURITY PACIFIC NATIONAL BANK
9000 WILSHIRE BLVD.
BEVERLY HILLS, CALIFORNIA

27707 4500827 02

CONTROL 1703

>50436530 48



SHAWN L EDGAR

NEW-ORLEAN STONE $00 00

9330 WILDER STREET
OAKLAND, CA 94605

4 27 88 - 703 1000 00 NSF
7 7 88 - 702 500 00

5 10 88 NSF
5 31 88 REDEPOSITED
6 28 88 NSF

ACCOUNT CLOSED - CHECK WAS
NOT REDEPOSITED AT THIS TIME

250436530

[redacted]

JUN 1 1988 166

12 88

PAYMENT

J J 88 , 220.00

Two hundred

CITICORP SAVINGS

[redacted]

[redacted]

107

APR 15 1988

15 88

RETURNED WITH FUNDS

$ 100.00

One

[redacted]

[redacted]

WILFRED STONE
NEW-ORALEAN STORE
555 LANDER ST.
OAKLAND, CA 94608

174

APR 19 1988

4-19 88

JESSE Jacksb

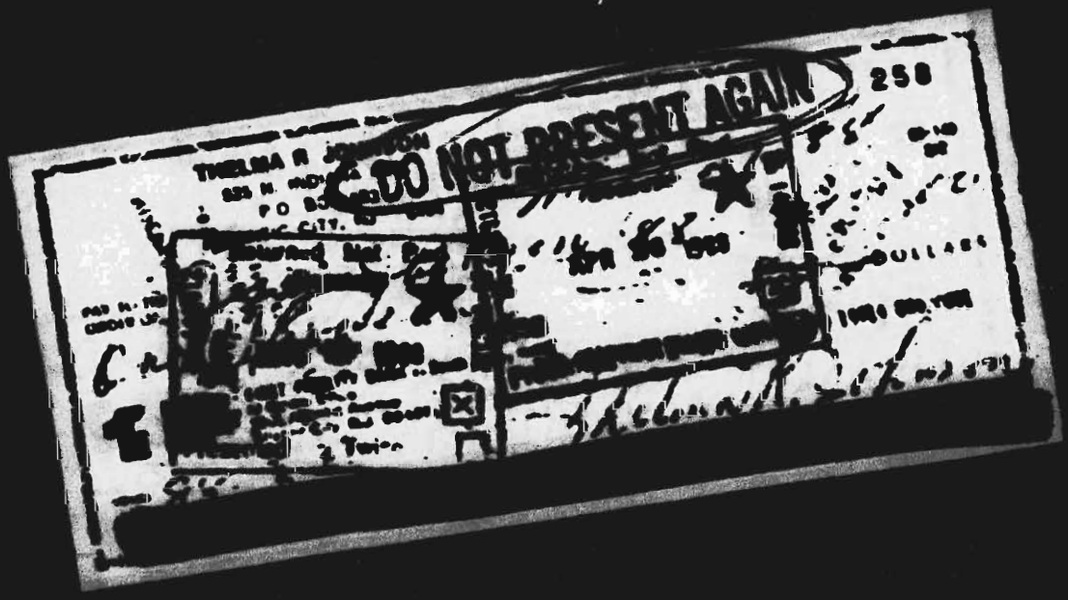
1000 00

One thousand

CITICORP SAVINGS

[redacted]

[redacted]


DO NOT PRESENT AGAIN
258

TERRI TAYLOR 200 00

12[illegible] EUCA [illegible] #4
HAWTHORNE, CA 90250

3.25.88 - 711 200.00 NSF /2916
5.17.88 - 705 1000 00 /2950 86 00

3.31.88 NSF
4 11 88 REDEPOSITED
5 16 88 NSF

DOES NOT APPEAR TO HAVE BEEN
REDEPOSITED AFTER 2ND NSF

>50436530053

Real Estate

CURTIS C. TROUPE
LILLIAN D. TROUPE
8633 SUNSET BLVD.
LOS ANGELES, CA 90069

MAR 23 1988 0832

3-19-88

Not Final

Pay to the Order of Jackson [illegible] $ 200.00

Two hundred dollars and 00/100 Dollars

[illegible] 1456 033088 140200 90-3900 00536

First Interstate Bank

First Interstate Bank of California
Beverly Hills Office
9301 Wilshire Boulevard
Beverly Hills, CA 90210

For Curtis C. Troupe

[redacted]

MAR 24 1988

WELLS FARGO BANK 2797

10-2/1220

DRAWN AGAINST UNCOLLECTED FUNDS

PAY TO THE ORDER OF

[illegible] 1456 [illegible] Christine M. Hughes

MEMO Tickets

[redacted]

[redacted]

TERRI TAYLOR Donated for James Watson 90067 2916
1930 Century Park W
[redacted]
NEW EUCALYPTUS, NO. 4
HAWTHORNE, CA 90250

MAR 25 1988 3/18 88

Pay to the Order of Jesse Jackson Camp. Fund $ 200.00

Two hundred dollars Dollars

0097 1146 033088 140200 90-3900

Bank of America
Branch and Power Branch 0044
P.O. Box 2000
Los Angeles, CA 90051

Entertainment Dept. Terri Taylor

[redacted]

0504365305 4

REPORTED AS
SAMUEL [illegible]
MAUREEN [illegible]

1-2/210
BRANCH 6

SAMUEL WIENER JR. and MAUREEN GAFFNEY WIENER
451 WEST BROADWAY APT 4F
NY NY 10012

212

PAY Two Thousand DOLLARS

TO THE ORDER OF	DATE		CHECK NO.	CHECK AMOUNT
Jesse Jackson for President	4-26-88	MEMORANDUM CK # 205 DTD 3-17-88	212	2000 00

Samuel Wiener Jr.

THE CHASE MANHATTAN BANK, N.A.
BROADWAY at FRANKLIN STREET, New York, N.Y. 10013

34

TWO SIGNATURES _____
AMOUNT $ _____
CHECK # _____

1	2	3	4	5	6
[illegible]	P	E	P	A	[illegible]

ACCT. NAME _____

203

DOLLARS

UNCOLLECTED FUNDS

203

20000 200000

233

4 APRIL

DOLLARS

444

4-13-56

AP OF 35

THE FIRST NATIONAL BANK OF CHICAGO
PAY ANY BANK P.E.O.

AP OF 14

THE FIRST NATIONAL BANK OF CHICAGO
PAY ANY BANK P.E.O.

AP OF 16

THE FIRST NATIONAL BANK OF CHICAGO
PAY ANY BANK P.E.O.

PAY ANY BANK
CHICAGO

STEVEN DIFIORE 50 00

PO BOX [illegible]

HOBOKEN NJ 07030

PER AUDITORS

[illegible] 3 87 - 0024 1000.00 NSF / 314 [illegible]

[illegible] 7 88 - 507 50 00 / 1075 [illegible]

* NOT IN 002

1000 00 LOCATED IN 001

>50436530058

EXHIBIT C

2504365305 9

003073

JESSE JACKSON FOR PRESIDENT
30 W. WASHINGTON ST.
CHICAGO, IL 60602

INDEPENDENT BANK OF CHICAGO
Chicago, IL

3-122/710

FOR PRESIDENT '88 COMMITTEE

FIVE HUNDRED AND ~~~

PAY TO THE ORDER OF
MANUFACTURERS [illegible] TRUST CO.
FOR DEPOSIT ONLY
LEONTYNE PRICE
1026063 4705-65
0709 7 4 4 6 6

PAY ANY BANK OR
MANUFACTURERS
HANOVER TRUST
[illegible]
1-30 5 1-30

JE 27 09

003073

JE '86 27

950436530 6

SCHEDULE B-P
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the detailed summary page

PAGE 1 OF (total pages) 1

LINE NUMBER 23a

NAME OF COMMITTEE (in Full)
Jesse Jackson for President '88 Committee

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

NAME, ADDRESS, CITY, STATE, ZIP CODE	PURPOSE OF DISBURSEMENT / DISBURSEMENT FOR: Primary General Other (specify)	DATE (MONTH, DAY, YEAR)	AMOUNT OF EACH DISBURSEMENT THIS PERIOD
LEONTYNE PRICE 1133 BROADWAY NEW YORK NY 10010	CONTRIBUTION REFUND ☒ Primary ☐ General ☐	4-22-88	500.00
	☐ Primary ☐ General ☐		
	☐ Primary ☐ General ☐		
	☐ Primary ☐ General ☐		
	☐ Primary ☐ General ☐		
	☐ Primary ☐ General ☐		
	☐ Primary ☐ General ☐		
	☐ Primary ☐ General ☐		
	☐ Primary ☐ General ☐		
SUBTOTAL OF DISBURSEMENTS THIS PAGE (optional)			
TOTAL THIS PERIOD (last page this line number only)			500.00

C00375602

EXHIBIT D

2 5 0 4 3 6 5 3 0 6 3

NOT THE SAME PEOPLE.

EDDIE L. CLARK, III
ATTORNEY AT LAW

IN PAYMENT FOR: Campaign contribution

3-3
310

3133

PAY Five hundred ——— 00/100 DOLLARS

DATE	TO THE ORDER OF	CHECK NO.	AMOUNT	
3/3/88	Jesse Jackson for President	3133	500 00	charity

GENERAL ACCOUNT

Eddie Lee Clark III

Mellon Bank

[redacted]

TWO SIGNATURES ———

AMOUNT $ 500.00

CHECK # 3133

1	2	3	4	5	6
D	A	D	A	A	F

ACCT. NAME ———

F. 3

EDDIE L. CLARK 1593

3.1- 19 FS

PAY TO THE ORDER OF [illegible] $ [illegible]

[illegible] DOLLARS

CONTINENTAL BANK

[redacted]

TWO SIGNATURES _____

AMOUNT $ 1 [illegible] 00

CHECK # 1593

1	2	3	4	5	6
K	P	D	P	A	P

ACCT. NAME _____

100.00

All Money Orders Indicate Contributions Are From Husband And Wife

(... envelope provided.)

To: Jesse Jackson

From: Mr. Joseph E. Weisz
1114 North Edgemont Street #4
Los Angeles CA 90029

1225

15

3141C

YES, JESSE, YOU CAN COUNT ON ME AGAIN!

Your big victory on "Super Tuesday" proves that Jesse Jackson is the candidate of all the people. I'm enclosing my maximum extra gift to JESSE JACKSON '88 to help you go all the

PERSONAL MONEY ORDER
NOT VALID OVER $1000.00

CALIFORNIA FEDERAL
HOLLYWOOD OFFICE
4705 SUNSET BOULEVARD
LOS ANGELES, CA 90027

005 0022293
005 005022293
10-7081/3220

**********100*DOLLARS*00*CENTS*

PAY TO THE ORDER OF JESSE JACKSON DATE 031888

REMITTER JOSEPH -&- ELAINE WEISZ

CALIFORNIA FEDERAL SAVINGS AND LOAN: LOS ANGELES, CALIFORNIA

AUTHORIZED SIGNATURE

[redacted]

TWO SIGNATURES _____ AMOUNT $ _____

1 2 3 4 5 6

M A D P A A

CHECK # 022293

ACCOUNT NAME _____

0 5 0 4 3 6 5 3 0 6 6

file p. 32

TRIPLE HEADER • ROUND 1

Jesse Jackson '88
FOR PRESIDENT

Yes, Jesse, I want to help you win the "Big State" primary elections in New York, Pennsylvania, and Ohio—so you can bring new hope and new leadership to the American people. Here's my special contribution for:

[ ] $300 for all three elections
[ ] $100 for New York primary
[ ] $_____

3941CA

Mr. Joseph E. Weisz
1114 North Edgemont Street
Los Angeles, CA 90029

09

PLEASE RETURN THIS CARD BY APRIL 11

Please make your personal check payable to "JESSE JACKSON '88"—and be sure to complete the other side of this card.

>50436530067

PERSONAL MONEY ORDER
NOT VALID OVER $1000.00

CALIFORNIA FEDERAL
HOLLYWOOD OFFICE
4705 SUNSET BOULEVARD
LOS ANGELES, CA 90027

005 0023267
001 005023267
10-7001/3230

**********300*DOLLARS*00*CENTS*

PAY TO THE ORDER OF ***JESSE JACKSON '88

DATE 041188

REMITTER JOSEPH AND ELANE WEISZ

CALIFORNIA FEDERAL SAVINGS AND LOAN: LOS ANGELES, CALIFORNIA

AUTHORIZED SIGNATURE

[redacted]

TWO SIGNATURES _____ AMOUNT $ _____

1	2	3	4	5	6
M	A	D	P	A	A

CHECK # 023267

112 · Federal

Mr. Jos. Weisz
414 N. Edgemont
Los. Angeles CA
90029

16 XXX

WASHINGTON, DC
(PM)
7 MAR
1988

NO POSTAGE
NECESSARY
MAILED IN THE
UNITED STATES

NATIONAL
MONEY ORDER
VOID $1000.00

CALIFORNIA FEDERAL
HOLLYWOOD OFFICE
4700 SUNSET BOULEVARD
LOS ANGELES, CA 90027

0012 0021837
005021837

16-7001/3220

**********100**DOLLARS**00**CENTS**

030588

JESSE JACKSON '88

DATE

JOSEPH & ELAINE WEISZ

CALIFORNIA FEDERAL SAVINGS AND LOAN, LOS ANGELES, CALIFORNIA

AUTHORIZED SIGNATURE

TWO SIGNATURES _____ AMOUNT $ _____

1	2	3	4	5	6
M	B	D	P	A	A

Check # _____

ACCOUNT NAME _____

p. 32

29XXX

09

2504365306 9

CASHIER'S CHECK

CALIFORNIA FEDERAL

HOLLYWOOD OFFICE

LOO DOLLARS 00 CENTS

TWO SIGNATURES _____ AMOUNT $ _____

1 2 3 4 5 6

B D P A A

MBDPAA

CHECK # 006238

ACCOUNT NAME CALIFORNIA FEDERAL

1988 Democratic Convention Issues Survey

PLEASE COMPLETE AND RETURN WITHIN 10 DAYS

INSTRUCTIONS:

A) Read each question carefully. Mark your survey with the answer that honestly reflects your opinion. Be sure to answer the questions on both sides of your survey.

B) After answering each question, return your completed 1988 Democratic Convention Issues Survey and your special contribution in the enclosed postage-paid envelope. Please do so in the next 10 days.

C) IMPORTANT: Please read the Political Contribution Information on the back and add your occupation and employer's name to the survey label.

D) Please complete and return this survey within 10 days.

