



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 3494

DATE FILMED 10/28/93 CAMERA NO. 2

CAMERAMAN MC

93040983273

 The Maine Republican Party

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

MAR 30 10 31 AM '92

March 24, 1992

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

MUR 3494

Dear Sirs:

We are writing to ask for an investigation of the campaign activities of the "McGowan for Congress Committee" in Maine's Second Congressional District. Attached you will find pertinent FEC documents and related news stories which clearly indicate that "McGowan for Congress" campaign 1) accepted illegal contributions and following notification did not return them, and, 2) violated FEC regulations regarding debts.

On February 16, 1990, the McGowan campaign received an illegal, excess contribution of two thousand dollars (\$2,000.00) from JACPAC (Attachment A). A May 29, 1990 letter from the FEC cited the McGowan campaign for illegally accepting the contribution (Attachment B). On June 8, 1990 the McGowan campaign reported that it had returned one thousand dollars (\$1,000.00) of the JACPAC contribution on April 26, 1990, more than 60 days after receipt of the illegal excess contribution (Attachment C).

On July 11, 1990 the McGowan campaign received an additional contribution of one thousand dollars (\$1,000.00) from JACPAC (Attachment D). As a December 5, 1990 FEC letter (Attachment E), a December 27, 1990 letter from Severin Beliveau on behalf of JACPAC (Attachment F), a December 13, 1990 letter from the JACPAC treasurer to the McGowan campaign (Attachment G) and a December 18, 1990 letter from the JACPAC treasurer to FEC (Attachment H) indicate, the JACPAC contributions to the McGowan campaign were illegal because the funds used were illegal under federal law.

JACPAC's 12/13/90 letter to the McGowan campaign requested the return of their two thousand dollars (\$2,000.00) in illegal contributions. Subsequent FEC reports filed by the McGowan campaign shows they have not returned these illegal contributions.

We also request your review of the "McGowan for Congress" campaign's treatment of debts during 1990. The July 31, 1991 mid-year report lists partial payment of one thousand dollars (\$1,000.00) on a two-thousand one hundred dollar (\$2,100.00) debt to the Caanan Motel, leaving an outstanding amount due of one-thousand one hundred dollars (\$1,100.00).

3 Wade Street • Post Office Box O • Augusta, Maine 04332  
207-622-6247 • fax 207-623-5322

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Federal Election Commission  
March 24, 1992  
Page 2

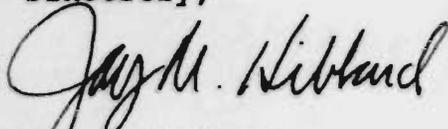
In a December 18, 1991 news story (Attachment I), Mr. McGowan was quoted as saying his 1990 campaign still owes \$2,000, a loan from the campaign from his business. He further stated he would absorb the debt as a loss.

At no time did the "McGowan for Congress" campaign list any loans from himself, his business or the Caanan Motel to his campaign. The Caanan Motel was treated as a commercial vendor by the McGowan campaign, and accordingly, we believe the \$1,100.00 owed to the Caanan Motel remains a debt.

Under the FEC's debt settlement rules, only terminating committees are permitted to settle their debts for less than the amount owed. As McGowan indicated in a Bangor Daily News article (Attachment J), he will be a candidate for Congress in 1992, his committee constitutes an on-going committee and would not be allowed to settle debts for less than the amount owed. Further, the "McGowan for Congress" campaign's March 2, 1992 Debt Settlement Plan (Attachment K) indicates that the Committee is not terminating, and as such, the FEC should declare the Debt Settlement Plan invalid.

We request your review of these activities and appropriate action to ensure proper administration of campaign finance laws.

Sincerely,



Jay M. Hibbard  
Executive Director

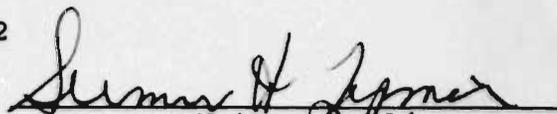
encl: Attachments

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I Sumner H. Lipman, hereby swear or affirm that the above letter was signed in my presence.

Subscribed and sworn to before me on this date:

3/26, 1992

  
Notary Public

93040983275

Attachment A

REPORT OF RECEIPTS AND DISBURSEMENTS RECEIVED

For An Authorized Committee (Summary Page)

FEDERAL ELECTION COMMISSION on Governmental Ethics and Election Practices MAIL ROOM

MAR 30 10 31 AM '92 APR 17 1990

USE FEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (in full) McGowan For Congress '90

ADDRESS (number and street)  Check if different than previously reported.  
Route 2 PO BOX 400

CITY, STATE and ZIP CODE Canaan ME 04924 STATE/DISTRICT Maine / 2<sup>nd</sup>

2. FEC IDENTIFICATION NUMBER 134915 AUGUSTA, MAINE

3. IS THIS REPORT AN AMENDMENT?  
 YES  NO

4. TYPE OF REPORT

April 15 Quarterly Report  Twelfth day report preceding \_\_\_\_\_ (Type of Election) election on \_\_\_\_\_ in the State of \_\_\_\_\_

July 15 Quarterly Report  Thirtieth day report following the General Election on \_\_\_\_\_ in the State of \_\_\_\_\_

October 15 Quarterly Report  Termination Report

January 31 Year End Report

July 31 Mid-Year Report (Non-election Year Only)

This report contains activity for  Primary Election  General Election  Special Election  Runoff Election

SUMMARY

5. Covering Period	COLUMN A This Period	COLUMN B Calendar Year-to-Date
<u>1/1/90</u> through <u>3/31/90</u>		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(a)) . . . . .	<u>20,094.50</u>	<u>20,094.50</u>
(b) Total Contribution Refunds (from Line 20(d)) . . . . .	<u>-</u>	<u>-</u>
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a)) . . . . .	<u>20,094.50</u>	<u>20,094.50</u>
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17) . . . . .	<u>5656.10</u>	<u>5656.10</u>
(b) Total Offsets to Operating Expenditures (from Line 14) . . . . .	<u>-</u>	<u>-</u>
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a)) . . . . .	<u>5656.10</u>	<u>5656.10</u>
8. Cash on Hand at Close of Reporting Period (from Line 27) . . . . .	<u>14,438.40</u>	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D) . . . . .	<u>-</u>	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D) . . . . .	<u>2,521.02</u>	

For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-376-3120

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer Karen Madore Fournier

Signature of Treasurer Karen Fournier Date 4/13/90

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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**DETAILED SUMMARY PAGE**  
of Receipts and Disbursements  
(Page 2, FEC FORM 3)

Name of Committee (in full) Mr. Gonzalez For Congress '90 Report Covering the Period:  
From: 1/1/90 To: 2/31/90

I. RECEIPTS	COLUMN A Total This Period	COLUMN B Calendar Year-To-Date	
<b>11. CONTRIBUTIONS (other than loans) FROM:</b>			
(a) Individuals/Persons Other Than Political Committees			
(i) Itemized (use Schedule A)	6750 -		11(a)(i)
(ii) Unitemized	9844.50		11(a)(ii)
(iii) Total of contributions from individuals	16594.50	16594.50	11(a)(iii)
(b) Political Party Committees	-	-	11(b)
(c) Other Political Committees (such as PACs)	2000 -	2000 -	11(c)
(d) The Candidate	1500 -	1500 -	11(d)
(e) TOTAL CONTRIBUTIONS (other than loans) (add 11(a)(iii), (b), (c) and (d))	20094.50	20094.50	11(e)
<b>12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES.</b>	-	-	12
<b>13. LOANS.</b>			
(a) Made or Guaranteed by the Candidate	-	-	13(a)
(b) All Other Loans	-	-	13(b)
(c) TOTAL LOANS (add 13(a) and (b))	-	-	13(c)
<b>14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)</b>	-	-	14
<b>15. OTHER RECEIPTS (Dividends, Interest, etc.)</b>	-	-	15
<b>16. TOTAL RECEIPTS (add 11(e), 12, 13(c), 14 and 15)</b>	20094.50	20094.50	16
<b>H. DISBURSEMENTS</b>			
<b>17. OPERATING EXPENDITURES</b>	5656.10	5656.10	17
<b>18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES.</b>	-	-	18
<b>19. LOAN REPAYMENTS:</b>			
(a) Of Loans Made or Guaranteed by the Candidate	-	-	19(a)
(b) Of All Other Loans	-	-	19(b)
(c) TOTAL LOAN REPAYMENTS (add 19(a) and (b))	-	-	19(c)
<b>20. REFUNDS OF CONTRIBUTIONS TO:</b>			
(a) Individuals/Persons Other Than Political Committees	-	-	20(a)
(b) Political Party Committees	-	-	20(b)
(c) Other Political Committees (such as PACs)	-	-	20(c)
(d) TOTAL CONTRIBUTION REFUNDS (add 20(a), (b) and (c))	-	-	20(d)
<b>21. OTHER DISBURSEMENTS</b>	-	-	21
<b>22. TOTAL DISBURSEMENTS (add 17, 18, 19(c), 20(d) and 21).</b>	5656.10	5656.10	22

**III. CASH SUMMARY**

<b>23. CASH ON HAND AT BEGINNING OF REPORTING PERIOD</b>	\$	<del>0</del>	23
<b>24. TOTAL RECEIPTS THIS PERIOD (from Line 16)</b>	\$	20,094.50	24
<b>25. SUBTOTAL (add Line 23 and Line 24)</b>	\$	20,094.50	25
<b>26. TOTAL DISBURSEMENTS THIS PERIOD (from Line 22)</b>	\$	5,656.10	26
<b>27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (subtract Line 26 from 25)</b>	\$	14,438.40	27

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SCHEDULE A

RECEIPTS

Contributions from other Political Committee

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

PAGE 1 OF 1  
FOR LINE NUMBER 11(C)

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

NAME OF COMMITTEE (In Full)

McGovern for Congress '93 134975

A. Full Name, Mailing Address and ZIP Code

JAC PAC  
136 Union St  
Bangor ME 04401

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

2/16/90

\$2000

Receipt For:  Primary  General

Other (specify):

Aggregate Year-to-Date > \$ 2000

B. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For:  Primary  General

Other (specify):

Aggregate Year-to-Date > \$

C. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For:  Primary  General

Other (specify):

Aggregate Year-to-Date > \$

D. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For:  Primary  General

Other (specify):

Aggregate Year-to-Date > \$

E. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For:  Primary  General

Other (specify):

Aggregate Year-to-Date > \$

F. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For:  Primary  General

Other (specify):

Aggregate Year-to-Date > \$

G. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For:  Primary  General

Other (specify):

Aggregate Year-to-Date > \$

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

TOTAL This Period (last page this line number only) .....

\$2000-

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FEDERAL ELECTION COMMISSION

RO-2

Karen Madore Fournier, Treasurer  
McGowan For Congress '90  
Route #2, P.O. Box 400  
Canaan, ME 04924

Identification Number: C00243121

Reference: April Quarterly Report (1/1/90-3/31/90)

Dear Ms. Fournier:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limit set forth in the Act. No political committee other than a qualified multicandidate committee may make contributions to a candidate for federal office in excess of \$1,000 per election. The JAC PAC did not meet the requirements for qualified multicandidate status as of the date the contribution(s) was made to your committee. The term "contribution" includes any gift, subscription, loan, advance or deposit of money and anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limit, you should either refund to the donor(s) the amount in excess of \$1,000 or get the donor(s) to redesignate the contribution(s) in writing. All refunds and redesignations must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks and copies of letters redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made. Redesignations are

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reported as memo entries on Schedule A of this report covering the period in which the authorization for the redesignation is received. (11 CFR §104.0(d)(2) and (4))

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

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,

*Jack MacDonald*

Jack MacDonald  
Reports Analyst  
Reports Analysis Division

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97013962647

(207) 474-8080

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Clark of the House  
1036 Longworth  
Washington

Re: Inquiry 5/21/80, re Quarterly Report, JIC PAC

Dear Sir or Madam:

The JIC PAC contribution of \$200 reported on  
our April quarterly report is not refunded to the  
donor. Check # [unclear] amount \$1000  
was reported on our production report,  
line 20(c), for 5/21/80.

Enclosed are copies of SUB line 20(c),  
and our certifying mail receipts. If there are  
any further questions, please do not hesitate to  
contact me.

Sincerely,  
*[Signature]*  
Karen Anne Fournier

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Attachment E



FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20547

FE-2

DEC 5 1990

William A. Osborne, Treasurer  
JAC PAC  
66 South Fourth Street  
Old Town, ME 04468

Identification Number: C00244300

Reference: October Quarterly Report (7/1/90-9/30/90)

Dear Mr. Osborne:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The totals listed on Lines 6(c) and 7, Column B of the Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals.

-The totals listed on Lines 11(a)(II), 11(a)(III), 11(d), and 10, Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals.

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule D, supporting Line 19 of the Detailed Summary Page. (2 U.S.C. §434(b)(5)) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty (60) days or more. 11 CFR §104.11

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If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered in-kind contributions from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Please provide clarification regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations. Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,



Andrew J. Dodson  
Senior Reports Analyst  
Reports Analysis Division

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36713545



**PRETI, FLAHERTY, BELIVEAU & PACHIO**

Mr. Andrew J. Dodson  
December 27, 1990  
Page 2

PAC were at all familiar with the FEC regulations relating to contributions to federal campaigns. I am certain that if JACPAC were aware of the various limitations applying to contributions to federal PACs, they would never have registered with your office.

As Mr. Osborne indicates in his letter, JACPAC is dissolving and will not be participating in federal or state campaigns in the future.

I trust that the material provided to you by Mr. Osborne will satisfy the concerns raised in your letters of December 5 and will permit you to finalize this matter. If you require any additional information or clarification, please do not hesitate to contact me or Mr. Osborne.

With every best for an enjoyable holiday season,

Very truly yours,

  
Severin H. Beliveau

SNB:cob

99993.BA4

Enclosures

cc: W. A. Osborne

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Attachment G

**JACPAC**

**Jack Osborne Political Action Committee**

**100 Union Street • Bangor, ME 04401**

December 13, 1980

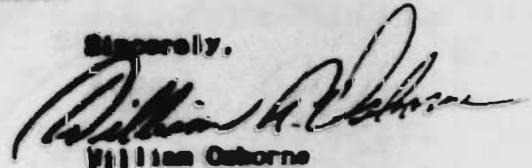
William Jay Congress  
P.O. Box 420  
Canaan, ME 04904

Dear Sir or Madam:

It appears that we may have been in violation of F.E.C. regulations in donating to your campaign. Therefore, I regretfully must request that you return the \$1,000 contribution we made in May and the \$1,000 we donated in September.

Thank you for your attention to this matter.

Sincerely,

  
William Osborne

WD:cf

9 3 0 4 0 9 8 3 2 8 6  
. 1 0 3 6 7 1 0 5

# Attachment H

December 16, 1990  
88 So. Fourth St.  
Old Town, Mo. 64468

FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463  
Attn: Mr. Andrew J. Dodson,  
Senior Reports Analyst

Dear Mr. Dodson,

This letter is in response to your letters of December 5, 1990, concerning JACPAC's July and October Quarterly Reports.

As you requested during your discussion with Mr. Severin M. Beliveau, I will attempt to address each of the questions you itemized in your letters.

A.) July Quarterly Report (4/1/90 - 6/30/90)

- 1.) Prior to our registration with the F.E.C. on 5/3/90, JACPAC had no federal election activity.
- 2.) At the time of registration, JACPAC had a total of \$9,174.87 on hand. Working backwards from 5/3/90, I have identified the source of these funds and have prepared a "Memo" (Schedule A, as requested). Of the total on hand, \$6,874.81 was contributed by individuals in amounts of \$200.00 or less. I have noted this in item A. of the Memo Schedule A.
- 3.) The limited payments for administrative expenses mentioned included the following: \$1,200.00 for office rent, which was itemized on Schedule B. The balance of the expenses were for postage and office supplies and totaled \$210.00.

Prior to registration we incurred a total of \$2,777.84 for operation expenses. I have enclosed a "Memo" Schedule B, detailing these payments. The bulk of these were expenses resulting from our 2 major fundraiser events.

- 4.) As to the source of the contributions made to JACPAC, it is my understanding that you have discussed this matter with Mr. Beliveau, and as you have requested, I have notified the campaign organizations of both candidates for federal office that the donations made to them should be returned. A copy of those letters are enclosed.
- 5.) The totals listed on Lines 6(c), (d) and 7, Column B of the Summary Page are indeed incorrect. While there was no previous report filed, I did however add the Total This Period figures to the amounts contributed

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(2.)

prior to the filing period. However, I did make an error in addition in my working notes and placed the incorrect number on Line 20 and 31, Column B. This error was then carried forward to Line 8 (c). Also the figure on line 11 (a) is incorrect. Thus, lines 11 (a) iii and 11 (d) were wrong. This error was then carried forward to line 8 (a).

I have enclosed an amended report to correct these mistakes.

B.) October Quarterly Report (7/1/90 - 9/30/90)

- 1.) The totals listed on Lines 6(a) and 7, Column B of the Summary Page are correct. They appeared to be incorrect due to the errors made on the previous report. If you compare them with the amended July figures you will see that they match. This is due to the fact that no receipts were taken in during the reporting period covered by the report.
- 2.) The totals listed on Lines 11(a)(ii), 11(a)(iii), 11(d), and 10, Column B of the Detailed Summary Page appeared to be incorrect for the same reason. The errors on the prior periods report. They are however correct. Again, no receipts were taken in during this reporting period.
- 3.) The limited payments for Administrative expenses disclosed were for postage, travel, and fund raising functions. None of these payments were in excess of \$200.00. In fact the total reported for the filing period was only \$311.05.

I sincerely hope that these explanations, the "Memo" schedules for activity prior to registration, and the Amended July report will clarify our position. I apologize for any problems these errors may have caused.

I have also enclosed a Termination Report which details all activity for JACPAC between 9/30/90 and 12/6/90. As you can see, all funds have been spent. There will be no further activity, state, local, or federal on our part. When the contributions to the federal candidates are returned, they will be disposed of in accordance with State of Maine law.

Thank you for your understanding and assistance in this matter.

Sincerely yours,



William A. Osborne, Treasurer  
JACPAC

03040983288

11-3672:711

# McGowan hints at renewed challenge to Snowe in 1992

Associated Press

BANGOR — Patrick K. McGowan, a Democrat who lost a congressional race by two percentage points to incumbent Rep. Olympia J. Snowe in 1990, says he expects fundraising to be a little easier in a renewed challenge next year.

He said national donors who watched his photo-finish loss to the entrenched 2nd District Republican representative last year are promising to increase their contributions this time around.

McGowan has yet to raise any money for his expected 1992 campaign, and his 1990 campaign still owes \$2,000, a loan to the campaign from his business. McGowan said he would absorb the debt as a loss.

Snowe had about \$62,000 on hand for her expected campaign

when finance reports were filed in July.

Observers have speculated since McGowan nearly unseated Snowe that he would run again, and McGowan has done little, if anything, to discourage such talk.

Even though he has not formally announced, he sounds like a challenger, saying, "The 2nd District is just screaming for representation."

McGowan, a general store owner from Canaan who served five terms in the state Legislature before challenging Snowe, said he will make a formal announcement after the new year begins.

McGowan, whose campaign against Snowe in 1990 concluded with the fourth closest finish among congressional races nationwide, said he decided to seek Snowe's seat again after discussing the matter with his family this past weekend.

McGowan said his campaign, which would be headquartered in Bangor, hopes to tap the support of voters who have grown angry with the government as the recession continues.



McGOWAN

93040983289

# Pat McGowan to challenge Snowe in '92

By John Ripley  
Of the NEWS Staff

On Nov. 7, 1990, the day after Pat McGowan lost his bid to unseat Rep. Olympia Snowe by less than 3 percentage points, politicians began to speculate about The Rematch.

While some Democratic insiders have pretty much been convinced that McGowan, a former five-term Democratic legislator, would take another shot at Snowe, he had been putting off a final decision because of family concerns. But after huddling with his family last weekend, McGowan gave the go-ahead to launch a second campaign.

McGowan, 35, will postpone a formal announcement until after the holiday season and "start the new year off right," he said. While his last campaign brought him within a hair of victory — the McGowan-Snowe race was the fourth closest congressional campaign in 1990 — next year's bid will be run a little differently, he said.