Thank you from the bottom of my heart,

REGISTRATION NUMBER: [redacted]

SURVEY REGISTRATION INFORMATION

NAME	Mr. Joseph E. Weisz - - - 06
ADDRESS	1114 North Edgemont Street
CITY	Los Angeles — STATE CA — ZIP CODE 90029
Important: Please enter the requested contribution information here.	
OCCUPATION	Retired — EMPLOYER [redacted]

SONAL
EY ORDER

CALIFORNIA FEDERAL

HOLLYWOOD OFFICE
4766 SUNSET BOULEVARD
LOS ANGELES, CA 90027

005 0026811
021 005026811

**********300**DOLLARS**00**CENTS**

****JESSE JACKSON '88****

071288

DATE

JOSEPH & ELAINE WEISZ

CALIFORNIA FEDERAL SAVINGS AND LOAN: LOS ANGELES, CALIFORNIA

AUTHORIZED SIGNATURE

[redacted]

od for the hungry, homes for
e homeless, and jobs for the

TWO SIGNATURES _____ AMOUNT $ _____

1	2	3	4	5	6
M	B	D	P	A	A

CHECK # 026 811

ACCOUNT NAME Calif. Federal

BUSINESS REPLY

MR. JOSEPH E. WEISZ
1114 NORTH EDGEMONT STREET
LOS ANGELES CA 90029

06 91918

PERSONAL MONEY ORDER

CALIFORNIA FEDERAL
HOLLYWOOD OFFICE
4705 SUNSET BOULEVARD
LOS ANGELES, CA 90027

005 0023697
001 005023697

**********100*DOLLARS*00*CENTS*

PAY TO THE ORDER OF ***JESSE JACKSON '88

DATE 042288

REMITTER JOSEPH AND ELAINE WEISZ

CALIFORNIA FEDERAL SAVINGS AND LOAN: LOS ANGELES, CALIFORNIA

AUTHORIZED SIGNATURE

[redacted]

TWO SIGNATURES _____ AMOUNT $ _____

1	2	3	4	5	6
M	xb	D	P	A	A

CHECK # 023697

ACCOUNT NAME California Federal

30

100 00

(7) AIDS

It's time for leadership in the White House on this tragic epidemic which threatens the very fabric of our civilization. It's time for programs targeted at people most at risk [illegible]

(10) EDUCATION

The price to the state of four years of education for one person could be about $20,000, while imprisoning that person for four years would [illegible]

PERSONAL MONEY ORDER

NOT VALID OVER $1000.00

CALIFORNIA FEDERAL

HOLLYWOOD OFFICE
6765 SUNSET BOULEVARD
LOS ANGELES, CA 90027

0019366

TC 005019366

16-7001/3220

**100*DOLLARS*00*CENTS*

JESSE JACKSON '88

010488

PAY TO THE ORDER OF

DATE

100977

[redacted]

PERMITTED

CALIFORNIA FEDERAL SAVINGS AND LOAN, LOS ANGELES, CALIFORNIA

[redacted] 1 B DPAA

Contribution.

(4) Personal checks or money orders of up to $250 qualify for Federal matching if they are accompanied by the contributor's name, full address, occupation and employer's name.

100977

Your occupation

Your employer RETIRED

Your employer's city and state

JESSE JACKSON FOR PRESIDENT '88 900 SHERWOOD ROAD, N.E. P.O. BOX 15420 WASHINGTON, D.C. 20003

9504365307 2

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT
JAN 8 5 34 PM '94

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Jesse Jackson for President '88 Committee	)	MUR 3492
	)	
New Yorkers for Jackson '88 Committee	)	
	)	
Howard Renzi, as treasurer	)	
	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was generated by an audit initiated by the Commission pursuant to 26 U.S.C. § 9038(a) to determine whether Jesse Jackson for President '88 Committee, New Yorkers for Jackson '88 and Howard Renzi, as treasurer ("Respondents") complied with the Federal Election Campaign Act of 1971, as amended ("the FECA" or "the Act") and the Presidential Primary Matching Payment Account Act ("Matching Fund Act"). The Commission found reason to believe that the Respondents violated a number of provisions of the FECA, the Matching Fund Act and Commission Regulations, and also determined to enter into pre-probable cause conciliation with Respondents on November 30, 1993. The violations include, inter alia, filing inaccurate disclosure reports totaling in excess of eleven million dollars, accepting excessive contributions totaling over $192,000, and accepting improper bank loans.

II. ANALYSIS

A. Summary of Arguments

In their lengthy submission, Respondents assert that the Commission's action "cannot stand as a matter of law." Attachment A at pages 3 and 42. However, with one exception, Respondents do

9504365307 3

not contest the substance of the Commission's findings in this matter.[1] Instead, they raise an assortment of constitutional and procedural arguments as a defense.

In this report, we address Respondents' arguments, concluding that they are based upon erroneous premises and thus are without merit. Accordingly, we recommend that the Commission deny Respondents' request to take no further action against them.

B. Discussion

1. Respondents' only substantive argument involves a bank loan valued at $8,716, which they contend was made in the ordinary course of business. See discussion at pp. 11-13.

)5043653074

Pages 3 - 9 deal with the Commission's proposed conciliation of the case.

2504365307 5

Statute of Limitations

In 3M v. Browner, 17 F.3d 1453 (D.C. Cir. 1994), the Court of Appeals for the District of Columbia Circuit held that the five year statute of limitations at 28 U.S.C. § 2462 barred assessment of civil penalties for any violations committed by 3M more than five years before the Environmental Protection Agency ("EPA") commenced its proceedings under 15 U.S.C. § 2615. 3M at 19.[9] The court held that for purposes of statutes of limitations, the

---

9. The five year statute of limitations provides: "Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued...." 28 U.S.C. § 2462.

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government's claim "first accrued" at the time of the violations. Relying on 3M, Respondents argue that since the reports at issue were filed in 1987-88, the Commission's action is time-barred.

As we concluded in MUR 3360, Section 2462 does not apply to Commission investigations and conciliation proceedings. These matters are not adjudicatory and the Commission neither assesses nor imposes civil penalties. See the General Counsel's Report in MUR 3360 (Jack Kemp for President), dated April 12, 1994; Occidental Life Ins. v. Equal Employment Opportunity Commission, 432 U.S. 355 (1977) (Outside statute of limitation held inapplicable where conciliation is mandated by statute, and Congress intended that informal resolution through conciliation be attempted before resort to federal courts); see also Capozzi v. United States, 980 F.2d 872, 874-875 (2d Cir. 1992)(Section 2462 applies only to adjudicatory actions to collect civil penalties). Finally, even if Section 2462 would apply, no claim has yet to accrue as the Commission cannot file civil suit on the merits until after a finding of probable cause and completion of the statutorily mandated conciliation period. See United States v. Meyer, 808 F.2d 912, 919 (1st Cir. 1987).

Bank Loan

The sole specific reason-to-believe finding challenged by Respondents concerns a bank loan of $8,716 (principle and interest) from the Capitol National Bank in Lansing, Michigan, in March 1988.[10] As noted in the First General Counsel's Report, the

10. Respondents do not discuss the questioned Drexel Bank loan totaling $30,000.

9504365307 7

Capitol National Bank loan was arranged by a bank director who also volunteered for the Jackson campaign. 2 U.S.C. § 441b(a). The bank director/campaign volunteer obtained the promissory note in his own name, without securing it either by traditional forms of collateral or by the pledge of future receipts. 2 U.S.C. § 431(8)(B)(vii).

Respondents challenge the Commission's findings with regard to this loan on several grounds. First, Respondents argue that the Commission incorrectly based the violation on "insider" assistance in securing the loan. They argue that such assistance was not prohibited by regulations then in effect or by new regulations promulgated in 1991. However, contrary to Respondents' suggestion, the Commission has pursued loans on the grounds that campaigns have received preferential treatment by banks at the behest of bank officials involved with the campaign. See MURs 1689 and 2194 (the 1984 John Glenn cases).

In this case, it appears that Respondents, needing funds to begin the Michigan operations, did not wait for proceeds from instate fundraising or even a transfer from the national account. Instead, Respondents acquired immediate funding in the form of a loan obtained through the bank official who also ran the Michigan campaign. Thus, although insider participation alone may not taint the transaction, in this instance it appears that the bank director used his position to obtain funds for the Respondents more quickly than otherwise available. Such expedited loan activity is not within the ordinary course of business, and is prohibited under 2 U.S.C. § 441b(a).

9504365307 8

Respondents assert that the Commission's "concern with collateral is also without merit." Attachment A at 8. They argue that Commission regulations did not require full security for loans and that the Commission occasionally found unsecured loans to be in compliance with the Act. Respondents also argue that regulations did not require a pledge of future receipts until years after the Committee's loan was made.

Contrary to Respondents' arguments that discount the importance of loan collateral as a basis for assuring repayment, the Commission has long considered the type and sufficiency of collateral offered by the borrower to guarantee repayment of the loan. Along with traditional forms of collateral such as real estate mortgages and stocks, the Commission has for years allowed, with certain stipulations, that future expectation of campaign receipts can serve as an adequate basis to assure repayment of a loan. See MUR 1098 Walter Flowers for U.S. Senate Committee (1979), MUR 215/239 James R. Sasser (1976) and MUR 1725 Citizens and Southern National Bank, First National Bank of Atlanta, Democratic Party of Georgia (1986). The Commission's approval of expected matching funds payments as collateral for loans was well established long before regulations regarding the pledge of future receipts were promulgated in 1991. See MUR 382 Brown for President (1977), MUR 1195 Kennedy for President (1980), and Advisory Opinion 1980-108 John Anderson for President. Thus, concern for loan collateral as a factor in establishing the propriety of bank loans is well documented in prior Commission

9 5 0 4 3 6 5 3 0 7 9

actions.[11]

Summary

As we have shown herein, Respondents' arguments do not establish that this matter cannot stand. In view of the foregoing, this Office recommends that the Commission deny Respondents' request for dismissal. Moreover, as Respondents have made no effort to conciliate and in fact indicated that they are not interested in conciliating at this time, this Office will proceed to the next enforcement stage. The General Counsel's Brief will be forthcoming.

III. RECOMMENDATIONS

1. Deny the request to take no further action by the Jesse Jackson for President '88 Committee, New Yorkers for Jackson '88 Committee, and Howard Renzi, as treasurer.

2. Approve the appropriate letter.

Date 7/8/94

Lawrence M. Noble
General Counsel

Attachment
A. Request for dismissal

Staff assigned: Frances B. Hagan
Xavier K. McDonnell

---

11. Respondents also challenge the Commission's treatment of the loan acquired by the bank director/Jackson volunteer's personal promissory note as an excessive contribution by the bank director. Respondents assert that the Jackson campaign applied for the loan. Although there is evidence the Committee repaid the loan, the promissory note documenting the transaction shows only the bank director's name and signature.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Jesse Jackson for President '88 Committee;	)	MUR 3492
New Yorkers for Jackson '88 Committee;	)	
Howard Renzi, as treasurer.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 14, 1994, the Commission decided by a vote of 6-0 to take the following actions in MUR 3492:

1. Deny the request to take no further action by the Jesse Jackson for President '88 Committee, New Yorkers for Jackson '88 Committee, and Howard Renzi, as treasurer.

2. Approve the appropriate letter, as recommended in the General Counsel's Report dated July 8, 1994.

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

Attest:

7-14-94
Date

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

Received in the Secretariat:	Fri.,	July 08, 1994	5:34 p.m.
Circulated to the Commission:	Mon.,	July 11, 1994	11:00 a.m.
Deadline for vote:	Thurs.,	July 14, 1994	4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 22, 1994

Robert F. Bauer, Esquire
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3492
Jesse Jackson for President '88 Committee
Howard Renzi, as treasurer
New Yorkers for Jesse Jackson '88 Committee
J. Wesley Parker, as treasurer

Dear Mr. Bauer:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, on November 30, 1993, the Federal Election Commission found reason to believe your clients, the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 26 U.S.C. § 9033(a) of the Presidential Primary Matching Payment Account Act, Chapter 96 of Title 26, U.S. Code. In addition, on November 30, 1993, the Commission found reason to believe that your clients, the New Yorkers for Jesse Jackson '88 Committee and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a), and 434(b). At the same time, the Commission offered your clients conciliation agreements in settlement of this matter. In response to the Commission's findings a Motion to Dismiss was submitted on your clients' behalf. The Commission has reviewed your motion in this matter, and on July 14, 1994, rejected it.

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

The Commission may or may not approve the General Counsel's recommendations. Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief (ten copies if possible) stating your position on the issues and replying to the

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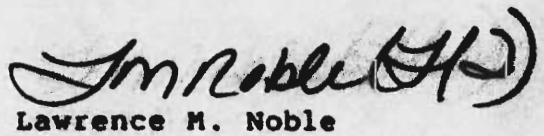
brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of the General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe violations have occurred.

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

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

Should you have any questions, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,



Lawrence M. Noble
General Counsel

Enclosure
Brief

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Jesse Jackson for President '88 Committee	)	MUR 3492
Howard Renzi, as treasurer	)	
New Yorkers for Jackson '88 Committee	)	
J. Wesley Parker, as treasurer	)	

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On November 30, 1993, the Federal Election Commission found reason to believe that Jesse Jackson for President '88 Committee, New Yorkers for Jackson '88 and Howard Renzi, as treasurer ("the Committee"), violated 2 U.S.C. §§ 434(b), 441a(f), and 441b(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act" or "FECA"), and 26 U.S.C. § 9033(a) of the Presidential Primary Matching Payment Account Act ("Matching Fund Act").[1] The Commission also found reason to believe that the New Yorkers for Jesse Jackson '88 Committee, and J. Wesley Parker, as treasurer, ("New York Committee"), an authorized committee of the Jesse Jackson for President '88 Committee, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a), and 434(b). The violations include, inter alia, filing inaccurate disclosure reports totaling in excess of eleven million dollars, accepting excessive contributions totaling over $192,000, and accepting improper bank loans.

1. This matter was generated by audits initiated by the Commission pursuant to 26 U.S.C. § 9038(a) to determine whether the Respondents and the New York Committee complied with the FECA and the Matching Fund Act.

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The Commission also offered to enter into conciliation with these Respondents prior to findings of probable cause to believe and approved two conciliation agreements in this matter. In response to the Commission's findings of reason to believe and proposed preprobable cause conciliation offers, Respondents submitted a Motion to Dismiss ("Motion"). In their lengthy Motion, Respondents assert that the Commission's action "cannot stand as a matter of law." However, although Respondents raised an assortment of constitutional and procedural arguments as a defense, they did not contest the substance of the vast majority of these violations.

II. ANALYSES OF VIOLATIONS
JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

A. Excessive Contributions from Individuals and Non-registered Organizations

Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

Under 2 U.S.C. § 441a(f), no candidate or political committee shall knowingly accept any contribution or make any

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expenditure in violation of the limitations set forth in section 441a of the Act. Furthermore, no officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under section 441a of the Act.

11 C.F.R. § 103.3(b)(3) provides that contributions which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).[2]

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2. The requirements that excessive contributions be refunded within sixty days, and that corporate contributions be refunded within thirty days, became effective April 8, 1987. Prior to that time, the Commission's regulations provided that such refunds must be made within a reasonable time. See 11 C.F.R. § 103.3(b) (1987). In this case, at least six contributions were received before April 1987.

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The audit of the Jesse Jackson for President '88 Committee identified excessive contributions of $157,801.88 received by the Committee from 322 individuals. Of this amount, the Committee made refunds totaling $41,865 to 100 contributors. These refunds, made between 198 and 659 days of deposit, were not timely in accordance with 11 C.F.R. § 103.3(b)(3). Excessive contributions totaling $115,936.88 from 222 individuals remain unresolved.

In addition, the audit identified excessive contributions received by the Committee from eight non-registered organizations totaling $21,928.71. There is no indication that the Committee has refunded any of these apparent excessive contributions.

Therefore, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 441a(f) in connection with the receipt of $157,801.88 in excessive contributions from individuals and $21,928.71 in excessive contributions from non-registered organizations.

B. Prohibited Contributions

Under 2 U.S.C. § 441b(a), it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election for federal office, or for any political committee knowingly to accept such a contribution.

The Audit identified 13 contributions received by the Committee from corporations and labor organizations totaling $20,525. The Committee failed to provide evidence to demonstrate that these contributions were not prohibited contributions.

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Based on the foregoing, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 441b(a).