Operating from Bangor headquarters, the candidate will concentrate more from a grass-roots base, hoping to tap a well of voter anger, and including those who feel they have become disenfranchised from government — unemployed and injured workers, teachers, students, and a corps of other volunteers.

"The 2nd District is just screaming for representation," McGowan said, including the Legislature and others areas of government.

Also, he said, McGowan workers will canvass the large district signing up voters.

"I think we will concentrate on a grass-roots effort of registering voters," McGowan said. "I think we can do it."

Snowe, in Maine for rest and constituency work, issued a statement through her Washington office saying, "I'm looking forward to discussing the issues with whoever the Democrats nominate in their June 9th primary."

Snowe apparently was referring to a possible primary challenge to McGowan by Auburn lawyer James Roux, who said Monday he would decide by the first of the year whether to mount a challenge. If he can work out his personal finances, Roux said, "I'd run against Olympia with 10 bucks and a bus ticket to Caribou."

McGowan said he expects other changes as well this time around. While some media tended to dismiss his maiden challenge, reporters now will show more interest in his campaign, he said, providing more "free media" that is often reserved for incumbents.

And there is, of course, the other factor that sometimes can make or break a challenge —



"The 2nd District  
is just screaming  
for representa-  
tion."

— Pat McGowan

greenbacks.

Officially, the 1990 McGowan for Congress campaign still owes about \$2,000, although that money was a loan to the campaign from the candidate's business, which McGowan said he would absorb as a loss. With the unofficial 1992 campaign only a day or so old, McGowan said, he has yet to raise a dime. Snowe, on the other hand, has been busy collecting donations; July financial reports, the most recent available, showed she had about \$82,000 on hand.

Sull, after last year's photo-finish, McGowan said he expects fund raising to come a little easier. National donors who gave \$1,000 or so last time have promised the maximum for 1992 — \$5,000 for a primary challenge and \$5,000 for the general election.

McGowan is saving his political salvos for the actual race, but said he wouldn't find a lack of issues — such as a "milking stool" approach to the economy that ties in business, government and labor — to raise during what he said he hoped would be a positive campaign. He remarked with some humor that Snowe recently made a foray into his old legislative district, noting that in 1990 he did well in Auburn, Snowe's hometown. "If I was her, I'd be looking at home," he said.

During the race, McGowan will turn over operation of his store and hotel in Canaan to family, but don't look for him to sell them in hopes of making a career in Washington.

"I won't sell my stores," he said. "This is where I plan to work after I get out of Congress."

MAR 08 1992 MAR - 2 1992  
**REGULAR MAIL REGULAR MAIL DEBT SETTLEMENT PLAN**

EST. MAR 1992 7:40

NAME OF COMMITTEE  
 McGowan for Congress

ADDRESS  
 PO Box 110

CITY STATE AND ZIP CODE  
 Camden NJ 08124

FILE NUMBER  
 134945

Part I - COMMITTEE SUMMARY INFORMATION

1 CASH ON HAND AS OF 2/22/92	\$400-	6 TOTAL AMOUNT OF DEBT OWNED BY THE COMMITTEE	\$1950
2 TOTAL ASSETS TO BE LIQUIDATED	-	7 TOTAL NUMBER OF CREDITORS OWNED	2
3 TOTAL ASB 1 AND 2	\$400-	8 NUMBER OF CREDITORS IN PART 1 OF THIS PLAN	2
4 YEAR TO DATE RECEIPTS 1991	\$1460	9 TOTAL AMOUNT OF DEBT OWED TO THE CREDITORS IN PART 1 OF THIS PLAN	\$1950
5 YEAR TO DATE DISBURSEMENTS 1991	2546.30	10 TOTAL AMOUNT TO BE PAID TO CREDITORS IN PART 1 OF THIS PLAN	\$400

11 IS THE COMMITTEE TERMINATING ITS ACTIVITIES?  
 YES  NO IF YES, WHEN DOES THE COMMITTEE EXPECT TO FILE A TERMINATION REPORT? IF NO, COMMITTEE IS NOT ELIGIBLE TO FILE A DEBT SETTLEMENT PLAN. SEE INSTRUCTIONS

12 IF THIS IS AN ALTERNATE COMMITTEE, DOES THE CANDIDATE HAVE OTHER AUTHORIZED COMMITTEES?  
 YES  NO IF YES, LIST BELOW

13 DOES THE COMMITTEE HAVE SUFFICIENT FUNDS TO PAY THE TOTAL AMOUNT INDICATED IN THIS PLAN?  
 YES  NO IF NO, WHAT STEPS WILL BE TAKEN TO OBTAIN THE FUNDS?

14 HAS THE COMMITTEE FILED PREVIOUS DEBT SETTLEMENT PLANS?  
 YES  NO

15 AFTER DISBURSEMENT OF ALL THE COMMITTEE'S DEBTS AND OBLIGATIONS, WILL THERE BE ANY RESIDUAL FUNDS?  
 YES  NO IF YES, HOW WILL THE FUNDS BE DISBURSED?

I certify, to the best of my knowledge, that the information contained in this Debt Settlement Plan is true, correct and complete.

SIGNATURE OF MEMBER OF COMMITTEE: *Alan McGowan* DATE: 3/2/92

FEC FORM 8  
 (Election 11 of)

9304098329

220115312

### DEBT SETTLEMENT PLAN PART B

NAME OF CREDITOR <b>McGrath for Congress</b>	SEC. 0 NUMBER <b>13-745</b>	PAGE <b>1</b>	OF <b>2</b>
---	--------------------------------	------------------	----------------

**CREDITOR'S SUMMARY INFORMATION**  
FILL OUT FOR EACH CREDITOR IN PLAN

FULL NAME AND MAILING ADDRESS OF CREDITOR <b>Computerland 25 Atlantic Place So. Portland ME 04106</b>	DATE AC. OPEN	AMOUNT OWED TO CREDITOR	AMOUNT OFFERED IN SETTLEMENT
	<b>Nov. - Nov. 79</b>	<b>850</b>	<b>2400</b>

TYPE OF CREDITOR

INCORPORATED ORGANIZATIONAL VENDOR     UNINCORPORATED ORGANIZATIONAL VENDOR     CARD DATE     COMPANY EMPLOYEE     OTHER ADVISOR

A. TERMS OF THE ORIGINAL OFFERING OF CREDIT AND NATURE OF THE DEBT

**Debt was for computer, was to be paid at \$100 per month.**

B. EFFORTS MADE BY THE CREDITOR TO PAY THE DEBT

**Committee has asked creditor several times over past year when they will accept as settlement amount. Creditor has ~~not~~ and we negotiated with agent.**

C. STEPS TAKEN BY THE CREDITOR TO COLLECT THE DEBT

**In December '91, creditor said they would settle for \$400-**

**CREDITOR SECTION**  
(TO BE FILLED OUT BY CREDITOR)

D. HAS THE CREDITOR MADE BY THE CREDITOR TO COLLECT THE DEBT SIMILAR TO OTHER DEBT COLLECTION EFFORTS AGAINST "NON-POLITICAL DEBTORS"?

YES     NO    IF YES, PLEASE EXPLAIN

**Completion of Maine closed operations in Maine and has liquidated all of its assets. A settlement was made to facilitate payment and the liquidation process.**

E. ARE THE TERMS OF THE DEBT SETTLEMENT RESPONSIBLE TO OTHER CREDITORS BASED ON THE CREDITOR'S OTHER NON-POLITICAL DEBTORS?

YES     NO    IF YES, PLEASE EXPLAIN

As a representative of the creditor, I hereby accept the settlement offer made to me by the committee and upon payment agree to consider the debt satisfied for which a copy of the signed settlement.

23040983292

7201111113

# DEBT SETTLEMENT PLAN

PART B

NAME OF CREDITOR <b>McGougan for Congress</b>	FIC ID NUMBER <b>134745</b>	PAGE <b>2</b>	OF <b>2</b>
--	--------------------------------	------------------	----------------

CHANGES IN CREDITORS OR INFORMATION  
CALL OFFICE FOR REVISION OF PLAN

FULL NAME AND Mailing ADDRESS OF CREDITOR <b>Conaan Motel PO Box 297 Conaan ME 04924</b>	DATE DELIVERED <b>March-14th 1990</b>	AMOUNT OWED TO CREDITOR <b>\$1100.</b>	AMOUNT OFFERED IN SETTLEMENT <b>0</b>
---	--	---	--

TYPE OF CREDITOR:

INDIVIDUAL COMMERCIAL VENDOR   
  UNINCORPORATED COMMERCIAL VENDOR   
  BANKRUPT   
  COMMITTEE EMPLOYEE   
  OTHER INDIVIDUAL

**A. TERMS OF THE ORIGINAL EXTENSION OF CREDIT AND NATURE OF THE DEBT**

Debt was for office space, originally charged at short-term rate of 15% wret. In 1991, creditor agreed upon lump sum of \$4000.

**B. EFFORTS MADE BY THE CREDITOR TO PAY THE DEBT**

Paid agreed-upon \$4000 in 1990 and 1991.

**C. STEPS TAKEN BY THE CREDITOR TO COLLECT THE DEBT**

Extended long-term rate rather than weekly rate.

**CHALLENGE SECTION  
(TO BE FILLED OUT BY CREDITOR)**

**1. HAS THE EFFORT MADE BY THE CREDITOR TO COLLECT THE DEBT SIMILAR TO OTHER DEBT COLLECTIONS OFFERS AGAINST NONPOLITICAL DEBTORS?**

YES     NO    IF NO, PLEASE EXPLAIN

**2. ARE THE TERMS OF THE DEBT OF DEBTOR CONSIDERED TO BE AN UNFAIRLY HIGH RATE OF INTEREST WHEN COMPARED WITH OTHER NONPOLITICAL DEBTORS?**

YES     NO    IF NO, PLEASE EXPLAIN

As a representative of the creditor, I hereby certify the information given herein to be true to the best of my knowledge and upon payment agree to transfer the debt subject to state or local debt adjustment.

SIGNATURE OF CREDITOR: *[Signature]*

DATE: *1/2/91*

93040983293  
920115111



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 3, 1992

Jay M. Hibbard, Executive Director  
Maine Republican Party  
Post Office Box 0  
Augusta, ME 04332

RE: MUR 3494

Dear Mr. Hibbard:

This letter acknowledges receipt on March 30, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by McGowan for Congress and Karen Madore Fournier, as treasurer, Jack Cashman PAC and William A. Osborne, as treasurer, Friends of Tom Andrews and Geoffrey G. Gattis, as treasurer. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3494. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Lisa E. Klein  
Assistant General Counsel

Enclosure  
Procedures

93040983294



FEDERAL ELECTION COMMISSION

WASHINGTON D.C. 20463

April 3, 1992

Karen Madore Fournier, Treasurer  
McGowan for Congress  
P.O. Box 400  
Canaan, ME 04924

RE: MUR 3494

Dear Ms. Fournier:

The Federal Election Commission received a complaint which alleges that McGowan for Congress ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3494. Please refer to this number in all future correspondence.

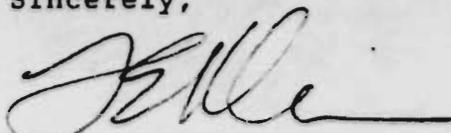
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements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

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

93040983295

If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

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

cc: Patrick K. McGowan

93040983296



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 3, 1992

William A. Osborne, Treasurer  
Jack Cashman Political Action Committee  
66 South Fourth Street  
Old Town, ME 04468

RE: MUR 3494

Dear Mr. Osborne:

The Federal Election Commission received a complaint which indicates that the Jack Cashman Political Action Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3494. Please refer to this number in all future correspondence.

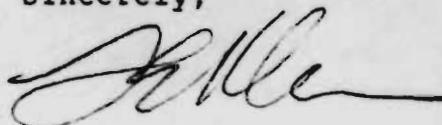
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements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

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

93040983297

If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

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

cc: Jack Cashman

93040983298



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

April 3, 1992

Geoffrey G. Gattis, Treasurer  
Friends of Tom Andrews  
P.O. Box 4400  
Station A  
Portland, ME 04101

RE: MUR 3494

Dear Mr. Gattis:

The Federal Election Commission received a complaint which indicates that Friends of Tom Andrews ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3494. Please refer to this number in all future correspondence.

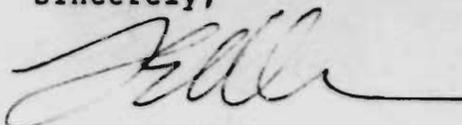
Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements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

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

93040983299

If you have any questions, please contact Xavier McDonnell, the attorney assigned to this matter, at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Lisa E. Klein  
Assistant General Counsel

Enclosures

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

cc: Thomas H. Andrews

93040983300

05C#4672

**CASHMAN ASSOCIATES**

136 Union Street  
Bangor, ME 04401  
945-9900

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 APR 14 AM 11:20  
8/45

April 10, 1992

MUR 3494

Ms. Lisa E. Klein  
Assistant General Counsel  
Federal Election Commission  
Washington, DC 20463

Dear Ms. Klein:

At your request I have enclosed the statement of designation of counsel. Mr. Beliveau will be responding to your office in the near future.

Sincerely,

*Jack*  
Jack Cashman

JC:smb

Enclosure

93040983301

STATEMENT OF DESIGNATION OF COUNSEL

MUR 2494

NAME OF COUNSEL: Severin Beliveau

ADDRESS: Peet, Flaherty, Beliveau & Pachios  
P.O. Box 1058  
Augusta, Maine 04333-1058

TELEPHONE: 207-

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.

4-10-92  
Date

John A. Cashman  
Signature

RESPONDENT'S NAME: John A. Cashman

ADDRESS: 136 Union St.  
Bangor Maine  
04401

HOME PHONE: 207-827-7460

BUSINESS PHONE: 207-945-9900

93040983302

92 APR 14 AM 8:45

# McGOWAN for CONGRESS

800-974-0046 • (207) 474-8080 • MAIN STREET, BOX 400 • CANAAN, MAINE 04924-0400

April 16, 1992

Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: MUR 3494

Dear Sir or Madam:

I am responding to the allegations made in the complaint against me and the campaign committee.

First, in the matter of JACPAC. I joined the campaign in late March, 1990, as a volunteer treasurer with no prior campaign experience. On April 26, 1990, the very day I learned that the JACPAC contribution of February 16, 1990, was over the allowable limit, we returned the excess \$1000 (Attachment 1). While it is true that this was more than 60 days after receipt, it is the best we could do under the circumstances. Moreover, on May 28, 1990, we reported the return of funds on our pre-primary report (Attachment 2). The FEC letter to us questioning the contribution was dated May 29, 1990, (Attachment 3) and was received by us after we returned and reported the excess, as my June 8, 1990, letter to the FEC points out (Attachment 4).

The December 13, 1990, letter from JACPAC requesting the return of the July 11, 1990, and the remainder of the February 16, 1990, contributions (Attachment 5) went unanswered because the campaign treasury had no money at that time. I have since received verbal assurance from Jack Cashman that his JACPAC is dissolved and he no longer wants the refunds. His letter to me of April 13, 1990, confirms that JACPAC had more than enough non-corporate and thus not illegal contributions to cover the amount of their 1990 contributions to our Committee (Attachment 6).

Second, in matter of alleged violations regarding debts. There at no time were any loans of any nature to the Committee. Any money the candidate put into the campaign was treated from the first by the Committee as a contribution (Attachment 7). Mr. McGowan never expressed to us an intent to be repaid. The complaint includes newspaper quotes as evidence that there was indeed an unreported loan. The candidate is not versed in finances, FEC terminology, or regulations and a newspaper story is quite irrelevant to the issue.

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIL ROOM  
APR 21 12 11 PM '92

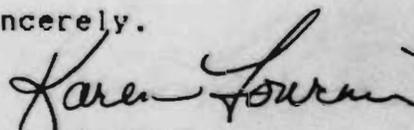
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 APR 21 PM 2:23

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As FEC Reports Analysis Division knows, the matter of Canaan Motel has been one of confused terminology. The billing adjustment by the motel resulted in a decrease of \$1,100 in our original estimate of the bill and was paid in full in June, 1991 (Attachment 8). The FEC requested we complete a debt settlement statement (Attachment 9), so we did, but upon further written (Attachment 10) and telephone (Attachment 11) communication between our two offices, realized that settlement of debts was not the fact at all. The FEC Reports Analysis Division has now instructed us to continue reporting no debts outstanding at December 31, 1991, to reflect the facts of the matter. Please refer to the attached copy of my April 3, 1992, letter to Jack MacDonald of the FEC (Attachment 12).

Thank you for the opportunity to bring this matter to a satisfactory conclusion. I hope this letter sufficiently demonstrates that no action should be taken against the Committee or myself in this matter. It is always my intention to abide by the regulations. I apologize for any confusion created on our part and am available for any further questions you may have.

Sincerely,



Karen Madore Fournier  
Treasurer

Enclosures

cc: Jack Cashman

93040983304



**REPORT OF RECEIPTS AND DISBURSEMENTS**  
For An Authorized Committee  
(Summary Page)

USE FEC MAILING LABEL  
OR  
TYPE OR PRINT

1. NAME OF COMMITTEE (in full) <b>McGowan for Congress '90</b>		2. FEC IDENTIFICATION NUMBER <b>134945</b>	
ADDRESS (number and street) <input type="checkbox"/> Check if different than previously reported. <b>Route 2 PO Box 400</b>		3. IS THIS REPORT AN AMENDMENT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
CITY, STATE and ZIP CODE <b>Canaan ME 04924</b>		STATE/DISTRICT <b>Maine/2<sup>nd</sup></b>	

**4. TYPE OF REPORT**

April 15 Quarterly Report

Twelfth day report preceding Primary (Type of Election) election on 6/12/90 in the State of Maine

July 15 Quarterly Report

October 15 Quarterly Report

January 31 Year End Report

July 31 Mid-Year Report (Non-election Year Only)

Termination Report

This report contains activity for  Primary Election  General Election  Special Election  Runoff Election

**SUMMARY**

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>4/1/90</u> through <u>5/23/90</u>		
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(e))	19876.18	39970.68
(b) Total Contribution Refunds (from Line 20(d))	1000 -	1000 -
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	18876.18	38970.68
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17)	14548.97	20205.09
(b) Total Offsets to Operating Expenditures (from Line 14)	100 -	100 -
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	14448.97	20105.09
8. Cash on Hand at Close of Reporting Period (from Line 27)	18865.59	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	-	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	9564.90	

For further information contact:  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463  
Toll Free 800-424-9530  
Local 202-376-3120

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer **Karen Marble Fournier**

Signature of Treasurer \_\_\_\_\_ Date **5/28/90**

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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93040983306

92 APR 21 PM 2:52

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL

**SCHEDULE B**

**ITEMIZED DISBURSEMENTS**

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

PAGE 1 OF 1  
FOR LINE NUMBER 20(e)

*Refunds of Contributions to other Political Committees*

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

NAME OF COMMITTEE (in Full)

*McGowan for Congress '90 / 134945*

93040983307

A. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
<i>JAC PAC 136 Union St. Bangor ME 04401</i>	<i>refund of 2/16/90 contribution exceeding 21000 limit</i> Disbursement for: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	<i>4/26/90</i>	<i>\$ 1000-</i>
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period

TOTAL of Disbursements This Page (optional) .....

L This Period (last page this line number only) .....

*\$ 1000-*



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

MAY 29 1990

Karen Madore Fournier, Treasurer  
McGowan For Congress '90  
Route #2, P.O. Box 400  
Canaan, ME 04924

Identification Number: C00243121

Reference: April Quarterly Report (1/1/90-3/31/90)

Dear Ms. Fournier:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portion attached) discloses a contribution(s) which appears to exceed the limit set forth in the Act. No political committee other than a qualified multicandidate committee may make contributions to a candidate for federal office in excess of \$1,000 per election. The JAC PAC did not meet the requirements for qualified multicandidate status as of the date the contribution(s) was made to your committee. The term "contribution" includes any gift, subscription, loan, advance or deposit of money and anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. §441a(a) and (f); 11 CFR §110.1(b))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeds the limit, you should either refund to the donor(s) the amount in excess of \$1,000 or get the donor(s) to redesignate the contribution(s) in writing. All refunds and redesignations must be made within sixty days of the treasurer's receipt of the contribution. Copies of refund checks and copies of letters redesignating the contributions in question may be used to respond to this letter. Refunds are reported on Line 20 of the Detailed Summary Page and on Schedule B of the report covering the period in which they are made.. Redesignations are

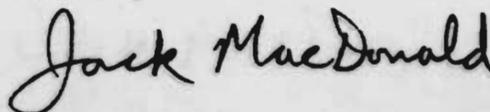
93040983308

reported as memo entries on Schedule A of this report covering the period in which the authorization for the redesignation is received. (11 CFR §104.8(d)(2) and (4))

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

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 376-2480.