C. Committee Reporting and Recordkeeping Violations

1. Misstatement of Financial Activity

2 U.S.C. § 434(b)(1) requires that each report filed under this section of the Act shall disclose the amount of cash on hand at the beginning of the reporting period. 2 U.S.C. § 434(b)(2) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the categories set forth in subsections 434(b)(2)(A) through (K). Finally, 2 U.S.C. § 434(b)(4) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the categories set forth in subsections 434(b)(4)(A) through (I).

The Committee's 1987 disclosure reports initially misstated financial activity as follows: (1) reported receipts were overstated by $1,139.75; (2) reported disbursements were overstated by $19,728.67; and (3) reported ending cash was understated by $18,588.92. Amended reports for 1987 financial activity filed on January 30, 1990, contained the following misstatements: (1) reported receipts were overstated by $2,247.65; (2) reported disbursements were overstated by $11,933.77; and (3) reported ending cash was understated by $9,686.12. The Committee

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failed to file further amendments to correct the misstatements of 1987 financial activity.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the misstatement of financial activity.

2. **Reporting of Contributions Received from Political Committees**

2 U.S.C. § 434(b)(3)(B) requires that each report filed under section 434 of the Act shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification", in the case of any person other than an individual, means the name and address of such person.

The audit review of contributions received by the Committee from party committees, other political committees and non-registered organizations for 1987 and 1988 revealed 70 contributions totaling $134,583.71 which the Committee failed to itemize as required by the Act. Also, six contributions from political committees and non-registered organizations were incorrectly itemized as contributions from individuals. In addition, the Committee incorrectly itemized as contributions from individuals one transfer from an authorized committee and one receipt from a state account.

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In amended reports for 1987 and 1988 filed on October 19, 1989, the Committee corrected the initial reporting errors with the exception of 20 contributions totaling $46,183.71 from other political committees and non-registered organizations. The Committee failed to amend reports to correct the remaining reporting errors.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report contributions received from political committees in accordance with the Act.

3. Reporting of Contributions Received from Individuals

2 U.S.C. § 434(b)(3)(A) requires that each report filed under section 434 of the Act shall disclose the identification of each person other than a political committee who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification", in the case of an individual, means the name, mailing address and the occupation of such individual, as well as the name of his or her employer.

The audit review of contributions received by the Committee from individuals indicated that 69% of the contributions received during 1987 requiring itemization were not itemized, and that 62% of the contributions received during 1988 requiring itemization

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were not itemized. The minimum estimates of contributions received from individuals that were not itemized are $86,729.83 for 1987 and $1,023,135.08 for 1988.

The Committee's amended reports filed October 19, 1989, substantially corrected the itemization errors for 1988, but resulted in an error rate of 61% for 1987. The Committee has failed to further amend its reports to correct the itemization errors for 1987.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report contributions received from individuals in accordance with the Act.

4. Reporting of Disbursements

2 U.S.C. § 434(b)(4)(A) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all expenditures made to meet candidate or committee operating expenses. 2 U.S.C. § 434(b)(5)(A) requires that each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure. Under 11 C.F.R. § 104.3(b)(4), "purpose" means a brief statement or description of why the disbursement was made. Examples of

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statements or descriptions which do not meet the requirement to report the purpose of an expenditure include: "advance", "election day expenses", "other expenses", "expenses", "expense reimbursement", "miscellaneous", "outside services", "get-out-the-vote" and "voter registration". 11 C.F.R. § 104.3(b)(4)(i)(A)(1987).

The audit review of reported disbursements made from the Committee's national and state bank accounts revealed 2,498 disbursements totaling $2,960,004.84 which were not itemised as required by the Act.

In addition, the Committee's reports revealed 718 disbursements totaling $1,852,651.25 from the Committee's national and state bank accounts which lacked the disclosure information required by the Act. These reporting errors primarily involved the failure to disclose the purpose of the disbursement in accordance with the requirements of the Act and the Regulations. Amended reports filed by the Committee on October 19, 1989, included 943 disbursements totaling $6,101,330.48 which lacked the disclosure information required by the Act.

The Committee noted that most of the incorrectly itemized disbursements involved payments to two large vendors, the Committee media consultant and direct mail firm. The Committee argued that the firm names were clearly stated and that the public could easily find out the vendors' identities and function during the campaign. Although such arguments could be considered mitigating, they do not vitiate this substantial disclosure violation.

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Therefore, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report disbursements in accordance with the Act.

5. Reporting and Recordkeeping for Refunds, Rebates and Offsets to Expenditures

2 U.S.C. § 434(b)(2)(I) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all rebates, refunds and other offsets to operating expenditures. 2 U.S.C. § 434(b)(3)(F) requires that each report filed under section 434 of the Act shall disclose the identification of each person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of such receipt.

Under the Matching Payment Act and Commission Regulations, Presidential candidates seeking federal funds for their primary election campaigns must agree to keep and furnish to the Commission all documentation relating to disbursements and receipts including any books, records, and other information that the Commission may request (including bank records for all accounts) and all documentation required to be maintained. 26 U.S.C. § 9033(a); 11 C.F.R. § 9033.1(b)(5) and 11 C.F.R. § 9033.11.

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During the audit process, the Committee provided very little documentation to support Committee refunds and rebates. As a result, the Committee received at least $91,939.06 in refunds and rebates for which no documentation was provided.

In addition, the Committee failed to provide documentation necessary to verify the amounts billed to the press for air travel. Thus, the audit's limited review of billings and receipts for press travel identified $101,352.33 in apparent receivables from press organizations and $34,683.20 in apparent overpayments by press organizations.

Furthermore, the Committee failed to itemize 124 offsets totaling $235,128.36 on its initial disclosure reports for 1987 and 1988. A review of the Committee's amended reports revealed that the Committee failed to itemize 36 offsets totaling $66,083.41.

Based on the foregoing, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with the Committee's failure to report rebates, refunds and other offsets to expenditures in accordance with the Act. This Office is also prepared to recommend that the Commission find probable cause to believe that Jesse Jackson for President and Howard Renzi, as treasurer, violated 26 U.S.C. 9033(a) by failing to keep and furnish records and other documentation.

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D. Unreported Loan Activity

Under 2 U.S.C. § 434(b)(2)(H), each report filed under Section 434 of the Act shall disclose for the reporting period and calendar year the total amount of all receipts from all loans other than loans made by or guaranteed by the candidate. 2 U.S.C. § 434(b)(3)(E) provides that each report filed under Section 434 of the Act shall disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount or value of such loan.

Under 2 U.S.C. § 441b(a), it is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to any political office or for any political committee knowingly to accept such a contribution. 2 U.S.C. § 441b(a) further prohibits any officer or director of any corporation or any national bank to consent to any contribution prohibited by Section 441b(a) of the Act.

2 U.S.C. § 431(8)(B)(vii) excludes from the definition of contribution any loan of money by a state bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii) further provides that such a loan shall be made on a basis which assures repayment, evidenced by a written instrument, subject to a

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due date or amortization schedule, and shall bear the usual and customary interest rate of the lending institution.

The audit noted two instances of unreported loan activity. First, the Committee failed to report receipt and repayment of a loan received from the Capitol National Bank in Lansing, Michigan, on March 16, 1988 in the amount of $8,497.24. Second, the Committee failed to report a loan received from Drexel National Bank of up to $30,000.

(i) Capitol National Bank/Joel Ferguson

Documents reviewed during the audit showed that the Committee's Michigan state account issued a check to Capitol National Bank on April 20, 1988 in the amount of $14,081.17. The stated purpose of the check was to repay a loan ($8,497.24) and interest ($219.04) plus $5,364.89 for repayment of campaign expenses incurred by the F&S Development Company (F&S). F&S is an unincorporated partnership owned in part by Joel Ferguson, a campaign volunteer who was charged with opening the Michigan primary campaign for the Committee. The Committee maintained that the failure to disclose the receipt and repayment of the loan "was due solely to the hurried nature of the Michigan primary campaign's establishment."

In addition, to failing to report this loan activity, the Committee failed to show that the loan was made in the ordinary course of business. The loan was arranged by its volunteer Joel Ferguson, who was at the time a member of the Executive Committee and Board of Directors of Capitol National Bank. The Committee stated that Mr. Ferguson "undertook" to make the necessary

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loan arrangements from Capitol National Bank so as to provide the campaign with "immediate operating resources before instate Michigan fundraising could begin or transfers from the national account could be negotiated and obtained." The loan agreement was prepared under Mr. Ferguson's supervision. The Committee asserts that loan was "in writing and reflected terms and conditions consistent with the prevailing market and entirely appropriate for a transaction of this scale." It further notes that the loan was promptly repaid by the Committee with full interest at prevailing market rates in slightly more than 30 days.

The Act provides that a loan made in accordance with applicable law and in the ordinary course of business is excluded from the definition of a contribution if the loan is made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and bears the usual and customary interest rate of the lending institution.

Although the loan from Capitol National Bank was evidenced by a written instrument, subject to a due date, and bore the bank's usual and customary interest rate, the Committee has failed to demonstrate that the loan was made in the ordinary course of business and on a basis which assured repayment. Mr. Ferguson, the bank director who was also a campaign volunteer, signed the loan document in his own name, without securing it either by traditional forms of collateral or by the pledge of future receipts. 2 U.S.C. § 431(8)(B)(vii). Thus, it does not appear that the loan was made on a basis which assured repayment.

In addition, the Committee admitted that the loan agreement

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was "arranged" by Mr. Ferguson and prepared "under his supervision" at a time when it needed funds to begin its Michigan operations. Rather then waiting for proceeds from instate fundraising or even a transfer from its national account, the Committee acquired "immediate funding" in the form of a loan obtained through the bank official who also ran the Michigan campaign. The facts at hand show that the Committee received preferential treatment. Thus, the loan was not made in the ordinary course of business.

The Committee argues that the the Commission incorrectly based the violation on "insider" assistance in securing the loan, that such assistance was not prohibited by regulations then in effect or even by the regulations promulgated in 1991. It further contends that the "concern with collateral is also without merit," asserting that Commission regulations did not require full security for loans, that the Commission occasionally found unsecured loans to be in compliance with the Act, and that the Commission's regulations did not require a pledge of future receipts until years after the Committee's loan was made.

Contrary to the Committee's suggestion, the Commission has pursued loans on the grounds that campaigns have received preferential treatment by banks at the behest of bank officials involved with the campaign. See MURs 1689 and 2194 (the 1984 John Glenn cases). Although insider participation alone may not taint the transaction, in this instance it appears that the bank director used his position to obtain funds for the Respondents more quickly than otherwise available. Such expedited loan

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activity is not within the ordinary course of business, and is prohibited under 2 U.S.C. § 441b(a).

The Committee also discounts the importance of loan collateral as a basis for assuring repayment. The Commission has long considered the type and sufficiency of collateral offered by the borrower to guarantee repayment of the loan. Along with traditional forms of collateral such as real estate mortgages and stocks, the Commission has for years allowed, with certain stipulations, that future expectation of campaign receipts can serve as an adequate basis to assure repayment of a loan. See MUR 1098 Walter Flowers for U.S. Senate Committee (1979), MUR 215/239 James R. Sasser (1976) and MUR 1725 Citizens and Southern National Bank, First National Bank of Atlanta, Democratic Party of Georgia (1986). The Commission's approval of expected matching funds payments as collateral for loans was well established long before regulations regarding the pledge of future receipts were promulgated in 1991. See MUR 382 Brown for President (1977), MUR 1195 Kennedy for President (1980), and Advisory Opinion 1980-108 John Anderson for President. Thus, concern for loan collateral as a factor in establishing the propriety of bank loans is well documented in prior Commission actions.

The circumstances regarding the loan from Capitol National Bank also raise the issue of whether Mr. Ferguson, who signed the loan document, made an excessive contribution to the Committee. As Mr. Ferguson was liable for the loan, the entire amount of the loan ($8,716.28) is considered as a contribution from Mr. Ferguson

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to the Committee. 11 C.F.R. § 100.7(a)(1)(i)(C)(1988). Therefore, it was an excessive contribution which was accepted by the Committee and its treasurer.[3]

The audit revealed that F&S Development paid campaign expenses for the Committee, totaling $5,364.89. As noted, those campaign expenses were repaid by the Committee on April 20, 1988, at the same time it repaid the loan and interest to Capitol Bank. The Committee stated that Mr. Ferguson conducted "volunteer activities" on the premises of his company and incurred certain expenses that "were paid from partnership sources but always with the expectation that the Committee would reimburse the partnership at fair market rates, within a commercially reasonable time."

F&S Development Company's payment of campaign expenses in excess of $1,000 on behalf of the Committee constitutes an excessive contribution by the partnership which was accepted but not reported by the Committee. 2 U.S.C. §§ 441a(a)(1)(A) and 431(11) and 11 C.F.R. § 110.1(e).[4] In addition, a portion of the contribution of $5,364.89 is attributable to each partner. F&S Development Company is a two person partnership, thus half of the amount of expenses is attributable to Mr. Ferguson and to his

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3. The Committee also challenged the Commission's treatment of the loan acquired by the bank director/Jackson volunteer's personal promissory note as an excessive contribution by the bank director. Respondents asserted that the Jackson campaign applied for the loan. Although there is evidence the Committee repaid the loan, the promissory note documenting the transaction shows only the bank director's name and signature.

4. The Audit concluded that the $5,364.89 advance was not a prohibited contribution because the development company was a partnership and all expenses were reimbursed by the Committee in a timely manner.

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partner Sol Steadman. Through the partnership advance of expenses, Mr. Ferguson and Mr. Steadman have each made individual excessive contributions of $1,682.44 (half of $5,364.89 less $1,000) to the Committee. These contributions were not reported. Accordingly, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f) and 441b(a).

ii. Drexel National Bank

The second instance of unreported loan activity concerns an apparent loan received from Drexel National Bank. The audit revealed that the Committee may have received a loan or letter of credit from Drexel National Bank in Illinois for up to $30,000 that has not been reported. Among other documents obtained during the audit was a collateral receipt from Drexel National Bank suggesting that in March 1988 the Committee assigned a $30,000 certificate of deposit as collateral for the Drexel bank loan. The Committee did not disclose a loan from Drexel National Bank, or report any interest paid to or received from Drexel National Bank.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. § 434(b) in connection with an apparent undisclosed loan from Drexel National Bank.

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NEW YORKERS FOR JESSE JACKSON '88

A. Misstatement of Financial Activity and Failure to Report Depository

2 U.S.C. §§ 434(b)(1), (2) and (4) require that each report filed under section 434 of the Act shall disclose the amount of cash on hand at the beginning of the reporting period, and the total amount of all receipts and disbursements for the reporting period and the calendar year. Pursuant to 2 U.S.C. § 433(b)(6), a committee's statement of organization shall include a listing of all banks or other depositories used by the committee.

Based on the FEC audit, the Commission identified the following financial misstatements in reports of the New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, for the period of January 1, 1988 to September 30, 1988: (1) reported receipts were overstated by $36,969.99; (2) reported disbursements were overstated by $34,832.80; and (3) reported ending cash was overstated by $1,637.19. The New York Committee failed to file amendments to correct the misstatement of financial activity.

In addition, adjustments to these totals per the audit reflect financial activity related to an undisclosed bank account at the Chase Lincoln First of Rochester, New York. The misstatement of financial activity as adjusted for the undisclosed bank account follows:

1) over- and understated receipts:	$73,182.80
2) over- and understated disbursements:	$70,889.98
3) over- and understated ending cash:	$14,147.48.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe the New Yorkers for

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Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the misstatement of financial activity, and 2 U.S.C. § 433(b)(6) for failure to disclose a bank depository.