Sincerely,



Jack MacDonald  
Reports Analyst  
Reports Analysis Division

93040983309

(207) 474-8080 • RT. 2, BOX 400 • CANAAN, MAINE 04924

June 8, 1990

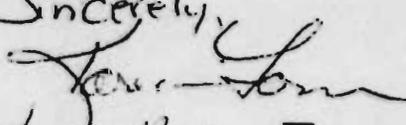
Clerk of the House  
1036 Longworth House Office Bldg  
Washington DC 20515

Re: Inquiry 5/29/90, April Quarterly Report, JAC PAC

Dear Sir or Madam:

The JAC PAC contribution of \$2000 reported on our April quarterly has been in part refunded to the donor. Check # 170, dated 4/26/90, amount \$1000 was reported on our pre-primary election report, line 20(c), FEC Form 3, 5/28/90.

Enclosed are copies of Sch. B (line 20(c)) and our certified mail receipt. If there are any further questions, please do not hesitate to contact me.

Sincerely,  
  
Karen Hatare Fournier

93040983310

JACPAC

ATTACHMENT 5  
page 1 of 1  
Jack Cashman Political Action Committee

136 Union Street • Bangor, ME 04401

December 13, 1990

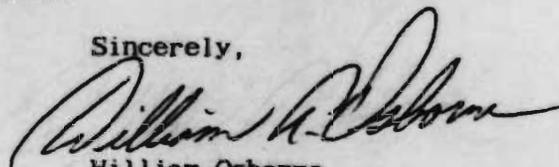
McGowan for Congress  
P.O. Box 400  
Canaan, ME 04924

Dear Sir or Madam:

It appears that we may have been in violation of F.E.C. regulations in donating to your campaign. Therefore, I regretfully must request that you return the \$1,000 contribution we made in May and the \$1,000 we donated in September.

Thank you for your attention to this matter.

Sincerely,

  
William Osborne

WO:cf

93040983311

CASHMAN ASSOCIATES

136 Union Street  
Bangor, ME 04401  
945-9900

April 13, 1992

Ms. Karen Fournier  
P.O. Box 400  
Canaan, Maine 04924

Dear Karen:

Per your request, I am sending along a list of individual contributors to JAC-PAC in 1990.

As I understand it, you need to be assured that we did indeed have individual contributions that exceeded our \$2,000.00 to the McGowan campaign. The attached is only a partial list, but as you can see, it adds up to over \$4,000.00.

Individual contributions totaled just under \$7,000.00 and I can provide the rest of the names if you need them. Please keep me informed.

Sincerely,

*Jack*  
Jack Cashman

JC:smb

Enclosure

93040983312

DUPLICATE

ITEMIZED RECEIPTS

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

PAGE 1 OF 1  
FOR LINE NUMBER 110

Contributions from the Candidate

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

NAME OF COMMITTEE (in Full)

McGowan for Congress 190 134945

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Patrick K. McGowan PO Box 57 Canaan ME 04924	Self-employed	4/11/90	\$ 500
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation Storekeeper	Aggregate Year-to-Date > \$ below	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Patrick K. McGowan d/b/a McGowan's Market PO Box 57 Canaan ME 04924	Same	2/10/90	\$ 1000
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$ 1500	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	

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

TOTAL This Period (last page this line number only) .....

\$ 1500

9304098313

**Canaan Motel**

Rt. 2 • P.O. Box 297  
Canaan, Maine 04924

474-3600

11/13/90

FINAL BILL: McGowan for Congress

Room #18 • 3/15 through 11/3/90

Original Estimate rate \$150.00 per week

Billed long term rate, 8 months \$4000.00

11/3/90 received on account 3000.00

BALANCE DUE \$1000.00

93040983314

Pa  
6/22/91  
ck # 728



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Karen Madore Fournier, Treasurer  
McGowan For Congress '90  
P.O. Box 400  
Canaan, ME 04924

FEB 11 1992

Identification Number: C00243121

Reference: Year End Report (7/1/91-12/31/91)

Dear Ms. Fournier:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report indicates that the following debts have been forgiven or settled:

Computerland  
Canaan Motel

Please note that you must provide the Commission with a completed Debt Settlement Plan (FEC FORM 8 copy enclosed). (11 CFR Part 116)

If the debts are disputed, please provide the full nature and terms of the agreement between the committee and the creditor.

Until you are notified by the Commission that it has found there would be no violation of the Act or Commission Regulations by your settlement plan, you should continue to consider each debt submitted in the plan as an outstanding obligation. (11 CFR §104.11(a))

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Clerk of the House of Representatives, 1036 Longworth House Office Building, Washington, DC 20515 within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

Jack MacDonald  
Reports Analyst  
Reports Analysis Division

93040983315



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MS-C

Karen Madore Fournier, Treasurer  
McGowan For Congress  
P.O. Box 400  
Canaan, ME 04924

MAR 24 1992

Identification Number: C00243121

Reference: Debt Settlement Plan received 3/8/92

Dear Ms. Fournier:

This letter is prompted by the Commission's initial review of your debt settlement plan. In order to complete our review, the following information is needed:

- signatures from the creditors
- clarify whether the committee intends to terminate

If the information is not provided, the processing of the debt settlement will be discontinued. You are reminded that until the Commission is able to complete its review all debts including the debts involved in the debt settlement must be continuously reported. (11 CFR §104.11)

If you have any questions regarding this matter, please feel free to contact me on our toll-free number (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

Jack MacDonald  
Reports Analyst  
Reports Analysis Division

93040983316

3/30/92 2:45 PM Phone call

JY spoke to Jack MacDonald at FEC

re 3/24/92 letter, debt settlement plan

Caravan Motel was adjustment to bill. Send FEC  
a letter to that effect. Do not amend Chab.

Re: Computerland

Same

93040983317

# McGOWAN for CONGRESS

(207) 474-8080 • RT. 2, BOX 400 • CANAAN, MAINE 04924

April 3, 1992

Jack Macdonald, Reports Analyst  
Federal Election Commission  
999 E Street, NW  
Washington DC 20463

Re: Canaan Motel and Computerland creditors

Dear Mr. MacDonald:

This letter is to recap my March 30, 1992, telephone call to you and Craig Cookson's follow-up call to me on April 1, 1992.

In December, I telephoned the FEC and asked how to show billing adjustments. The woman who spoke to me, whose name I unfortunately did not get, told me to show them on the December report and not to file debt settlement statements if we were not terminating. Our December 31, 1991, FEC Form 3 showed the Canaan Motel and Computerland debts as being paid in full and "reduced." My use of the term "debt reduction" to show billing adjustments prompted your office to send us a debt settlement statement to complete and file. Because we were asked to, we did so, but that only served to confuse matters more, since ongoing committees may not settle debts.

Here are the facts of each transaction.

**Canaan Motel:** Our office space at the motel was originally charged at the short-term or transient rate of \$150 per week in March, 1990. The office remained open a total of 34 weeks. Because of the length of time we had been there, the motel management extended us a long-term rate of \$4000. The campaign paid the bill in full with a final check of \$1000 on June 27, 1991. I continued to report the \$1100 difference between the two rates as outstanding until December, 1991, because I did not know how to show the adjusted billing.

**Computerland:** Our campaign manager entered into an agreement with the company in May, 1990, to rent a computer for \$100 per month. We paid \$100 on May 3, 1990. We used the computer until November, 1990, when it stopped working altogether. Our manager then telephoned the company, intending to return the computer and pay the balance due. The company no longer did business in Maine and she was unable to contact them. We never at any point received a bill. The company's agent contacted us in January, 1991. The company did not at that time want the computer back and the agent could not tell us what we owed, since we still had

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possession of the computer, even though it did not work. We gave him a check for \$250 in partial payment on January 11, 1991. The balance of \$850 shown on our FEC reports in 1991 was our best guess as to what we might owe. In December, 1991, the agent contacted us once more. He said the company did not want the computer back at all and our balance on the bill for the 1990 rental was \$400. We paid the \$400 on December 23, 1991.

I hope this letter clarifies the matter and apologize for the confusion I inadvertently may have caused by my terminology. The debt reported on our December 31, 1991, report was \$0, and per Mr. Cookson's instruction, that is the beginning debt we will report on our April 15, 1992, report.

Sincerely,

Karen Madore Fournier  
Treasurer

93040983319

# Friends of Tom Andrews

(202)775-1992 P.O. Box 4400 Station A, Portland, ME 04101

April 17, 1992

Lisa E. Klein  
Assistant General Counsel  
Federal Election Commission  
Washington, DC 20463

RE: MUR 3494

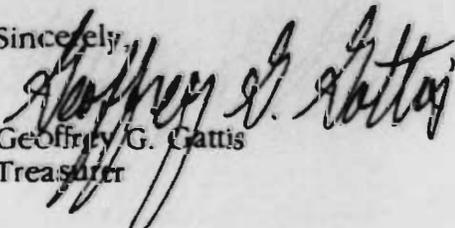
Dear Ms. Klein,

We ask that no action be taken against Friends of Tom Andrews regarding MUR 3494 as it is our intention to return the donation in question. It was our understanding at the time the donation was received that JACPAC was a federally registered Political Action Committee.

We offer full cooperation in resolving this issue but we need guidance from you as to who or what entity should receive our \$1000 check, as it is my understanding that JACPAC no longer exists.

Please do not hesitate to call me if you have any questions regarding this letter. We stand ready to provide what is necessary to bring this issue to a conclusion.

Sincerely,

  
Geoffrey G. Gattis  
Treasurer

cc: Thomas H. Andrews

92 APR 22 PM 3:31

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FEDERAL ELECTION COMMISSION  
MAIL ROOM

APR 22 12 18 PM '92

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FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

Paid for and authorized by Friends of Tom Andrews

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RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIN COPY ROOM

Jun 19 11 25 AM '92

June 15, 1992

Ms. Lisa E. Klein  
Assistant General Counsel  
999 E. Street, N.W.  
Washington, D.C. 20463

Re: MUR 3494 - "McGowan for Congress Committee"

Dear Ms. Klein:

On March 24, 1992 a complaint was filed with the Federal Election Commission regarding the campaign finance activities of the "McGowan for Congress Committee" which we believe are in violation of FEC rules and regulations.

Since that filing, I have not been informed of any action taken, rulings made or disposition of the issues raised in that complaint. Among the issues was the matter of the debt settlement plan of the "McGowan for Congress Committee" filed with the FEC in March 1992. In that plan, the Committee indicated that it had settled its debt to the Caanan Motel for office rent, however, it is a continuing committee, not a terminating committee, and therefore would not be allowed to settle debts for less than the amount owed. Futhermore, in the April 15, 1992 Quarterly FEC Report (Attachment A), the "McGowan for Congress Committee" has continued to incur new debt with the Caanan Motel, owned by the candidate Patrick McGowan, for office rent.

Another issue raised in my original correspondence was the \$2000.00 illegal contribution to the "McGowan for Congress Committee" by JACPAC. As indicated in the attachments to the original complaint, these funds should have been returned to JACPAC as requested by a 12/13/90 letter from JACPAC to the "McGowan for Congress Committee". To date, subsequent FEC reports filed by the McGowan campaign shows they have not returned these illegal contributions.

As you know, the preliminary procedures for processing complaints by the FEC calls for the respondent to demonstrate within 15 days, in writing, why no action should be taken. Has there been such a response? If so, I would request a copy of same. And, what is the recommendation of the Office of General Counsel regarding this response? In

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 JUN 19 PM 3:44

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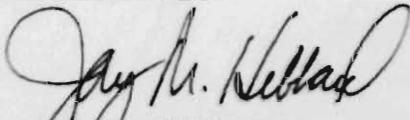


Ms. Lisa E. Klein  
Federal Election Commission  
June 15, 1992  
Page 2

the absence of such a response, what is the status of the investigation and, why was a response not filed as required?

The FEC is obligated to ensure proper administration of campaign finance laws, and I would again ask for an investigation into these above referenced matters. I look forward to your reply.

Sincerely,



Jay M. Hibbard  
Executive Director

I Thomas S. Howard, Jr., hereby swear or affirm that the above letter was signed in my presence.

Subscribed and sworn to before me on this date:

June 16, \_\_\_\_\_, 1992.

Thomas S. Howard, Jr.  
Notary Public  
My Commission Expires  
August 3, 1997

93040983322

# REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee  
(Summary Page)

APR 17 1992

USE FEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (in full) <b>McGowan for Congress</b>		2. FEC IDENTIFICATION NUMBER <b>134945</b>
ADDRESS (number and street) <input type="checkbox"/> Check if different than previously reported. <b>PO Box 400</b>		
CITY, STATE and ZIP CODE <b>Canaan ME 04924</b>	STATE/DISTRICT <b>Maine / 2nd</b>	
3. IS THIS REPORT AN AMENDMENT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		

### 4. TYPE OF REPORT

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> April 15 Quarterly Report             | <input type="checkbox"/> Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____ |
| <input type="checkbox"/> July 15 Quarterly Report                         | <input type="checkbox"/> Thirtieth day report following the General Election on _____ in the State of _____            |
| <input type="checkbox"/> October 15 Quarterly Report                      | <input type="checkbox"/> Termination Report  |
| <input type="checkbox"/> January 31 Year End Report                       |  |
| <input type="checkbox"/> July 31 Mid-Year Report (Non-election Year Only) |  |

This report contains activity for  Primary Election  General Election  Special Election  Runoff Election

### SUMMARY

5. Covering Period <u>1/1/92</u> through <u>3/31/92</u>	COLUMN A This Period	COLUMN B Calendar Year-to-Date
6. Net Contributions (other than loans)		
(a) Total Contributions (other than loans) (from Line 11(e)) . . . . .	31484.76	31484.76
(b) Total Contribution Refunds (from Line 20(d)) . . . . .	-	-
(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a)) . . . . .	31484.76	31484.76
7. Net Operating Expenditures		
(a) Total Operating Expenditures (from Line 17) . . . . .	13919.44	13919.44
(b) Total Offsets to Operating Expenditures (from Line 14) . . . . .	-	-
(c) Net Operating Expenditures (subtract Line 7(b) from 7(a)) . . . . .	13919.44	13919.44
8. Cash on Hand at Close of Reporting Period (from Line 27) . . . . .	17730.54	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D) . . . . .	0	For further information contact: Federal Election Commission 999 E Street, NW Washington, DC 20463 Toll Free 800-424-9530 Local 202-476-3120
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D) . . . . .	2233.20	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer <b>Karen Madore Fournier</b>	Date <b>4/15/92</b>
Signature of Treasurer 	

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

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**FEC FORM 3**  
(revised 4/87)

93040983323

92 JUN 19 PM 3:44

OFFICE OF THE FEDERAL ELECTION COMMISSION

DEBTS AND OBLIGATIONS  
Excluding Loans

Name of Committee (in Full)	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
McGowan for Congress /134945				
A. Full Name, Mailing Address and Zip Code of Debtor or Creditor Canaan Motel PO Box 297 Canaan ME 04924	0	\$ 500	0	\$ 500
Nature of Debt (Purpose): office rent				
B. Full Name, Mailing Address and Zip Code of Debtor or Creditor Internal Revenue Service Fleet Bank Skowhegan ME 04976	0	\$ 1733.20	0	\$ 1733.20
Nature of Debt (Purpose): accrued payroll taxes				
C. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
D. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
E. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
F. Full Name, Mailing Address and Zip Code of Debtor or Creditor				
Nature of Debt (Purpose):				
1) SUBTOTALS This Period This Page (optional) . . . . .				
2) TOTAL This Period (last page this line only) . . . . .				2233.20
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only) . . . . .				
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only) . . . . .				2233.20

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 23, 1992

Jay M. Hibbard, Executive Director  
The Maine Republican Party  
3 Wade Street  
Post Office Box 0  
Augusta, Maine 04332

RE: MUR 3494

Dear Mr. Hibbard:

This is in response to your letter received on June 19, 1992, in which you request information pertaining to the complaint you filed with the Federal Election Commission on March 30, 1992.

The Federal Election Campaign Act of 1971, as amended ("the Act") prohibits any person from making public the fact of any notification or investigation by the Commission, prior to closing the file in the matter, unless the party being investigated has agreed in writing that the matter be made public. See 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A). Because there has been no written agreement that the matter be made public, we are not in a position to release any information at this time.

As you were informed by letter dated April 3, 1992, we will notify you as soon as the Commission takes final action on your complaint.

Sincerely,

A handwritten signature in cursive script that reads "Xavier K. McDonnell".

Xavier K. McDonnell  
Attorney

93040983325



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 23, 1992

Jay M. Hibbard, Executive Director  
The Maine Republican Party  
3 Wade Street  
Post Office Box 0  
Augusta, Maine 04332

RE: MUR 3494

Dear Mr. Hibbard:

This letter acknowledges receipt on June 19, 1992, of supplemental information to the complaint you filed on March 30, 1992, against the McGowan for Congress Committee, and Karen Madore Fournier, as treasurer. The respondents will be sent a copy of the supplemental information. Again, you will be notified as soon as the Federal Election Commission takes final action on your complaint.

Sincerely,

A handwritten signature in cursive script that reads "Xavier K. McDonnell".

Xavier K. McDonnell  
Attorney

93040983326

# McGOWAN for CONGRESS

800-974-0046 • (207) 474-8080 • MAIN STREET, BOX 400 • CANAAN, MAINE 04924-0400

August 5, 1992

Xavier K McDonnell, Esq.  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

RE: MUP 3494

Dear Mr. McDonnell:

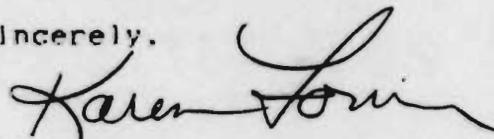
I have read the copy enclosed with your July 23, 1992, letter of the additional information provided by the complainants and wish to reply that the issues addressed are the same ones answered by my April 16, 1992 letter.

To reiterate, on the matter of Canaan Motel, the debt settlement statement was requested by the FEC (Attachment 9 of April 16 letter) but was unnecessary given the facts of the situation, which was billing adjustment, not debt settlement. Per FEC instruction, we ceased to show the adjusted amount as debt with our December 31, 1991, filing. As an added piece of information, the Motel, which the complainant in its June 15, 1992, letter to the FEC says is owned by the candidate, is only partially owned by Pat McGowan. He is only one of four partners who own the Motel.

On the issue of JACPAC contributions, we continue to believe that the funds kept by us were permissible. Per 11 CFR Sec. 102.5(b), a campaign may accept funds from a state PAC if on the date of the contribution the PAC has on hand sufficient permissible funds. That information has been provided to us by the contributor (Attachment 6 of April 16 letter).

Thank you for the opportunity to respond.

Sincerely,



Karen Madore Fournier  
Treasurer

cc: Severin Beliveau

92 AUG 10 PM 3: 16

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FEDERAL ELECTION COMMISSION  
OFFICE OF CLERK OF CONGRESS

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FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

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

92 DEC -7 AM 11:52

**SENSITIVE**

**FIRST GENERAL COUNSEL'S REPORT**

MUR: 3494  
DATE COMPLAINT RECEIVED  
BY OGC: March 30, 1992  
DATE OF NOTIFICATION TO  
RESPONDENTS: April 3, 1992  
STAFF MEMBER: Xavier K. McDonnell

**COMPLAINANT:** Maine Republican Party  
and Jay M. Hibbard, Executive Director

**RESPONDENTS:** Friends of Tom Andrews and  
Geoffrey G. Gattis, as treasurer  
JACPAC and William A. Osborne, as treasurer  
McGowan for Congress and  
Karen Madore Fournier, as treasurer  
The Canaan Motel  
Three Unidentified Partners in the Canaan Motel

**RELEVANT STATUTES:** 2 U.S.C. § 434  
2 U.S.C. § 441a(a)  
2 U.S.C. § 441a(f)  
2 U.S.C. § 441b(a)  
11 C.F.R. § 104.11(b)  
11 C.F.R. § 110.1(e)  
11 C.F.R. §§ 116.1-116.10

**INTERNAL REPORTS CHECKED:** Disclosure Reports

**FEDERAL AGENCIES CHECKED:** None

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed by the Maine Republican Party and Jay M. Hibbard, Executive Director. The complaint contains information indicating that the McGowan for Congress Committee (the "McGowan campaign" or "committee"), and Friends of Tom Andrews (the "Andrews campaign" or "committee") accepted excessive contributions from the Jack Cashman Political Action Committee ("JACPAC"), and William A. Osborne, as treasurer.