B. Reporting of Transfers from Other Authorized Committees

2 U.S.C. § 434(b)(3)(C) requires that each report filed under Section 434 of the Act shall disclose the identification of each authorized committee which makes a transfer to the reporting committee.

Four transfers totaling $71,929.72 from the Jesse Jackson for President '88 Committee and the Jesse Jackson for President '88 Committee-California to the New York Committee were not itemized as required by section 434(b)(3)(C) of the Act. The New York Committee did not file amendments to correct these reporting errors.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe that the New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report transfers from authorized committees in accordance with the Act.

C. Failure to Maintain Receipt Records

2 U.S.C. §§ 432(c)(1), (2) and (3) require that the treasurer shall keep an account of all contributions received by or on behalf of a political committee, the name and address of any person who makes any contribution in excess of $50, together with the date and amount of any such contribution, and the

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identification of any person who makes a contribution or contributions aggregating more than $200 during a calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 432(d), the treasurer shall preserve all records required to be kept by Section 434 and copies of all reports required to be filed by the Act for three years after the report is filed.

The New York Committee reported receipt of contributions from individuals totaling $1,494,661.96 during the period from January 1, 1988 to September 30, 1988. No substantive audit tests could be conducted on contributions from individuals because the New York Committee failed to provide sufficient supporting documentation. However, a review of Commission-subpoenaed bank records estimated that the New York Committee failed to maintain contributor records totaling $95,620.94.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c) and (d) in connection with the New York Committee's failure to maintain records relevant to contributions received from individuals.

D. Reporting of Contributions from Individuals

2 U.S.C. § 434(b)(3)(A) requires that each report filed under section 434 of the Act shall disclose the identification of each individual who makes a contribution during the reporting period in excess of $200, or whose contributions have an aggregate value in excess of $200 within the calendar year.

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The audit review of contributions revealed that at least $74,035.34, or 28% of the contributions received from individuals were not itemized as required by the Act. Therefore, this Office is prepared to recommend that the Commission find probable cause to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report contributions received from individuals in accordance with the Act.

E. Reporting of Payee Information

Under 2 U.S.C. § 434(b)(5)(A), each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure in an aggregate amount in excess of $200 within the calendar year is made, together with the date, amount and purpose of each such expenditure.

The audit review of reported disbursements made by the New York Committee revealed 76 disbursements totaling $85,308.84 which were not correctly itemized. These reporting errors primarily involved the failure to disclose the payee's address and the purpose of the disbursement in accordance with the Act and the Regulations. See 2 U.S.C. § 434(b)(5)(A) and 11 C.F.R. § 104.3(b)(4). The New York Committee did not amend its reports to correct these reporting errors.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(b) in connection with the New York Committee's failure to report disbursements in accordance with the Act.

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F. Failure to File Reports

Under 2 U.S.C. § 434(a)(1), each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of section 434. 2 U.S.C. § 433(d)(1) provides that a political committee may terminate only when such a committee files a written statement, in accordance with Section 432(g) of the Act, that it will no longer receive any contributions or make any disbursement and that such committee has no outstanding debts or obligations.

The New York Committee's last filing was the October 1988 Quarterly Report. It reported cash-on-hand of $21,863.02, and no outstanding debts or obligations. The New York Committee did not indicate that the October 1988 Quarterly Report was its termination report. The audit review revealed that the New York Committee deposited no receipts after September 30, 1988, and that the previously reported cash-on-hand balance (as of September 30, 1988) had been expended. The New York Committee apparently closed its account on December 13, 1988. Based on this information, a report covering the period of October 1, 1988 to termination was required. Although the New York Committee stated that its "Year End Report for the period of October 1 to December 31, 1988, was a termination report," Commission records do not reflect receipt of the 1988 Year End Report.

Therefore, this Office is prepared to recommend that the Commission find probable cause to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 434(a) for failure to file a report in accordance with

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Pages 24 - 29 deal with the Commission's proposed conciliation of the case.

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D. Statute of Limitations

In 3M v. Browner, 17 F.3d 1453 (D.C. Cir. 1994), the Court of Appeals for the District of Columbia Circuit held that the five year statute of limitations at 28 U.S.C. § 2462 barred assessment of civil penalties for any violations committed by 3M more than five years before the Environmental Protection Agency ("EPA")

commenced its proceedings under 15 U.S.C. § 2615. 3M at 19.[9] The court held that for purposes of statutes of limitations, the government's claim "first accrued" at the time of the violations. Relying on 3M, Respondents argue that since the reports at issue were filed in 1987-88, the Commission's action is time-barred.

Section 2462 does not apply to Commission investigations and conciliation proceedings. These matters are not adjudicatory and the Commission neither assesses nor imposes civil penalties. See General Counsel's Report in MUR 3360, dated April 12, 1994; see also Occidental Life Ins. v. Equal Employment Opportunity Commission, 432 U.S. 355 (1977) (Outside statute of limitation held inapplicable where conciliation is mandated by statute, and Congress intended that informal resolution through conciliation be attempted before resort to federal courts); see also Capozzi v. United States, 980 F.2d 872, 874-875 (2d Cir. 1992)(Section 2462 applies only to adjudicatory actions to collect civil penalties). Finally, even if Section 2462 would apply, no claim has yet to accrue as the Commission cannot file civil suit on the merits until after a finding of probable cause and completion of the statutorily mandated conciliation period. See United States v. Meyer, 808 F.2d 912, 919 (1st Cir. 1987).

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9. The five year statute of limitations provides: "Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued...." 28 U.S.C. § 2462.

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IV. GENERAL COUNSEL'S RECOMMENDATIONS

1. Find probable cause to believe the Jesse Jackson for President '88 Committee and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a) and 26 U.S.C. § 9033(a).

2. Find probable cause to believe New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a) and 434(b).

Date 7/22/94

Lawrence M. Noble
General Counsel

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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. • WASHINGTON, D.C. 20005-2011
(202) 628-6600 • FACSIMILE (202) 434-1690

August 1, 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
AUG 9 '94

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

Re: MUR 3492

Dear Mr. Noble:

We have received your letter of July 22, 1994 advising us of the General Counsel's position and related brief in support of a Commission finding of "probable cause" in the matter.

In order for us to address the brief and the range and significance of issues it covers, we ask for an extension of 20 days within which to file a response.

We would appreciate your favorable and timely consideration of this request.

Respectfully submitted,

Robert F. Bauer
Counsel for Respondents

RFB:smb

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[15985-0001/LETTER.02]

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1994

Robert F. Bauer, Esquire
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3492
Jesse Jackson for President '88
Committee
Howard Renzi, as treasurer
New Yorkers for Jesse Jackson '88
Committee
J. Wesley Parker, as treasurer

Dear Mr. Bauer:

This is in response to your letter dated August 1, 1994, received the same day, requesting an extension of 20 days to respond to the General Counsel's Brief. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on August 29, 1994.

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

Sincerely,

Frances B. Hagan

Frances B. Hagan
Paralegal Specialist

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of the Jesse Jackson for President '88 Committee and New Yorkers for Jesse Jackson '88 Committee.	MUR 3492

RESPONDENTS' REPLY MEMORANDUM IN OPPOSITION TO THE OFFICE OF GENERAL COUNSEL'S RECOMMENDATION OF A FINDING OF PROBABLE CAUSE

I. INTRODUCTION

On November 30, 1993 the Federal Election Commission found reason to believe that the above captioned Respondents had violated several provisions of the Federal Election Campaign Act [FECA].

Finally, Respondents argued that the imposition of any civil penalty in this case would be barred by the federal statute of limitations. 28 U.S.C. § 2462.[1]

[1] In their initial brief Respondents also raised several other statutory, factual and constitutional arguments including arguments based upon the Fifth Amendment's due process, notice and equal protection guarantees as well as the Administrative Procedure Act. For the sake of brevity Respondents have chosen not

In spite of these arguments, on July 14, 1994 the Commission rejected Respondents' motion and shortly thereafter the OGC filed a brief recommending that the Commission find probable cause to believe that the violations have occurred.

II. ARGUMENT

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to rebrief these issues but have instead focused their attention to the three issues mentioned in the text. Nonetheless, Respondents remain convinced of the propriety of those arguments and urge the Commission to dismiss this matter based upon those grounds briefed previously as well as those specifically addressed in the text.

Pages 3 - 16 deal with the Commission's proposed conciliation of the case.

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The Capital National Bank Loan Was Proper and Did Not Violate Any Provision of the FECA.

The OGC continues to maintain that the loan received by the Jackson campaign from Capital National Bank on April 20, 1988 in the amount of $14,081.17 violated statutory bank lending standards. The OGC concludes that this Committee somehow "failed to show that the loan was made in the ordinary course of business." The OGC persists in this claim without regard to the elemental fact that the loan (in the words of the OGC) "was evidenced by a written instrument, subject to a due date and bore the bank's usual and customary interest rate." See OGC Br. at 14. The OGC's complaint evidently lies elsewhere. It objects first to the involvement of Mr. Ferguson, a bank director, who was also a campaign volunteer and

whose participation reflected, in the OGC's view, "preferential treatment." The OGC also objects that the loan was not secured by traditional forms of collateral or by the pledged of future receipts.

In this regard the OGC concedes the point made by Respondents in their original brief that the participation of a "insider" -- a bank director -- "alone may not taint the transaction." So the OGC and Respondents agree that the participation of Mr. Ferguson does not by itself and without more invalidate this transaction as outside the ordinary course. Nonetheless, the OGC remains suspicious, arguing that "in this instance it appears that the bank director used his position to obtain funds for Respondents more quickly than otherwise available." OGC Br. at 15. Nowhere in its brief or elsewhere does the OGC suggest how it arrived at this conclusion. On what basis does it conclude, for example, that Mr. Ferguson's participation appreciably expedited the processing and approval of the loan? Clearly the OGC does not rest its case on any record evidence, let alone any evidence known to Respondents. If, as it concedes, Mr. Ferguson's activities as bank director is not inherently disqualifying, then there must be some other basis, rooted in fact, which supports its finding that the loan violated the ordinary course requirement. The OGC clearly bears some burden in this matter and has not met it.

The OGC also stands by its position that either traditional collateral and or pledged future receipts were required to support this loan transaction. The OGC does not dispute that these requirements did not appear in the regulations in effect in 1988. Rather it takes the position, with some care, that "the Commission has long considered the type and sufficiency of collateral" and that it has "for years allowed . . . . that future expectation of campaign receipts" may support a loan. These statements are accurate but unresponsive. Respondents did not deny that the Commission has evaluated collateral in past cases or even that it has "allowed" pledged future receipts. Respondents have merely stated that the regulations in effect in 1988 did not require, as a matter of law, traditional collateral or the pledge of future

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receipts. A "concern" by the Commission for loan collateral, does not translate into a legal requirement that certain collateral be pledged or even that a loan be 100 percent collateralized.

Respondents insist once again that this loan, properly documented and repaid at market interest rates in a timely fashion, did not violate the Commission lending requirements in effect at the time. The suggestion the OGC makes to the contrary is grounded in conjecture, not in fact, and for that reason does not meet the requirements for finding "probable cause."

The Five Year Federal Statute of Limitations Bars a Federal Court From Imposing Any Civil Penalty Proposed by the Commission

Federal law prohibits an agency from commencing any "action, suit or proceeding for the enforcement of any civil fine, penalty or forfeiture" after five years from the date upon which the action accrued. 28 U.S.C. § 2462. The United States Court of Appeals for the District of Columbia Circuit recently held that this statute acts as an absolute bar against any action by a federal agency that might result in the imposition of a civil penalty or fine. 3M Co. v. Browner, 17 F.3d 1453 (D.C. Cir. 1994) In so doing, the court rejected the EPA's suggestion that the court impose a "discovery rule" on the statute. Such a rule would act to toll the running of the statute until after the violation has been discovered by the agency. In rejecting such a rule the court called it "unworkable; outside the language of the statute; inconsistent with judicial interpretations; . . . and incompatible with the functions served by a statute of limitations in penalty cases." Id. at 1462-63.

In response to Respondents' previous arguments regarding the statute of limitations the OGC argues--in effect--that the statute of limitations may prohibit a court from imposing a penalty but it does not bar the Commission from proposing one. On this matter Respondents and the OGC agree. Respondent's agree that the statute of limitations does not affect the Commission's ability to find probable cause or to propose a penalty. Respondents do assert,

however, that the law does prevent the Commission from seeking judicial assistance in imposing or enforcing any penalty it proposes.[5]

Respectfully submitted,

Robert F. Bauer / M.E.E.

Robert F. Bauer
Marc E. Elias
PERKINS COIE
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011
(202) 628-6600

Attorneys for Jesse Jackson for President '88 Committee and New Yorkers for Jesse Jackson '88 Committee

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[5] In a cryptic last sentence to its brief the OGC adds: "Finally, even if Section 2462 would apply, no claim has yet to accrue as the Commission cannot file civil suit on the merits until after a finding of probable cause and completion of the statutorily mandated conciliation period." OGC Br. at 31. While the precise meaning of this sentence is unclear, it is conceivable that the OGC is suggesting that the statute has not yet begun to run because--in its view-- no claim has yet accrued. Such an argument is wholly without merit in light of the direct holding of 3M where the court stated explicitly that "the date of the underlying violation has been accepted without question as the date when the claim first accrued." 3M, 17 F.3d at 1462. In this case the claim accrued at the time of the violations in 1987 and 1988.

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION

Nov 30 10 24 AM '94

In the Matter of	)	
	)	
Jesse Jackson for President '88 Committee	)	MUR 3492
Howard Renzi, as treasurer	)	
New Yorkers for Jesse Jackson '88	)	
J. Wesley Parker, as treasurer	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On November 30, 1993, the Commission found reason to believe that Jesse Jackson for President '88 Committee, and Howard Renzi, as treasurer, violated numerous provisions of the Federal Election Campaign Act of 1971, as amended ("the FECA" or "the Act") and the Presidential Primary Matching Payment Account Act ("Matching Fund Act") by, inter alia, filing inaccurate disclosure reports totaling in excess of eleven million dollars, accepting excessive contributions totaling over $192,000, and accepting improper bank loans. The Commission also found reason to believe that New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer violated numerous provisions of the Act.[1] On the same date, the Commission offered to enter into pre-probable cause conciliation with all of these Respondents and approved two proposed conciliation agreements

In response to the Commission's findings and conciliation

1. The Respondents' arguments appear to apply to both Jesse Jackson for President '88 and New Yorkers for Jesse Jackson '88. Thus, for purposes of simplicity, in this Report we refer to both committees interchangeably as the "Respondents" and/or the "Committee."

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proposals, the Respondents submitted a Motion to Dismiss. The Motion to Dismiss relied heavily on various Constitutional and procedural arguments, all of which are inapplicable. On July 14, 1994, the Commission denied the Respondents' Motion to Dismiss. Thereafter, Respondents were provided with the General Counsel's Probable Cause Brief, which is incorporated herein by reference. In their Reply Brief, Respondents essentially concede that the violations occurred and do not challenge the substance of most of the Commission's findings. Instead, they reiterate many of the procedural arguments raised in their Motion to Dismiss.[2] Based upon the General Counsel's Brief and the reasons set forth below, the Office of the General Counsel recommends that the Commission again reject those arguments and find probable cause to believe that these violations occurred.