93040983328

At the time of the transactions, JACPAC was not registered with the Commission, and it appears that before and after registration, JACPAC accepted corporate contributions. In addition, complainants allege that the McGowan campaign improperly settled two debts, one with a motel apparently half-owned by the candidate and the other with a computer company. Responses to the complaint and a supplement to the complaint have been submitted.

Attachments 2-6.

**II. FACTUAL AND LEGAL ANALYSIS**

**A. Reporting Violation/Prohibited/Excessive Contributions**

**i. Applicable Law**

The Federal Election Campaign Act of 1971, as amended (the "Act"), defines a "political committee" as any committee, club, association, or other group of persons which receives contributions or makes expenditures aggregating in excess of \$1,000 during any calendar year. 2 U.S.C. § 431(4). All committees must file a statement of organization with the Commission within 10 days of becoming a political committee. 2 U.S.C. § 433(a).

Under the Act, no person may make contributions to any candidate and his or her authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). The Act provides that no multicandidate committee may make contributions to any candidate and his or her authorized political committees with respect to any election for Federal office which aggregate in

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excess of \$5,000. 2 U.S.C. § 441a(a)(2)(A). A "multicandidate committee" means a political committee which has been registered with the Commission under Section 433 for a period of not less than 6 months, which has received contributions from more than 50 persons, and except for State political party organizations, has made contributions to 5 or more candidates for Federal office. 2 U.S.C. § 441a(a)(4). The Act prohibits candidates and their political committees from knowingly accepting any contributions in excess of the Section 441a(a) limitations. 2 U.S.C. § 441a(f). In addition, corporations, national banks and labor organizations are prohibited from making contributions from their general treasury funds in connection with Federal elections and candidates, and their committees are prohibited from accepting such contributions. 2 U.S.C. § 441b(a).

Pursuant to 11 C.F.R. § 103.3(b), the treasurer of a political committee shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether the contribution, when aggregated with other contributions from the same contributor, exceeds the contribution limitations. Contributions which on their face exceed the contribution limitations of the Act and contributions which do not exceed the limits on their face but which exceed the contribution limits when aggregated with other contributions from the same contributor may either be deposited into a campaign depository or returned to the contributor. 11 C.F.R. § 103.3(b)(3). If a redesignation or reattribution is not obtained, the treasurer

shall, within sixty (60) days of the treasurer's receipt of the contribution, refund the contribution to the contributor. Id.

ii. Analysis

During 1990, JACPAC made contributions, totaling \$3,000 each, to both the McGowan and the Andrews Committees. Specifically, JACPAC contributed \$2,000 to the 1990 primary elections of both the Andrews and McGowan campaigns in February of 1990. The McGowan campaign reported receipt of the contribution on February 12, 1990, and the Andrews campaign reported receipt on February 17, 1990. JACPAC reported that on July 11, 1990, it made contributions totaling \$1,000 each to the 1990 general elections of the same candidate committees.<sup>1</sup>

JACPAC was not registered with the Commission in February of 1990 when it made the \$2,000 contributions to the candidate committees. JACPAC filed its Statement of Organization on May 3, 1990, well over two months after it had invoked "political committee" status by contributing a total of \$4,000 to the Andrews and McGowan campaigns. Attachment 3 at page 1. Thus it appears

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1. Although in correspondence to the candidate committees, JACPAC indicates that it made the excessive contributions in May and September of 1990, it appears they were in fact made in February and July of that year. See Attachment 1 at pages 1, 5, 8 and 11; Attachment 2 at pages 3 and 4. JACPAC never reported the contributions it made in February, which was prior to its registration with the Commission, but the candidate committees reported that they had received those contributions in February of 1990, and had returned the excessive portions in April and June of that year. Moreover, disclosure reports filed by JACPAC, as well as those filed by the candidate committees, indicate that the second round of contributions were made by JACPAC in July, rather than in September, of 1990.

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that JACPAC violated 2 U.S.C. § 433(a) by failing to register with the Commission within 10 days of making contributions in excess of \$1,000. Moreover, since JACPAC was not even registered with the Commission at the time it made the initial \$2,000 contributions to each of the candidate committees in February of 1990, it was clearly not a qualified multicandidate committee and was prohibited from making contributions in excess of \$1,000 to any federal candidate per election. Thus, JACPAC appears to have violated 2 U.S.C. § 441a(a)(1)(A).

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With respect to the two candidate committees' receipt of the excessive contributions, by letter dated May 29, 1990, RAD notified both the McGowan and Andrews Committees that JACPAC was not a qualified multicandidate committee, and that the acceptance of a contribution in excess of \$1,000 per election from JACPAC was prohibited. The McGowan Committee refunded \$1,000 of JACPAC's contribution on April 26, 1990, prior to receiving notice from RAD, but after sixty days of receipt. The Andrews Committee also refunded \$1,000, and Commission records reflect that JACPAC received the refund on June 1, 1990, also more than 60 days after receipt. It thus appears that the Andrews and McGowan committees, and their respective treasurers, violated 2 U.S.C. § 441a(f).

JACPAC's disclosure reports also reveal that it had accepted the following contributions, totaling \$2,350 from corporations:

Tambrands, Incorporated	\$500	February 21, 1990
H. O. Bouchard	\$500	February 21, 1990
Champion Corporation	\$300	March 13, 1990
Pepsi Cola of Aroostook, Inc.	\$200	April 30, 1990
James River Corporation	\$600	May 18, 1990
U.S. Tobacco Company	\$250	October 30, 1990

Attachment 3 at pages 6, 13, 17 and 23. It thus appears that JACPAC violated 2 U.S.C. § 441b(a) by accepting corporate contributions totaling \$2,350.

After reviewing JACPAC's first regularly scheduled report, the 1990 July Quarterly, the Commission's Reports Analysis Division ("RAD") notified JACPAC that it appeared to have accepted contributions from corporations, and informed the Committee that corrective action should be taken. JACPAC filed a response to RAD's notices, acknowledging that it had made several errors and explaining that making the contributions to the two campaign committees was its first incursion into federal electoral activity and that its treasurer and others within the committee were unfamiliar with the requirements of the Act. Attachment 3 at pages 2-5. In response to RAD's inquiries about the prohibited funds, JACPAC indicated that it had written to the two federal candidate committees requesting refunds of the entire \$2,000 it had given to each. Attachment 3 at pages 9-10. At the same time, JACPAC reported that it had expended all of its funds, and stated that there would be no further activity by JACPAC on any level and requested termination. Id.<sup>2</sup>

Although the two candidate committees appear to have received JACPAC's December, 1990, requests for refunds, neither committee

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appears to have taken any action. The McGowan campaign asserts in its response to the complaint that JACPAC's request went unanswered because it did not have sufficient funds at the time to make the refund. See Attachment 2 at page 1. In its response to the complaint, the Andrews campaign indicates that it is willing to refund \$1,000 of JACPAC's contributions, but given that JACPAC is now terminated, it is unsure who should receive the funds. Attachment 4 at page 1. Therefore, it does not appear that either candidate committee refunded the funds as requested by JACPAC, or until receiving the complaint, took any action to determine the legality of the contributions.<sup>3</sup>

In sum, JACPAC states that it made the contributions to federal candidates without understanding the implications and requirements of the Act, and once the committee realized what was involved, it ceased operations, thus bringing to a halt its brief and limited involvement in federal electoral activity. Regarding the two candidate committees, they each accepted a \$1,000 excessive primary contribution from JACPAC which they returned over two years ago, and there is no longer an operating committee to whom they can return the other potentially impermissible contributions. Given the circumstances, this Office recommends

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3. The McGowan campaign also obtained a statement from JACPAC indicating that it had received sufficient permissible funds to make the contributions to the federal candidates. However, that statement was not requested or received until after the McGowan campaign received notice of the complaint in this matter. Attachment 1 at page 10. Moreover, since JACPAC was a political committee at the time the second contributions were made, the funds in its account were required to be permissible.

that the Commission find reason to believe that JACPAC, and its treasurer, violated 2 U.S.C. §§ 433(a), 441a(a)(1)(A) and 441b(a), and that the Andrews and McGowan campaigns, and their treasurers, violated 2 U.S.C. § 441a(f), but consistent with its priorities and limited resources, take no further action against any of these respondents with regard to these issues, and close the file as it pertains to JACPAC and the Andrews Committee and their treasurers. See Heckler v. Chaney, 407 U.S. 821 (1985). This Office will include admonishments in the notification letters to the respondents with whom we now close the file.

B. Debt Settlement/Reporting Violations

i. Applicable Law

The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purposes of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). The term "anything of value" includes all in-kind contributions and the provision of any goods or services without charge, or at a charge which is less than the usual and normal charge. 11 C.F.R. § 100.7(a)(1)(iii)(A). The "usual and normal" charge is the price of the goods in the market from which they ordinarily would have been purchased at the time of the contribution. 11 C.F.R. § 100.7(a)(1)(iii)(B).

The Act requires political committees to report the amount and nature of outstanding debts and obligations owed by or to such political committee, and where such debts and obligations are settled for less than their reported amount or value, it requires

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the filing of a statement setting forth the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefor. 2 U.S.C. § 434(b)(8); 11 C.F.R. § 104.3(d).<sup>4</sup> In order to settle a debt for less than the reported amount or value, certain specific conditions must be met, and a report or letter subject to Commission review and approval must be provided. See 11 C.F.R. §§ 116.1-116.10 (October 3, 1990). With the exception of disputed debts and debts to creditors which cannot be found or are out of business, creditor forgiveness generally applies only to ongoing committees if they have made efforts to pay the debt, do not have sufficient cash to pay creditors, and which have, within the previous 24 months, received less than \$1,000 and made less than \$1,000 in disbursements. 11 C.F.R. § 116.8(a); 11 C.F.R. § 116.2(b); 11 C.F.R. §§ 116.9 and 116.10. In order for such debt to be forgiven, the creditor must have treated the debt in a "commercially reasonable" manner, and must comply with the requirements set forth at Commission regulation 11 C.F.R. §§ 116.7 and 116.8.