II. ANALYSIS

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2. Respondents have omitted many of the Constitutional and procedural arguments which they raised in their Motion to Dismiss, i.e., the alleged violations of the Constitutional rights of Equal Protection and Due Process, and the Administrative Procedure Act. However, they urge the Commission to dismiss this case on the grounds previously set forth, including those claims. Reply Brief at footnote 1.

Pages 3 - 6 deal with the Commission's proposed conciliation of the case.

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STATUTE OF LIMITATIONS

Respondents again argue that this matter is time-barred by the five year statute of limitations at 28 U.S.C. § 2462. The Commission rejected this argument when it was previously raised in Respondents' Motion to Dismiss. See General Counsel's Report in MUR 3492 dated July 8, 1994. The Commission has also consistently rejected similar arguments in other enforcement matters. See General Counsel's Report in MUR 3360 (Kemp), dated April 12, 1994 at 3-11, General Counsel's Report in MUR 2619 (Antonovich), dated June 22, 1994 at 3-6. Moreover, the United States District Court for the Central District of California recently rejected a claim

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that an FEC enforcement matter was time-barred by Section 2462. FEC v. Larry R. Williams, No. CV-93-6321-ER(BX) (C.D.Cal. May 17, 1994) (order denying defendant's motion to dismiss). Respondents offer nothing new in support of this argument. Therefore, this Office relies on its Brief and prior Report regarding this issue.[6]

BANK LOAN

The Committee continues to challenge the analysis of a $8,716.28 loan (principle and interest) it received from Capitol National Bank. Respondents have once again misconstrued the Act's requirements for bank loans. As stated in our Brief, the loan at issue satisfied the requirements of the Act in that it was evidenced by a written instrument, was subject to a due date and bore the bank's customary rate of interest. 2 U.S.C. § 431(8)(B)(vii)(II) and (III). Yet there is no evidence that the bank was "assured repayment" by the Committee. Contrary to the Respondents' assertions, even before the effective date of the current regulations, a loan which was not made on a basis which assured repayment was a "contribution."[7] Indeed, the requirement that a borrower's repayment of a loan be "assured" to the bank is set forth in the Act itself. See 2 U.S.C. § 431(8)(B)(vii)(II).

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6. This Office has also addressed the applicability of Section 2462 in other court cases. See e.g., FEC's Memorandum in Opposition to Defendant's Motion for Summary Judgment in FEC v. National Right to Work, Civil Action No. 90-0571 (D.D.C. filed March 1, 1991) at 31-42; FEC's Reply To Defendant's Motion for Summary Judgment in FEC v. National Republican Senatorial Committee No. 93-1612(JHP)(D.D.C. filed September 2, 1994).

7. The Commission's current regulations require a bank to have a perfected interest in collateral of the candidate or committee, or a pledge of future receipts. 11 C.F.R. §§ 100.7(b)(11)(i)(A) and (B).

There is no evidence that the bank at issue in this matter had any basis for assuring repayment by the Committee other than by or through Joel Ferguson, the Jackson campaign volunteer and bank director who obtained the note in his own name. Thus, the loan was a prohibited contribution.

Given all the foregoing, this Office recommends that the Commission find probable cause to believe that Jesse Jackson for President '88 Committee, and Howard Renzi as treasurer violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a) and 26 U.S.C. § 9033(a), and that New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 432(c), 432(d), 433(b)(6), 434(a) and 434(b).

III. DISCUSSION OF CONCILIATION

Attached for the Commission's approval are conciliation agreements

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Given the foregoing, this Office recommends that the Commission approve the attached agreements.

IV. **RECOMMENDATIONS**

1. Find probable cause to believe that Jesse Jackson for President '88 Committee, and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a) and 26 U.S.C. § 9033(a).

2. Find probable cause to New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 432(c), 432(d), 433(b)(6), 434(a) and 434(b).

3. Approve the attached conciliation agreements.

4. Approve the appropriate letter.

11/30/94
Date

Lawrence M. Noble
General Counsel

Attachments
A. Reply Brief
B. Jackson Committee Conciliation Agreement
C. New Yorkers Committee Conciliation Agreement

Staff assigned: Xavier K. McDonnell
Frances B. Hagan

9504365531 27

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS
COMMISSION SECRETARY

DATE: DECEMBER 5, 1994

SUBJECT: MUR 3492 - GENERAL COUNSEL'S REPORT DATED NOVEMBER 30, 1994.

The above-captioned document was circulated to the Commission on Wednesday, November 30, 1994 at 4:00 p.m.

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

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

This matter will be placed on the meeting agenda for Tuesday, December 13, 1994.

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

9504365312 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3492
Jesse Jackson for President '88 Committee;	)	
Howard Renzi, as treasurer;	)	
New Yorkers for Jesse Jackson '88;	)	
J. Wesley Parker, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 13, 1994, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 3492:

1. Find probable cause to believe that Jesse Jackson for President '88 Committee, and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a), and 26 U.S.C. § 9033(a).

2. Find probable cause to believe that New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a), and 434(b).

(continued)

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3. Approve the conciliation agreements recommended in the General Counsel's November 30, 1994, report

4. Approve the appropriate letter as recommended in the General Counsel's November 30, 1994 report.

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

Attest:

12-15-94
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 16, 1994

Robert F. Bauer, Esquire
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3492
Jesse Jackson for President '88
Committee and
Howard Renzi, as treasurer,
New Yorkers for Jesse Jackson '88
and J. Wesley Parker, as treasurer

Dear Mr. Bauer:

On December 13, 1994, the Federal Election Commission found that there is probable cause to believe that Jesse Jackson for President '88 Committee, and Howard Renzi, as treasurer, violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a) and 26 U.S.C. § 9033(a), and that New Yorkers for Jesse Jackson '88 and J. Wesley Parker, as treasurer, violated 2 U.S.C. § 432(c), 432(d), 433(b)(6), 434(a) and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, U.S. Code.

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

Enclosed are conciliation agreements that the Commission has approved in settlement of this matter. If your clients agree with the provisions of the enclosed agreements, please sign and return them, along with the civil penalties, to the Commission within ten days. I will then recommend that the Commission accept the agreements. Please make the check for the civil penalties payable to the Federal Election Commission.

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If you have any questions or suggestions for changes in the enclosed conciliation agreements, or if you wish to arrange a meeting in connection with mutually satisfactory conciliation agreements, please contact Frances B. Hagan, the staff member assigned to this matter, at (202) 219-3400.

Sincerely,

Lawrence M. Noble
General Counsel

Enclosure
Conciliation Agreements

9504365313 2

TO THE READER OF THE PUBLIC RECORD FILE:

THE GENERAL COUNSEL'S REPORT, DATED APRIL 28, 1995, IN THE MATTER OF 28 U.S.C §2462 - STATUTE OF LIMITATIONS, CONTAINS DISCUSSION OF SEVERAL CASES CURRENTLY UNDER REVIEW BY THE COMMISSION. THAT DISCUSSION HAS BEEN DELETED FROM THE PUBLIC RECORD FILE, AND PAGES FOLLOWING IT HAVE BEEN REDESIGNATED AS (A), (B), ETC.

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AGENDA DOCUMENT NO. X95-39

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FEDERAL ELECTION
COMMISSION
SECRETARIAT

Apr 28 4 02 PM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) 28 U.S.C. § 2462
) Statute of Limitations
)

SENSITIVE
MAY 16 1995
EXECUTIVE SESSION

GENERAL COUNSEL'S REPORT

I. INTRODUCTION[1]

As the Commission is aware, on February 24, 1995, the U.S. District Court for the District of Columbia decided in Federal Election Commission v. National Republican Senatorial Committee, 1995 WL 83006 (D.D.C. 1995) ("NRSC"), that the statute of limitations set forth at 28 U.S.C. § 2462 ("Section 2462") applied to Commission enforcement suits seeking civil penalties, relying upon the D.C. Circuit's opinion in 3M Co. v. Browner, 17 F.3d 1453 (D.C. Cir. 1994). This Report discusses the statute of limitations generally, describes

enforcement matters potentially affected by the NRSC court's conclusion and makes recommendations for each of the potentially affected matters.[2]

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1. This is a combined General Counsel's Report from the Enforcement and Public Financing, Ethics and Special Projects ("PFESP") areas of the Office of the General Counsel.

In NRSC, Judge Pratt held that the Commission could not seek a civil penalty in conjunction with its civil enforcement action against the defendant for violations of 2 U.S.C. §§ 441a(h) and 434(b) because the 5-year federal catch-all statute of limitations found at 28 U.S.C. § 2462 applied to Commission-initiated enforcement suits seeking civil penalties. The court, however, allowed the Commission's suit to go forward notwithstanding this conclusion, ruling that Section 2462 did not apply to the declaratory and equitable relief also sought by the Commission. Therefore, the court so far has issued no final appealable decision.

On May 17, 1994, in FEC v. Williams, the U.S. District Court for the Central District of California reached the opposite conclusion about the applicability of 28 U.S.C. § 2462 to the Commission's enforcement actions. Mr. Williams' contributions in the name of another took place more than 5 years before the Commission filed its complaint and counsel raised 28 U.S.C. § 2462 as an affirmative defense. However, the court ruled at an oral hearing that the statute of limitations did not apply. Instead, the court awarded the Commission a $10,000 civil penalty against Mr. Williams for violations of 2 U.S.C. § 441f. FEC v. Williams, No. 93-6321 (C.D. Cal. Jan. 31, 1995), appeal docketed, No. 95-55320 (9th Cir. 1995) ("Williams"). Mr. Williams has filed a notice of appeal regarding, inter alia, the district court's

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statute of limitations decision. Thus, whether and to what extent the statute of limitations at 28 U.S.C. § 2462 will apply to Commission enforcement cases will be before the 9th Circuit shortly, and could also be the subject of a later appeal before the D.C. Circuit in NRSC.[3]

In light of this conflict between the courts and the pendency of the appeal, this Office believes a decision to close enforcement cases based solely on a conclusion that the 5 year statute of limitations would apply to any potential enforcement suits would be unwarranted. This is especially true since neither 28 U.S.C. § 2462 nor the NRSC decision limits the Commission's authority to complete administrative investigations or seek civil penalties in voluntary conciliation prior to filing suit. Nonetheless, the Office of the General Counsel recognises that until the stautue of limitations is finally resolved by the courts, respondents are likely to raise it as a defense, making settlement more complicated. Thus, even though the Commission is not bound by the NRSC decision in other cases, the Office of the General Counsel believes the Commission should take this issue into consideration on a case-by-case basis when looking at its active and inactive enforcement cases -- particularly those with older activity -- and, in an exercise of its prosecutorial discretion, attempt to bring the matters most vulnerable to

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statute of limitations difficulties to an early administrative disposition.[4]

In order to give the Commission the broadest picture of the possible effect of a statute of limitations on its caseload, this Office has analyzed all enforcement cases where there is FECA-violative activity that will be 5 years old at some point during this year. Section II of this Report gives an overview of principles involved in analyzing the statute of limitations issue, with particular attention to determining when a Commission cause of action might accrue, and when the running of the statute may be tolled by equitable principles. Section III describes how this Office applied these principles to its active and inactive enforcement caseload and the approach used in making its recommendations for Commission action. Section IV includes descriptions of each of the potentially affected enforcement matters, outlines the statute of limitations difficulties this Office foresees for each, and recommends specific Commission action for each potentially affected matter.

II. THE LAW

This section discusses 28 U.S.C. § 2462, the federal catch-all statute of limitations, and issues relating to when the statute begins to run, under what circumstances it may be tolled

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and declaratory and equitable relief available to the Commission even if the statute of limitations has run completely.

A. Accrual

Section 2462 requires commencement of a suit for civil penalties within five years from the date when the claim first accrued.[5] Thus, as a threshold matter, in considering the potential effect of the limitations period on a particular case, one must determine the complex issue of when the claim first accrued.

1. General Principles

A cause of action normally accrues when the factual and legal prerequisites for filing suit are in place, i.e., at the precise moment when the violation occurred.[6] However, federal courts have generally applied the discovery rule of accrual, an equitable doctrine under which a claim is considered to have accrued at the time that a potential claimant knew, or through the exercise of reasonable diligence should have known, of the facts underlying the cause of action.[7]

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5. 28 U.S.C. § 2462 provides:

> Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued . . . .

6. United States v. Lindsay, 346 U.S. 568, 569 (1954).

7. See, e.g., Delaware State College v. Ricks, 449 U.S. 250, 259 (1980) (Court implicitly applied discovery rule to Title VII discrimination suit); United States v. Kubrick, 444 U.S. 111, 122-25 (1979) (court implicitly endorsed discovery rule of accrual, but limited it to discovery of facts underlying a claim,

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The substantial harm theory of accrual can be considered analytically as a particular application of the discovery rule. It is usually advanced in personal injury actions involving latent injuries or injuries difficult to detect, especially in cases of "creeping disease" such as asbestosis. The rule rests on the idea that plaintiffs cannot have a tenable claim for the recovery of damages unless and until they have been harmed. Under the substantial harm theory, therefore, damage claims in cases involving latent injuries or illnesses do not accrue until substantial harm matures or, in other words, until the harm becomes apparent.

The Supreme Court has cautioned against "attempting to define for all purposes when a cause of action first accrues. Such words are to be interpreted in light of the general purposes of the statute and of its other provisions, and with due regard to those practical ends which are to be served by any limitation of the time within which an action must be brought."[8] Thus, in determining the time of accrual in cases arising under the FMCA,

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(Footnote 7 continued from previous page)
rather than extending the rule to discovery of legal cause of action); see also Oshiver v. Levin, Fishbein, Sedran & Berman, 38 F.3d 1380, 1386 (3d Cir. 1994); Dixon v. Anderson, 928 F.2d 212, 215 (6th Cir. 1991); Cada v. Baxter Healthcare Corp., 920 F.2d 446, 450 (7th Cir. 1990); Corn v. City of Lauderdale Lakes, 904 F.2d 585, 588 (11th Cir. 1990); Alcorn v. Burlington Northern Railroad Co., 878 F.2d 1105, 1108 (8th Cir. 1989); Lavellee v. Listi, 611 F.2d 1129, 1131 (5th Cir. 1980); Cullen v. Margiotta, 811 F.2d 698, 725 (2d Cir. 1987); Cline v. Brusett, 661 F.2d 108, 110 (9th Cir. 1981); Bireline v. Seagondollar, 567 F.2d 260, 263 (4th Cir. 1977).

8. Crown Coat Front Co., Inc. v. United States, 386 U.S. 503, 517 (1967) (quoting Reading Co. v. Koons, 271 U.S. 58, 62 (1926)).

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courts will look to the nature and goals of the FECA versus the interests underlying the five-year limitations period.

2. Accrual in the Context of the FECA

While the discovery rule has been applied in a wide range of cases, originating in the tort context and extending to, inter alia, contract, Title VII, and RICO actions, to date, it appears that only the United States District Court for the District of Columbia has held that the Section 2462 statute of limitations is applicable to the FECA. The court also addressed the precise question of when a cause of action accrues under the FECA. Inasmuch as the district court in NRDC relied on the decision of the Court of Appeals for the District of Columbia in 3M Co. v. Browner, 17 F.3d 1453 (D.C. Cir. 1994) ("3M"), the latter case will be summarized first.

3M was an action brought by the Environmental Protection Agency ("EPA") to impose civil penalties against a company for violations of the Toxic Substances Control Act, wherein the EPA argued that in the exercise of due diligence it could not have discovered the violations earlier. In 3M, the defendant misstated and failed to include information on notices required by the EPA. The court acknowledged that the District of Columbia Circuit has adopted the discovery rule, under which, as discussed above, a claim is considered to have accrued at the time that a claimant knew or should have known of the facts underlying the cause of action. However, the 3M court found that the discovery rule had only been applied in limited circumstances -- those involving remedial, civil claims -- and specifically rejected the discovery

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rule under the circumstances presented, stating that the rule proposed by the EPA in that case was a "discovery of violation" rule. The court concluded that in civil penalty actions the running of the limitations period of Section 2462 is measured from the date of the violation.[9]

In MRSC, a suit arising from violations of the FECA involving excessive contributions and failure to report such contributions to the FEC, the court repeated the options for defining the time of accrual set forth in 3M, stating that a claim accrues "when the defendant commits his wrong or when substantial harm matures." Then, without pinpointing the exact time of accrual, and without specifically attempting to define accrual in the FECA context, the court held that the FECA claim accrued "considerably before the end of the [FEC's] administrative process." While the district court's accrual finding was imprecise, Judge Pratt's construction of 3M suggests that the discovery rule of accrual may be rejected in FECA claims brought in that Circuit.

On the other hand, the Court of Appeals for the Third Circuit, in considering a citizens' suit brought under the Clean

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9. In 3M, the court cited the Supreme Court's decision in Unexcelled Chemical Corp. v. United States, 345 U.S. 59 (1953), which was a suit for liquidated damages against a government contractor for unlawfully employing child labor. As the 3M decision noted, in that case, the Supreme Court held that "a cause of action is created when there is a breach of duty owed the plaintiff. It is that breach of duty, not its discovery, that normally is controlling." However, the Supreme Court's focus was the question of whether the claim accrued at the time of the violation versus after it had been administratively determined that the contractor was liable. The Court was not concerned specifically with the question of whether the claim accrued at the time of the violation versus when the plaintiff knew or should have known of the facts underlying the claim.

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Water Act, which has statutory self-reporting requirements comparable to the FECA, held the Section 2462 statute of limitations applicable and embraced the discovery rule. There, the Third Circuit held that since the defendant was responsible for filing reports under the Act and the public could not reasonably be deemed to have known about any violation until the defendant filed the report, the cause of action did not accrue until the reports listing the violations were filed.[10] A district court in Virginia[11] has also embraced this discovery rule for determining accrual under the Clean Water Act.[12]

B. EQUITABLE TOLLING

There are instances in which a court may determine that equitable considerations require the statute of limitations to be tolled. Such a determination is made on a case-by-case basis and

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10. Public Interest Research Group v. Powell Duffryn Terminals, Inc., 913 F.2d 64, 75 (3d Cir. 1990), cert. denied, 498 U.S. 1109 (1991).

11. United States v. Hobbs, 736 F. Supp. 1406 (E.D. Va. 1990).

12. Various other circuit courts have grappled with the question of when the federal five-year statute of limitations of Section 2462 begins to run, but these cases, which have produced conflicting rulings, have all involved actions to recover civil penalties rather than actions to impose them. Compare United States Dept. of Labor v. Old Ben Coal Co., 676 F.2d 259 (7th Cir. 1982) (in action to recover civil penalty, claim accrues only after administrative proceeding has ended, penalty has been assessed, and violator failed to pay) and United States v. Meyer, 808 F.2d 912 (1st Cir. 1987) (in civil penalty enforcement action limitations period is triggered on date civil penalty is administratively imposed) with United States v. Core Laboratories Inc., 759 F.2d 480 (5th Cir. 1985) (in suit to recover civil penalty limitations period begins to run on date of underlying violation).

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is referred to as equitable tolling.[13] Equitable tolling presumes claim accrual and steps in to toll, or stop, the running of the statute of limitations in light of established equitable considerations.[14] The most fundamental rule of equity is that a party should not be permitted to profit from its own wrongdoing.

There are three principal situations in which equitable tolling may be appropriate: (1) where the defendant has actively misled the plaintiff regarding the plaintiff's cause of action; (2) where the plaintiff in some extraordinary way has been prevented from asserting his or her rights; and (3) where the

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13. Some courts have pointed out that, in instances where the defendant has taken active steps to prevent the plaintiff from suing, e.g., in cases involving fraudulent concealment, the tolling of the statute of limitations is more appropriately referred to as equitable estoppel. See Cada v. Baxter Healthcare Corp., 920 F.2d 446, 450-51 (7th Cir. 1990).

14. Courts have held that statutes of repose cannot be extended by federal tolling principles, see Baxter Healthcare, 920 F.2d at 451; First United Methodist Church of Hyattsville v. United States Gypsum Company, 882 F.2d 862 (4th Cir. 1989). While statutes of repose and statutes of limitations have sometimes been referred to interchangeably, a statute of repose is legally distinguishable from a statute of limitations. Whereas a statute of limitations is a procedural device motivated by considerations of fairness to the defendant, a statute of repose is a substantive grant of immunity after a legislatively determined period of time and is based on the economic interest of the public as a whole and a legislative balance of the respective rights of potential plaintiffs and defendants. See First United Methodist Church, supra. To date, this Office's research has revealed no instances in which a court has held that Section 2462 is a statute of repose in the legal sense and, therefore, held tolling principles to be inapplicable. Indeed, in 3M, the court noted the potential applicability of the doctrine of fraudulent concealment to Section 2462. See 3M, 17 F.3d at 1461, n.15.

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plaintiff has timely asserted his or her rights mistakenly in the wrong forum.[15]

1. Doctrine of Fraudulent Concealment

The Supreme Court has defined the doctrine of fraudulent concealment as the rule that "where a plaintiff has been injured by fraud and remains in ignorance of it without any fault or want of diligence or care on his part, the bar of the statute does not begin to run until the fraud is discovered, though there be no special circumstances or efforts on the part of the party committing the fraud to conceal it from the knowledge of the other party." Holmberg v. Armbrecht, 327 U.S. 392, 397 (1946). The Court went on to state that this equitable doctrine is read into every federal statute of limitation. Id.

The doctrine, as applied by the circuit courts of appeal, requires the plaintiff to plead[16] and prove three elements:

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15. School District of City of Allentown v. Marshall, 657 F.2d 16, 19-20 (3d Cir. 1981) (quoting Smith v. American President Lines, Ltd., 571 F.2d 102, 109 (2d Cir. 1978)). It should also be noted that statutes of limitations are subject to waiver and may be tolled by agreement of the parties. See Zipes v. Trans World Airlines, Inc., 455 U.S. 385, 393 (1982).

16. Pleading requirements for fraudulent concealment are very strict. Some courts invoke Fed. R. Civ. P. 9(b) and require a plaintiff to meet the pleading requirements for fraud. See Dayco Corp. v. Goodyear Tire & Rubber Co., 523 F.2d 389, 394 (6th Cir. 1975). Other courts, while not specifically invoking Rule 9, still require specificity and particularity in pleading. See Rutledge v. Boston Woven Hose & Rubber Co., 576 F.2d 248, 250 (9th Cir. 1978); Weinberger v. Retail Credit Co., 498 F.2d 552, 555 (4th Cir. 1974).

(1) use of fraudulent means by the defendant;
(2) plaintiff's failure to discover the operative facts that are the basis of his cause of action within the limitations period; and
(3) plaintiff's due diligence until discovery of the facts.

State of Colorado v. Western Paving Construction, 833 F.2d 867, 874 (10th Cir. 1987).

The first prong of the plaintiff's burden under the doctrine - the use of fraudulent means by the defendant - warrants some elaboration. The courts have generally held that to establish this element of the doctrine one of two facts must be shown: 1) that fraud is an inherent part of the violation so that the violation conceals itself; or 2) that the defendant committed an affirmative act of concealment - a trick or contrivance intended to exclude suspicion or prevent inquiry.[17] These approaches to establishing the first element of the doctrine of fraudulent concealment have been referred to, respectively, as the self-concealing theory and the subsequently concealed theory. By contrast, the courts have pointed out that silence, without some fiduciary duty, never satisfies this element.[18]

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17. See Riddell v. Riddell Washington Corp., 866 F.2d 1480, 1491 (D.C. Cir. 1989); State of Colorado v. Western Paving Construction, 833 F.2d at 876-78.

18. See Rutledge v. Boston Woven Hose & Rubber Co., 576 F.2d 248, 250 (9th Cir. 1978); Dayco Corp. v. Firestone Tire & Rubber Co., 386 F. Supp. 546, 549 (N.D. Ohio 1974), aff'd sub. nom., Dayco Corp. v. Goodyear Tire & Rubber Co., 523 F.2d 389 (6th Cir. 1975). Some courts have also held that a denial of an accusation of wrongdoing does not constitute fraudulent concealment. See King & King Enters. v. Champlin Petroleum Co., 657 F.2d 1147, 1155 (10th Cir. 1981), cert. denied, 454 U.S. 1164 (1982); but see Rutledge, supra ("denying wrongdoing may constitute fraudulent concealment where the circumstances make the plaintiff's reliance upon the denial reasonable").

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Where the plaintiff establishes all three of the required elements, the doctrine provides the plaintiff with the full statutory limitations period, starting from the date the plaintiff discovers, or with due diligence could have discovered, the facts supporting the plaintiff's cause of action.

2. Inducement Due to Intentional or Unintentional Misrepresentation

In cases where the plaintiff has refrained from commencing suit during the period of limitation because of inducement by the defendant, the Supreme Court has found the statutory period tolled because of the conduct of the defendant. See Glus v. Brooklyn Eastern Terminal, 359 U.S. 231 (1973). Under the facts of Glus, supra, the plaintiff averred that the defendant had fraudulently or unintentionally misstated information upon which the plaintiff relied in withholding suit.

3. Subpoena Enforcement

Several district courts have tolled other statutes of limitations in circumstances where the plaintiff was forced to initiate subpoena enforcement proceedings to uncover facts underlying the cause of action.[19] While research to date has not revealed specific instances in which a court has tolled the Section 2462 statute of limitations because the plaintiff was

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19. EEOC v. Gladieux Refinery, Inc., 631 F. Supp. 927, 935-36 (N.D. Ind. 1986) (Court held that the statute of limitations was tolled during the time between issuance of subpoena and enforcement because defendant did not have valid basis for not complying with subpoena); EEOC v. City of Memphis, 581 F. Supp. 179, 182 (W.D. Tenn. 1983) (Court held that the statute of limitations was tolled until documents sought in subpoena were made available to EEOC).

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forced to initiate subpoena enforcement proceedings, Section 2462 is sufficiently similar to those statutes which courts have tolled to suggest that the same result would be appropriate. Further, a good argument could be made for equitably tolling Section 2462 in such circumstances because defendants' refusal to comply with the Commission's subpoenas, whether that refusal is reasonable or otherwise, frustrates the Commission's ability to bring the action within the limitations period. Not tolling the statute of limitations in such circumstances while allowing defendants to plead the statute of limitations as an affirmative defense to actions brought by the Commission would allow defendants to profit from refusing to comply with subpoenas, and thus "offer a tempting method of defeating the basic purpose of [the Act]."[20]

4. Continuous Violation Theory

The continuous violation theory is another theory that operates to toll statutes of limitations. In the case of a continuing violation, the violation is not complete for purposes of the statute of limitations as long as the proscribed course of conduct continues, and the statute of limitations does not begin to run until the last day of the continuing offense.[21]

The Supreme Court has cautioned that continuing offenses are not to be too readily found, explaining in the criminal context that "such a result should not be reached unless the

20. See Hodgson v. International Printing Press, 440 F.2d 1113, 1119 (6th Cir. 1973).

21. See Fiswick v. United States, 329 U.S. 211, 216 (1946); United States v. Butler, 792 F.2d 1528, 1532-33 (11th Cir. 1986).

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explicit language of the substantive criminal statute compels such a conclusion, or the nature of the crime involved is such that Congress must assuredly have intended that it be treated as a continuing one." Toussie v. United States, 397 U.S. 112, 115 (1970). Thus, the question of whether a violation is a continuing one is largely a matter of statutory interpretation involving the precise statutory definition of the violation.

Courts will generally not find that a violation is continuous absent clear language in the statute.[22]

C. Declaratory Relief and Equitable Remedies

The limitations period set forth in 28 U.S.C. § 2462 applies only to suits for civil penalties. Section 2462, by its own terms, has no bearing on suits in equity.[23] The following is a purely exemplary, non-exhaustive list of various forms of equitable relief that may be available. It should be noted that it is within the discretion of the courts to grant or withhold

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22. Compare Toussie, 397 U.S. 112 (1970) (Court held that failure register for draft was not continuing violation where draft statute contained no language that clearly contemplated continuing offense, and regulation under Act referring to continuing duty to register was insufficient, of itself, to establish continuing offense) with United States v. Cores, 356 U.S. 405 (1958) (statute prohibiting alien crewmen from remaining in United States after permits expired contemplated continuing offense where conduct proscribed is the affirmative act of willfully remaining, and crucial word "remains" permits no connotation other than continuing presence). See also Keystone Insurance Company v. Houghton, 863 F.2d 1125 (3d Cir. 1988) (In RICO action, court held that language of the Act, which makes a pattern of conduct the essence of the crime, "clearly contemplates a prolonged course of conduct."); West v. Philadelphia Electric Co., 45 F.3d 744 (3d Cir. 1995) (Court applied continuing violation theory where cause of action required showing of intentional, pervasive, and regular racial discrimination).

23. See Hobbs, 736 F. Supp. at 1410; NRSC, 1995 WL 83006, at *4.

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equitable remedies and courts will exercise that discretion on a case-by-case basis in light of the particular circumstances of each case.

o Declaratory Judgment - A declaratory judgment is a court judgment which establishes the rights of parties or expresses the opinion of the court on a question of law without the court necessarily ordering anything to be done. While a declaratory judgment is similar in some respects to an advisory opinion, unlike the latter, a declaratory judgment is rendered in an adversarial proceeding and is legally binding on all the parties involved.

o Disgorgement - Disgorgement is aimed at preventing the unjust enrichment of a wrongdoer. The disgorgement remedy takes away "ill-gotten gains," thereby depriving a respondent of wrongfully obtained proceeds and returning the wrongdoer to the position the wrongdoer was in before the proceeds were wrongfully obtained.

o Injunction - A prohibitory injunction is a court order that requires a party to refrain from doing or continuing a particular act or activity. Prohibitory injunctions are generally considered preventative measures which guard against future acts rather than affording remedies for past wrongs.

By contrast, a mandatory injunction is a type of injunction that requires some positive action. A mandatory injunction (1) commands the respondent to do a particular thing; (2) prohibits the respondent from refusing (or persisting in refusing) to do or permit some act to which the plaintiff has a legal right; or (3) restrains the respondent from permitting his previous wrongful act to continue to take effect, thus virtually compelling him or her to undo it. A conciliation agreement provision that requires a committee to amend its reports in conformance with the Act is similar in effect to a mandatory injunction, albeit one entered into voluntarily and without court order. In addition, the creative forms of equitable relief listed below are examples of possible mandatory injunctions that the Commission might seek in court.

o Creative Forms of Equitable Relief

- require defendant(s) to notify the public that the defendant(s) violated the FECA, e.g., bulletin board posting.
- require additional reporting relevant to preventing future violations of the type committed.
- require defendant(s) to put different procedures in place to prevent future violations of the type committed.
- require defendant(s) to take courses to become familiar with the requirements of the FECA.

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III. ANALYSIS

This section outlines the underlying legal assumptions and other factors considered by this Office in evaluating and making recommendations for each of the potentially affected cases discussed in Section IV, infra. As a preliminary matter, this Office notes that it has reviewed all of the active and inactive enforcement matters where there appears to have been FECA-violative activity prior to January 1, 1991 that will thus be at least 5 years old by the end of this year. By selecting the cases in this manner, this Office has attempted to bring to the Commission's attention all of the matters where, were the MBSC decision applied, the statute of limitations might run this year.[24]

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This Office has assumed for purposes of these recommendations the possibility of a uniform application of the Section 2462 statute of limitations to the FECA in all circuits

This Office has further assumed that it is possible courts will deem claims arising under the FECA to have accrued at the precise moment that the violation occurred.

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In setting forth the case summaries, this Office has divided its discussion into three sections.

The second section discusses the MURs for which OGC makes specific recommendations. The third

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section analyzes matters which this Office recommends that the Commission not pursue.

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IV. CASE DISCUSSIONS

This section provides brief descriptions of enforcement matters assigned to the Public Financing, Ethics and Special Projects and Enforcement areas, including the Central Enforcement Docket.

MUR 3492 (Jesse Jackson for President '88 Committee et al.)

This matter resulted from the Title 26 audit of Jesse Jackson's 1988 presidential campaign. On December 13, 1994, the Commission found probable cause to believe that the Jesse Jackson for President '88 Committee, New Yorkers for Jackson '88, and their treasurer violated several provisions of the FECA, the Matching Fund Act and Commission Regulations. The violations include filing inaccurate disclosure reports totaling in excess of eleven million dollars, accepting excessive contributions totaling over $192,000, and accepting apparent corporate contributions and improper bank loans.

All of the violations at issue occurred during the audit period covering 1987 and 1988. Therefore, if 28 U.S.C. § 2462 applies, the Commission would already be unable to obtain a civil penalty if this matter were to proceed to litigation. However, respondents have agreed to conciliate despite their awareness of the recent NRSC decision.

On April 20, 1995, respondents submitted an agreement signed by Robert F. Bauer, counsel for the respondents.
5.

This Office recommends that the Commission accept this conciliation agreement and close the file.

Staff Assigned: Lisa Klein and Frances B. Hagan

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PAGES (B) THRU (F) DO NOT APPLY TO MUR 3492.

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V. RECOMMENDATIONS

Take no further action, close the file and approve the appropriate letters in the following matters:

1) MUR 2984
2) MUR 3182
3) MUR 3228
4) MUR 3787
5) MUR 3973
6) MUR 4013

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With regard to MUR 3492:

1) Accept the attached conciliation counteroffer.

2) Close the file.

3) Approve the appropriate letter.

4) Approve the appropriate letters.

4/28/75
Date

Lawrence H. Noble
General Counsel

Staff Assigned

Staff members assigned to each of the potentially affected matters prepared their respective case discussions; the PFMSP cases were coordinated by Jim Portnoy; Tracey Ligon drafted the legal section; and Colleen Sealander combined the parts into one document.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3492
Jesse Jackson for President '88 Committee;	)	
Howard Renzi, as treasurer;	)	
New Yorkers for Jesse Jackson '88 Committee;	)	
J. Wesley Parker, as treasurer	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on May 16, 1995, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 3492:

1. Accept the conciliation counteroffer attached to the General Counsel's report dated April 28, 1995.

2. Close the file.

3. Approve an appropriate letter based on the discussion held at the Commission meeting of May 16, 1995.

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

Attest:

5-19-95
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 25, 1995

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Robert F. Bauer, Esquire
Perkins Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005-2011

RE: MUR 3492
Jesse Jackson for President '88
Committee
Howard Renzi, as treasurer
New Yorkers for Jesse Jackson '88
Committee
J. Wesley Parker, as treasurer

Dear Mr. Bauer:

On May 16, 1995, the Federal Election Commission accepted the signed conciliation agreement and partial civil penalty submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 434(b), 441a(f), 441b(a), 432(c), 432(d), 433(b)(6), 434(a), and 26 U.S.C. § 9033(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), or Chapters 95 and 96 of Title 26, U.S. Code. Accordingly, the file has been closed in this matter. Please be advised that the Commission usually requires refunds of excessive and prohibited contributions as well as amendments to disclosure reports required by the Act. The absence of these requirements and the civil penalty amount in this agreement reflect the particular circumstances in this case, which relates to the 1988 Presidential election cycle.

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

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Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the second installment payment of the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3400.

Sincerely,

Frances B. Hagan

Frances B. Hagan
Paralegal Specialist

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Jesse Jackson for President '88 Committee	)	MUR 3492
	)	
Howard Rensi, as treasurer	)	
New Yorkers for Jesse Jackson '88 Committee	)	
	)	
J. Wesley Parker, as treasurer	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Jesse Jackson for President '88 Committee and Howard Rensi, as treasurer, ("Respondents" or "JJFP") violated 2 U.S.C. §§ 434(b), 441a(f), 441b(a), and 26 U.S.C. § 9033(a). The Commission also found probable cause to believe that the New Yorkers for Jesse Jackson '88 Committee and J. Wesley Parker, as treasurer, ("Respondents" or "NYFJJ") violated 2 U.S.C. §§ 432(c), 432(d), 433(b)(6), 434(a), and 434(b).

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

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

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

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

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

A. JESSE JACKSON FOR PRESIDENT '88 COMMITTEE

1. The Jesse Jackson for President '88 Committee is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Howard Rensi is the treasurer of the respondent committee.

3. Under 2 U.S.C. § 441a(a)(1)(A), no person shall make contributions to any candidate and his authorized political committees with respect to any election for federal office which, in the aggregate, exceed $1,000. This limitation applies separately to each election except that all elections held in any calendar year for the office of President (other than a general election for such office) are considered to be one election. 2 U.S.C. § 441a(a)(6). The term "person" includes an individual, partnership, committee, association, corporation, labor organization or any other organization or group of persons. 2 U.S.C. § 431(11).

4. Under 2 U.S.C. § 441a(f), no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the limitations set forth in section 441a of the Federal Election Campaign Act of 1971, as amended ("the Act"). Furthermore, no officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under section 441a of the Act.

5. 11 C.F.R. § 103.3(b)(3) provides that contributions

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which on their face exceed the contribution limitations set forth in 11 C.F.R. §§ 110.1 or 110.2, and contributions which do not appear to be excessive on their face, but which exceed the contribution limits set forth in 11 C.F.R. §§ 110.1 or 110.2 when aggregated with other contributions from the same contributor, may be either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer may request redesignation or reattribution of the contribution by the contributor in accordance with 11 C.F.R. §§ 110.1(b), 110.1(k) or 110.2(b), as appropriate. If a redesignation or reattribution is not obtained, the treasurer shall, within sixty days of the treasurer's receipt of the contribution, refund the contribution to the contributor. 11 C.F.R. § 103.3(b)(3) (1987).

6. According to the audit of JJFP, JJFP received excessive contributions totaling $157,801.88 from 322 individuals. JJFP subsequently produced evidence that reduced this amount by $5,381.91, to $152,419.57. Of this amount, JJFP refunded $41,865 to 100 contributors, leaving $110,554.97 in unresolved excessive contributions from individuals. These refunds, made between 198 and 659 days of deposit, were not timely in accordance with 11 C.F.R. § 103.3(b)(3).

7. The audit identified excessive contributions totaling $21,928.71 to JJFP from eight non-registered organizations. JJFP subsequently produced evidence regarding one non-registered organization that reduced the unresolved amount by $3,050, leaving $18,878.71 in unresolved excessive contributions from

9504365316 6

non-registered organizations. The audit referral does not indicate refunds of any of these excessive contributions.

8. 11 C.F.R. § 110.1(e) states that a contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate; or by agreement of the partners, as long as: only the profits of the partners to whom the contribution is attributed are reduced and these partners' profits are reduced in proportion to the contribution attributed to each of them. A partnership contribution shall not exceed the contribution limitations. 2 U.S.C. § 441a(a)(1)(A).

9. 2 U.S.C. § 434(b)(2)(A) requires reporting of contributions from persons other than political committees.

10. The audit revealed that JJFF received advances of campaign expenses totaling $5,364.89 from an unincorporated partnership, and subsequently repaid this amount. Neither the advance nor the repayment was reported.

11. Under 2 U.S.C. § 434(b)(2)(H), each report filed under section 434 of the Act shall disclose for the reporting period and calendar year the total amount of all receipts from all loans other than loans made by or guaranteed by the candidate.

12. 2 U.S.C. § 434(b)(3)(E) provides that each report filed under section 434 of the Act shall disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser

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or guarantor of such loan, and date and amount or value of such loan.

13. Under 2 U.S.C. § 441b(a), it is unlawful for any national bank, or any corporation organized by authority of any law of Congress to make a contribution or expenditure in connection with any election to any political office or for any political committee knowingly to accept such a contribution. 2 U.S.C. § 441b(a) further prohibits any officer or director of any corporation or any national bank to consent to any contribution prohibited by section 441b(a) of the Act.

14. 2 U.S.C. § 431(8)(B)(vii) excludes from the definition of contribution any loan of money by a state bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii) further provides that such a loan shall be made on a basis which assures repayment, evidenced by a written instrument, subject to a due date or amortization schedule, and shall bear the usual and customary interest rate of the lending institution.

15. According to the audit, JJPP received a loan of $8,497.24 from the Capitol National Bank ("CNB") in Lansing, Michigan, on March 16, 1988. On April 20, 1988, Respondents' Michigan state account repaid the loan with a check to CNB. Neither the receipt nor the repayment appeared on disclosure reports. 2 U.S.C. § 434(b)(3)(E) and 2 U.S.C. § 434(b)(2)(H).

16. The loan from CNB was evidenced by a written

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instrument, subject to a due date, and bore the bank's usual and customary interest rate. The CNB promissory note shows that the loan was unsecured. The loan was not made on a basis which assured repayment and is a prohibited contribution to JJFP from CNB. 2 U.S.C. § 441b(a).

17. Because it was arranged and signed by an agent of JJFP who is also a member of CNB's Executive Committee and Board of Directors, the CNB loan is also a prohibited contribution to JJFP from the CNB director. 2 U.S.C. § 441b(a). Because the same individual who signed for the loan is wholly liable for it, the entire loan amount (principal and interest totaling $8,716.28) is a contribution to JJFP from the individual. 11 C.F.R. § 100.7(a)(1)(i)(C)(1988). 2 U.S.C. § 441a(a)(1)(A) and 2 U.S.C. § 441a(f).

18. According to the audit, a collateral receipt for $30,000 and other financial transactions supported JJFP's receipt of a loan or letter of credit from Drexel National Bank of Chicago, Illinois ("DNB"). JJFP did not disclose a loan from DNB, nor did JJFP disclose interest payments to DNB.

19. Under 2 U.S.C. § 441b(a), it is unlawful for any corporation or labor organization to make a contribution or expenditure in connection with any election to any political office or for any political committee knowingly to accept such a contribution.

20. JJFP received 13 contributions totaling $20,525 from corporations and labor organizations. These prohibited contributions have not been refunded.

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21. 2 U.S.C. § 434(b)(1) requires that each report filed under this section of the Act shall disclose the amount of cash on hand at the beginning of the reporting period. 2 U.S.C. § 434(b)(2) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the categories set forth in subsections 434(b)(2)(A) through (K). Finally, 2 U.S.C. § 434(b)(4) requires that each report filed under this section of the Act shall disclose for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the categories set forth in subsections 434(b)(4)(A) through (I).

22. The audit identified the following misstatements in JJFP'S 1987 amended disclosure reports: (1) reported receipts overstated by $2,247.65; (2) reported disbursements overstated by $11,933.77; and (3) reported ending cash understated by $9,686.12.

23. 2 U.S.C. § 434(b)(3)(B) requires that each report filed under section 434 of the Act shall disclose the identification of each political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification", in the case of any person other than an individual, means the name and address of such person.

24. According to the audit, during 1987 and 1988 JJFP received 70 contributions totaling $134,583.71 from party committees, other political committees and non-registered

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organizations which were not correctly itemized. In addition, JJFP incorrectly itemized as contributions from individuals six contributions totaling $9,100 from political committees and non-registered organizations. JJFP also incorrectly itemized one transfer of $405 from an authorized committee and one receipt from a state account of $3,000 as contributions from individuals.

25. 2 U.S.C. § 434(b)(3)(A) requires that each report filed under Section 434 of the Act shall disclose the identification of each person other than a political committee who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 431(13)(B), the term "identification," in the case of an individual, means the name, mailing address and the occupation of such individual, as well as the name of his or her employer.

26. According to the audit referral, the minimum estimates of individual contributions requiring itemization that were not itemized by JJFP are $86,729.83 for 1987, and $1,023,135.08 for 1988. (These amounts total $1,109,864.91.)

27. 2 U.S.C. § 434(b)(4)(A) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all expenditures made to meet candidate or committee operating expenses. 2 U.S.C. § 434(b)(5)(A) requires that each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure in an aggregate amount or value in excess of

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$200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure. Under 11 C.F.R. § 104.3(b)(4), "purpose" means a brief statement or description of why the disbursement was made. Examples of statements or descriptions which do not meet the requirement to report the purpose of an expenditure include: "advance," "election day expenses," "other expenses," "expenses," "expense reimbursement," "miscellaneous," "outside services," "get-out-the-vote" and "voter registration." 11 C.F.R. § 104.3(b)(4)(i)(A)(1987).

28. The audit review of reported disbursements made from JJFP's national and state bank accounts revealed 2,498 disbursements totaling $2,960,004.84 which were not itemised correctly. In addition, amended reports from JJFP's national and state bank accounts included 943 itemized disbursements totaling $6,101,330.48 which did not disclose required information (particularly the purpose of disbursements).

29. 2 U.S.C. § 434(b)(2)(I) requires that each report filed under section 434 of the Act shall disclose, for the reporting period and the calendar year, the total amount of all rebates, refunds and other offsets to operating expenditures. 2 U.S.C. § 434(b)(3)(F) requires that each report filed under section 434 of the Act shall disclose the identification of each person who provides a rebate, refund or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $200 within the calendar year, together with

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the date and amount of such receipt.

30. Under the Matching Payment Act and Commission regulations, Presidential candidates seeking Federal Funds for their primary election campaigns must agree to keep and furnish to the Commission all documentation relating to disbursements and receipts including any books, records, and other information that the Commission may request (including bank records for all accounts) and all documentation required to be maintained. 26 U.S.C. § 9033(a); 11 C.F.R. § 9033.1(b)(5) and 11 C.F.R. § 9033.11.

31. JJFP received at least $91,939.06 in refunds and rebates for which no documentation was provided. In addition, JJFP failed to provide documentation necessary to verify the amounts billed to the press for air travel. With limited documentation, the audit review of billings and receipts for press travel identified $101,352.33 in apparent receivables from press organizations and $34,683.20 in apparent overpayments by press organizations. Furthermore, JJFP failed to itemize 124 offsets totaling $235,128.36 on its initial disclosure reports for 1987 and 1988.

B. NEW YORKERS FOR JESSE JACKSON

1. New Yorkers for Jesse Jackson '88 is a political committee within the meaning of 2 U.S.C. § 431(4).

2. J. Wesley Parker is treasurer of the respondent committee.

3. 2 U.S.C. §§ 434(b)(1), (2) and (4) require that each report filed under section 434 of the Act shall disclose the

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amount of cash on hand at the beginning of the reporting period, and the total amount of all receipts and disbursements for the reporting period and the calendar year.

4. According to the FEC audit, NYFJJ's reports for the period of January 1, 1988 to September 30, 1988, contained the following misstatements: (1) reported receipts were overstated by $36,969.99; (2) reported disbursements were overstated by $34,832.80; and (3) reported ending cash was overstated by $1,637.19.

5. Pursuant to 2 U.S.C. § 433(b)(6), a committee's statement of organization shall include a listing of all banks or other depositories used by the committee.

6. The audit revealed financial activity of NYFJJ related to an undisclosed bank account at the Chase Lincoln First Bank of Rochester, New York.

7. 2 U.S.C. § 434(b)(3)(C) requires that each report filed under Section 434 of the Act shall disclose the identification of each authorized committee which makes a transfer to the reporting committee.

8. NYFJJ did not itemize four transfers totaling $71,929.72 from the Jesse Jackson for President '88 Committee and the Jesse Jackson for President '88 Committee-California.

9. 2 U.S.C. §§ 432(c)(1), (2) and (3) require that the treasurer shall keep an account of all contributions received by or on behalf of a political committee, the name and address of any person who makes any contribution in excess of $50, together with the date and amount of any such contribution, and the

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identification of any person who makes a contribution or contributions aggregating more than $200 during a calendar year, together with the date and amount of any such contribution. Under 2 U.S.C. § 432(d), the treasurer shall preserve all records required to be kept by Section 434 and copies of all reports required to be filed by the Act for three years after the report is filed.

10. NYFJJ did not provide sufficient documentation to support contributions received from individuals from January 1, 1988 to September 30, 1988. Based upon an audit review of bank records received in response to Commission subpoenas, NYFJJ did not maintain contributor records totaling $95,620.94.

11. 2 U.S.C. § 434(b)(3)(A) requires that each report filed under section 434 of the Act shall disclose the identification of each individual who makes a contribution during the reporting period in excess of $200, or whose contributions have an aggregate value in excess of $200 within the calendar year.

12. The audit review of contributions revealed that NYFJJ did not itemize at least $74,035.34, or 28 percent of individual contributions received.

13. Under 2 U.S.C. § 434(b)(5)(A), each report filed under section 434 of the Act shall disclose the name and address of each person to whom an expenditure is made in an aggregate amount in excess of $200 within the calendar year, together with the date, amount and purpose of each such expenditure.

14. According to the audit, NYFJJ did not itemize as required 76 disbursements totaling $85,308.84. These reporting

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errors primarily involve the failure to disclose the payee's address and the purpose of the disbursement in accordance with the Act and the regulations. See 2 U.S.C. § 434(b)(5)(A) and 11 C.F.R. § 104.3(b)(4).

15. Under 2 U.S.C. § 434(a)(1), each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of Section 434. 2 U.S.C. § 433(d)(1) provides that a political committee may terminate only when such a committee files a written statement, in accordance with Section 432(g) of the Act, that it will no longer receive any contributions or make any disbursement and that such committee has no outstanding debts or obligations.

16. According to the audit referral, NYFJJ's last report, the October 1988 Quarterly Report, indicated cash on hand of $21,863.02, and no outstanding debts or obligations. The report did not indicate that it was a termination report.

17. The audit revealed that as of September 30, 1988, NYFJJ had expended their cash balance and deposited no additional receipts. NYFJJ's bank account apparently closed December 13, 1988. NYFJJ did not file a termination report disclosing their use of residual funds.

V. 1. JJFP accepted contributions totaling $152,419.97 from individuals in excess of limitations at 2 U.S.C. § 441a(a)(1)(A) in violation of 2 U.S.C. § 441a(f).

2. JJFP accepted contributions totaling $18,878.71 from non-registered organizations in excess of limitations at 2 U.S.C. § 441a(a)(1)(A) in violation of 2 U.S.C. § 441a(f).

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3. JJFP accepted a contribution of $8,716 in loan form from an individual, representing $7,716 in excess of limitations at 2 U.S.C. § 441a(a)(1)(A) in violation of 2 U.S.C. § 441a(f).

4. JJFP accepted contributions totaling $5,364.89 from a partnership in excess of limitations at 2 U.S.C. § 441a(a)(1)(A) in violation of 2 U.S.C. § 441a(f).

5. JJFP accepted prohibited contributions of $20,525 from corporations and labor organizations in violation of 2 U.S.C. § 441b(a).

6. JJFP accepted a prohibited contribution of $8,716 in the form of a loan not made in the ordinary course of business in violation of 2 U.S.C. § 441b(a).

7. JJFP failed to report a loan of $8,716, and a line of credit of $30,000 in violation of 2 U.S.C. § 434(b).

8. JJFP failed to report an advance of expenses totaling $5,364.89 from a partnership in violation of 2 U.S.C. § 434(b).

9. JJFP reported misstatements of financial activity, overstating receipts by $2,248, overstating disbursements by $11,934, and understating ending cash by $9,686 in violation 2 U.S.C. § 434(b).

10. JJFP failed to itemize, or incorrectly itemized on reports contributions totaling $1,256,953.62 from committees and individuals in violation of 2 U.S.C. § 434(b).

11. JJFP failed to itemize, or incorrectly itemized on reports disbursements totaling $9,061,335.32 in violation of 2 U.S.C. § 434(b).

12. JJFP failed to itemize on reports offsets to

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expenditures totaling $235,128.36 in violation of 2 U.S.C. § 434(b).

13. JJFP failed to report certain refunds and rebates in violation of 2 U.S.C. § 434(b).

14. JJFP failed to keep and furnish records to document refunds and rebates of $91,939.06 in violation of 26 U.S.C. § 9033(a).

15. JJFP failed to keep and furnish documents for receivables and overpayments for press air travel totaling at least $136,035.53 in violation of 26 U.S.C. § 9033(a).

16. NYFJJ reported misstatements of financial activity, over- and understating receipts by $73,182.80, over- and understating disbursements by $70,889.98, and over- and understating ending cash by $14,147.48 in violation of 2 U.S.C. § 434(b).

17. NYFJJ failed to disclose a bank depository in violation of 2 U.S.C. § 433(b)(6).

18. NYFJJ failed to properly itemize on reports receipt of four transfers totaling $71,929.72 in violation of 2 U.S.C. § 434(b).

19. NYFJJ failed to maintain records of individual contributions totaling $95,620.94 in violation of 2 U.S.C. § 432(c) and (d).

20. NYFJJ failed to itemize on reports individual contributions totaling $74,035.34 in violation of 2 U.S.C. § 434(b).

21. NYFJJ failed to itemize disbursements totaling

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$85,308.84, in violation of 2 U.S.C. § 434(b).

22. NYPJJ failed to file a termination report in violation of 2 U.S.C. § 434(a).

VI. In view of the fact that this matter relates to the 1988 Presidential election cycle, Respondents will pay a civil penalty to the Federal Election Commission in the amount of one hundred and fifty thousand dollars ($150,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

a. One initial payment of $20,000 to be submitted with this signed agreement;

b. One payment of $30,000 due within 30 days after the effective date of this agreement;

c. Ten additional payments of $10,000 each; with each subsequent payment due on the first day of each succeeding month thereafter.

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

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement

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thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

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

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

Date 5/25/95

FOR THE RESPONDENTS:

(Name) Robert F. Bauer
(Position) Counsel to Jesse Jackson for President '88 Committee

Date 4/20/95

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3492

DATE FILMED 6/27/95 CAMERA NO. 2

CAMERAMAN SSS

9504365318 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 6/27/95

✓ Microfilm

_____ Public Records

_____ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 3492

95043654726

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. · WASHINGTON, D.C. 20005-2003
TELEPHONE: (202) 628-6600 · FACSIMILE: (202) 434-1690

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Jun 23 4 20 PM '95

June 23, 1995

Via Hand Delivery

Ms. Frances B. Hagen
Office of the General Counsel
Federal Election Commission
999 E. Street. N.W.
6th Floor
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
ACCOUNTING OFFICE
Jun 23 4 24 PM '95

95043654727

Re: Payment in MUR 3492

Dear Fran:

Pursuant to Paragraph VI(b) of the Conciliation Agreement in this matter, enclosed please find two checks from the Jackson Committee totaling $30,000.00. Please do no hesitate to contact me if you have any questions.

Very truly yours,

Marc E. Elias

Marc E. Elias by RDW

MEE:dkg
Enclosures

[15985-0001/DA951740.022]

JESSE JACKSON FOR PRESIDENT
'88 COMMITTEE
ACCOUNT NO. 3

102

25 June 1995

15-3/540 28

Pay to the order of FEC $ 14,000 00

Fourteen Thousand and 00/100 Dollars

RIGGS

memo

⑆054000030⑆ 7661620 7⑈ 0102 Katherine R. Boyce

1127

JESSE JACKSON FOR PRESIDENT
'88 COMMITTEE

6.23 1995

15-3/540 28

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION $ 16,000.00

SIXTEEN THOUSAND & 00/100 DOLLARS

RIGGS

FOR

Katherine R. Boyce

⑈001127⑈ ⑆054000030⑆ 17098331⑈

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

6/26/95

JUN 27 11 10 AM '95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECt: Account Determination for Funds Received

We recently received a check from Jesse Jackson for President '88 Committee, check number 102, dated 6/23/95, and in the amount of $ 14,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $ 14,000.00, the MUR number is 3492 and in the name of Jesse Jackson for Pres Cmte. The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Teresa Robinson
Signature

6/26/95
Date

95043654729

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

6/26/95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Jesse Jackson for President '88 Committee, check number 1129, dated 6/23/95, and in the amount of $16,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $16,000.00, the MUR number is 3492 and in the name of Jesse Jackson for Pres. Cmte. The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Teresa Robinson
Signature

6/26/95
Date

95043654730

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 7/5/95

✓ Microfilm

_____ Public Records

_____ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 3492

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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. · WASHINGTON, D.C. 20005-2011
TELEPHONE: (202) 628-6600 · FACSIMILE: (202) 434-1690

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JUL 5 11 38 AM '95

June 30, 1995

Via Hand Delivery

Ms. Frances B. Hagen
Office of the General Counsel
Federal Election Commission
999 E. Street. N.W.
6th Floor
Washington, D.C. 20463

Re: Payment in MUR 3492

Dear Fran:

Pursuant to Paragraph VI(c) of the Conciliation Agreement in this matter, enclosed please find two checks from the Jackson Committee totaling $10,000.00 which constitute the July 1 installment payment under the agreement. Please do not hesitate to contact me if you have any questions.

Very truly yours,

Marc E. Elias

MEE:dkg
Enclosures

[15985-0001/DA951810.020]

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JESSE JACKSON FOR PRESIDENT
'88 COMMITTEE
ACCOUNT, NO. 3

6 30 1995

Pay to the order of FEDERAL ELECTION COMM. $ 6,500.00

Six Thousand Five Hundred & 00/100 Dollars

RIGGS

memo

⑆054000030⑆ 7661620 7⑈ 0103

1128

JESSE JACKSON FOR PRESIDENT
'88 COMMITTEE

6.23 1995

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION $ 3,500

Three Thousand Five Hundred and 00/100 DOLLARS

RIGGS

FOR

⑈001128⑈ ⑆054000030⑆ 1709833 1⑈

9504365548

JUL 5 11 30 AM '95

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

7/3/95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Jesse Jackson for President, check number 103, dated 6/30/95, and in the amount of $6,500.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $6500.00, the MUR number is 3492 and in the name of Jesse Jackson for President 88 Cmte The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Anita Alexander
Signature

7-5-95
Date

95043655479

JUL 3 11 55 AM '95

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

7/3/95

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from Jesse Jackson for President, check number 1128, dated 6/23/95, and in the amount of $3500.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $3500.00, the MUR number is 3492 and in the name of Jesse Jackson for President '88 Cmte. The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Anita Alexander
Signature

7-5-95
Date

95043655480

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 8/21/95

✓ Microfilm

_____ Public Records

_____ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 3492

9504366471 8

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. WASHINGTON, D.C. 20005-2011
TELEPHONE: (202) 628-6600 FACSIMILE: (202) 434-1690

RECEIVED FEDERAL ELECTION COMMISSION OFFICE OF GENERAL COUNSEL
AUG 14 5 07 PM '95

August 14, 1995

Via Hand Delivery

Frances B. Hagen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: Payment in MUR 3492

Dear Fran:

Pursuant to Paragraph VI of the Conciliation Agreement in this matter, enclosed please find a check from the Jackson Committee in the amount of $80,000 which constitutes payment in full of all outstanding sums owed under the Agreement. Please do not hesitate to contact me, if you have any questions.

RECEIVED FEDERAL ELECTION COMMISSION ACCOUNTING OFFICE
AUG 15 8 32 AM '95

Very truly yours,

Marc E. Elias

MEE:smb

Enclosure

[15985-0001/DA952260.056]

9 5 0 4 3 6 6 4 7 1 9

JESSE JACKSON FOR PRESIDENT
'88 COMMITTEE
ACCOUNT, NO. 3

106

8. 4 1995

Pay to the order of FEDERAL ELECTION COMM $ 80,000.00

EIGHTY THOUSAND & 00/100 Dollars

RIGGS

Jeffrey Smittle

Susan Jaussler

memo

⑆054000030⑆ 7661620 7⑈ 0106

9504366 4/20

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
'95 AUG 15 9:59 AM

AUGUST 15, 1995

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECT: Account Determination for Funds Received

We recently received a check from JESSE JACKSON FOR PRESIDENT '88 COMMITTEE, check number 106, dated AUGUST 4, 1995, and in the amount of $80,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $80,000.00 the MUR number is 3492 and in the name of Jesse Jackson for President '88 Cmte. The account into which it should be deposited is indicated below:

__ Budget Clearing Account (OGC), 95F3875.16

✓ Civil Penalties Account, 95-1099.160

__ Other: _____

Anita Alexander
Signature

8-15-95
Date

95044366721

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 8/1/95

✓ Microfilm

_____ Public Records

_____ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 3492

95043672962

PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. WASHINGTON, D.C. 20005-2011
TELEPHONE: (202) 628-6600 FACSIMILE: (202) 434-1690

RECEIVED
FEDERAL ELECTION
COMMISSION
ACCOUNTING OFFICE
Jul 31 4 12 PM '95

July 31, 1995

Via Hand Delivery

Frances B. Hagen, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

AUG 1 9 45 AM '95
RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL COUNSEL

Re: Payment in MUR 3492

Dear Fran:

Pursuant to Paragraph VI(c) of the Conciliation Agreement in this matter, enclosed please find a check from the Jackson Committee in the amount of $10,000.00 which constitutes the July 1 installment payment under the Agreement. Please do not hesitate to contact me, if you have any questions.

Very truly yours,

Marc E. Elias

MEE:smb

Enclosure

[15985-0001 DA952120.041]

9 5 0 4 3 6 7 2 9 6 3

JESSE JACKSON FOR PRESIDENT
'88 COMMITTEE
ACCOUNT. NO. 3

104

July 28 1995

15-3/540 28

Pay to the order of FEDERAL ELECTION COMM $ 10,000

Ten Thousand Dollars

RIGGS

memo

⑆054000030⑆ 766162070 0104

Katharine R. Boyce

9504367229964

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

July 31, 1995

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECt: Account Determination for Funds Received

We recently received a check from Jesse Jackson For President 1988 Cmte, check number 104, dated July 28, 1995, and in the amount of $10,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

==========

TO: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By aa

In reference to the above check in the amount of $10,000.00, the MUR number is 3492 and in the name of Jesse Jackson for President '88 Cmte. The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Anita Alexander
Signature

8-01-95
Date

95014367290 5