A commercial vendor which is not a corporation may extend credit to a candidate, a political committee or another person on behalf of a candidate or political committee. 11 C.F.R.

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4. The Commission's regulations provide that if the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate. 11 C.F.R. § 104.11(b) (October 3, 1990). Once the exact amount is determined, the political committee shall either amend the report containing the estimate or indicate the correct amount on the report for the reporting period in which such amount is determined. Id.

§ 116.3(a). An extension of credit will not be considered a contribution provided that the credit is extended in the ordinary course of the commercial vendor's business.<sup>5</sup> In addition, the terms must be substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. Id. See also 11 C.F.R. § 100.7(a)(4).

All contributions from a candidate must be disclosed, and political committees must provide the "identification" of each person who makes a contribution to the reporting committee in excess of \$200 within the calendar year. 2 U.S.C.

§§ 434(b)(2)(A), (B) and 434(b)(3)(A). A contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of partnership profits, or by agreement of the partners, as long as certain conditions specified in the Commission's regulations are met. 11 C.F.R. § 110.1(e).

ii. Analysis

The complainants request that the Commission review the McGowan campaign's treatment of two debts incurred during 1990: one with the Canaan Motel ("Motel") and the other with

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5. In determining whether credit is extended in the ordinary course of business, the Commission will consider: 1) whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit; 2) whether the commercial vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and 3) whether the extension of credit conformed to the usual and normal practice in the commercial vendor's industry. 11 C.F.R. § 116.3(c).

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Computerland, a corporation. A debt settlement plan for the debts was submitted to the Commission in March of 1992.<sup>6</sup>

With regard to the Motel transaction, the candidate appears to own one half share of the Motel, and the other half share is apparently owned by three unidentified partners.<sup>7</sup> According to the Committee's disclosure reports, in March of 1990, it rented office space from the Motel at a rate of \$150 per week. The first rental payment, in the sum of \$3,000, was not made until October 28, 1990, when the amount owed totaled \$5,100. It was not until June of 1991 that the campaign made its second payment, in the sum of \$1,000, leaving a debt of \$1,100. Then, in January of 1992, the campaign indicated that the remaining \$1,100 was

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6. In its 1991 Year End Report, the Committee stated that there was a "debt reduction" with the Motel regarding a \$1,100 debt as well as with the debt to Computerland. Attachment 2 at page 29. The Committee's use of the words "debt reduction," initiated a February 11, 1992 letter from RAD which advised the Committee that it should file a debt settlement plan if the debts were settled, forgiven or disputed. Id. at page 13. A debt settlement plan was filed by the Committee on March 2, 1992. Attachment 1 at pages 18-20. RAD then sent a letter seeking clarification regarding the plan on March 24, 1992. Attachment 2 at page 14. According to the campaign treasurer, a RAD analyst orally informed her that filing a debt settlement plan was not appropriate here because these were "billing adjustments." Debt settlement would appear inappropriate given the Committee's ongoing status, its financial resources and the nature of these transactions.

7. An article attached to the complaint states that the candidate Patrick McGowan's businesses include a motel in Canaan and grocery stores. Attachment 1 at page 16. The campaign's reports disclose that numerous expenditures were made to both McGowan's Market and the Canaan Motel. Attachment 2. According to the Maine Elections Board, the candidate's publicly filed financial statement indicates that he is half owner in the Canaan Motel. There is no allegation, nor any evidence, that the Motel is incorporated.

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"reduced" by the Motel in accordance with its usual practice. Attachment 2 at pages 24, 29, 47, 60, 70, 73, 79.

Although the language of the complaint is somewhat ambiguous, it appears that the complainants are asserting that the \$1,100 reduction in the debt to the Motel for the office space was an unreported contribution.<sup>8</sup> Moreover, the campaign's long delayed payment for the office space raises questions about whether the credit arrangement was in the ordinary course of the Motel's business.

Regarding the \$1,100 reduction, the campaign asserts that the original billing was based upon the "transient" rate, but that because it occupied the space for eight months, the Motel's management extended to the campaign a "long term" rate for the entire rental period, reducing the total amount due by \$1,100. Attachment 2 at pages 12 and 16. The campaign does not deny that the candidate owns the Motel, but asserts in its most recent response that the candidate is only one of four partners in the business. Attachment 6.

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8. The complainants, relying on a news account which alleged that the candidate stated he was going to absorb as a loss \$2,000 which his businesses had loaned to his campaign, assert that no such loans were ever reported and, they contend, that since the Motel was treated from the start as a commercial vendor, the candidate can not now write off the \$1,100 debt owed to his campaign. Attachment 1 at page 2. The Committee responds that all funds received from the candidate were, as reported, contributions from the start, but that he made no loans to the campaign. Regarding the press statement, the Committee asserts that the candidate is not versed in FEC terminology and the quoted statement is not relevant to this issue. Attachment 2 at pages 1 and 2. However, the candidate's statement does appear to pertain to the campaign's transaction with the Motel.

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There is nothing in the responses or the documents at hand which indicates that a reduction based upon an extended length of occupation was the usual policy or practice of the Motel or within the industry. See 11 C.F.R. § 100.7(a)(1)(iii). Nor is there evidence that at the time the contract was formed, or even when the campaign vacated the office space, the parties agreed that the rate would be reduced based upon a longer occupancy. In fact, it seems odd that this reduction, if based upon the Motel's usual practice, was first disclosed in January of 1992, over a year after the campaign ceased renting the office space.

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Regarding the actual extension of credit, it appears questionable whether it was in the "ordinary course" of the Motel's business, as the campaign did not make any payment for the office space for almost seven months. Thus, the Motel in effect financed the campaign's office space until a few days prior to the election. The Motel received no further payment on the remaining portion of the 1990 debt until June of 1991, which is approximately eight months after the campaign ceased renting the space. There is no evidence that the Motel attempted to collect the debt from the campaign, or that other occupants were permitted to go for such a duration without paying the Motel.<sup>9</sup>

If the \$1,100 price reduction and the extension of credit did

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9. The relationship between the parties casts doubt as to whether this was an arms length transaction. The campaign claims that the Motel's "management" extended to it the long term rate, yet given the candidate's relationship with the business, the management would appear to have been either comprised of the candidate himself or, to some extent, under his control.

constitute a contribution, the Committee was to report the advance/contribution from the Motel partnership and partners, and if their individual portions of the contribution exceeded \$200, the identification of each of the partners, including the candidate. By failing to disclose the transaction as an advance/contribution from the Motel partnership and its partners, including the candidate, the McGowan campaign appears to have filed inaccurate disclosure reports. This Office therefore recommends that the Commission find reason to believe that the McGowan campaign, and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 434(b).

In addition, unlike the candidate, the Motel and the unidentified partners are subject to the Section 441a(a) limitations. The amount contributed by the Motel, as well each partner's portion of the contribution (contribution from partnership attributed to partnership and to each partner see 11 C.F.R. § 110.1(e)) may have exceeded the limitations set forth at 2 U.S.C. § 441a(a)(1)(A). In light of these circumstances, this Office recommends that the Commission find reason to believe that the Motel, and the unidentified partners, violated 441a(a)(1)(A) by making excessive contributions, and the McGowan campaign, and its treasurer, violated 2 U.S.C. § 441a(f) by accepting the contributions.

The complainant also requests that the Commission examine the McGowan campaign's transaction with Computerland of South Portland, Maine, a corporation. In May of 1990, the campaign

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rented a computer for \$100 per month, but in November of 1990, the computer ceased working. Attachment 2 at page 16. The campaign states that it made a \$100 payment to Computerland on May 3, 1990. The respondents also assert that at no time did they ever receive any invoice from Computerland, that the campaign manager attempted to contact the company after the computer stopped working in November of 1990, but that by that time the company was no longer doing business in Maine. Id.<sup>10</sup>

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The response indicates that the campaign was finally contacted by an agent of Computerland in January of 1991, who informed it that the corporation no longer wanted the inoperable computer and that the campaign made a payment of \$250 to Computerland on January 11, 1991, which, they reported left an "estimated" balance of \$850. Then, in December of 1991, the corporation's agent informed them that the campaign's balance was only \$400, not \$850. Therefore, in its 1991 Year End Report the McGowan committee indicated that a December 23, 1991 payment of \$400 eliminated the \$850 outstanding debt to Computerland. The disclosure report specifically stated that a "mutually agreed upon amount" of \$400 was paid in full, and that there was a "\$450 debt reduction." Attachment 1 at pages 18 and 19.

As noted above, Commission regulation 11 C.F.R. § 104.11(b), which was revised on October 3, 1990--after the campaign entered

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10. Information obtained from the public record indicates that Computerland is a Delaware corporation registered to do business in the State of Maine, but directory assistance has no listing for Computerland in Portland, Maine at this time.

this agreement with Computerland, but prior to the reporting of the debt--provides that if the exact amount of a debt or obligation is not known, the campaign shall report the amount owed and report that it is an estimate. See also 1980-38. According to the regulations, once the exact amount is determined, the political committee shall either amend the report containing the estimate or indicate the correct amount on the report for the reporting period in which such amount is determined.

It appears that the McGowan campaign violated 2 U.S.C. § 434(b) by failing to timely and accurately report its debt to Computerland. The lease agreement was apparently made in May of 1990, and should have been reported as a debt and an expenditure as of the date of that writing. See 11 C.F.R. § 100.8(a)(2); A.O. 1980-38. The McGowan campaign however did not report the debt until after the general election. See Attachment 2 at pages 47-48, 60-61, 69-70, 73, 79-80, and 86.<sup>11</sup> Moreover, it appears that the McGowan campaign failed to disclose that the reported amount owed in January, 1991, was an estimate as provided in 11 C.F.R. § 104.11(b). Accordingly, the Office of General Counsel recommends that the Commission find reason to believe that the McGowan for Congress Committee and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 104.11(b).

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11. The contract apparently was entered in May, and thus should have been reported as a debt and an expenditure as of the date of the writing.

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**III. RECOMMENDATIONS**

1. Find reason to believe that JACPAC and William A. Osborne, as treasurer, violated 2 U.S.C. §§ 433(a), 441a(a)(1)(A) and 441b(a), but take no further action and close the file as it pertains to them.

2. Find reason to believe that Friends of Tom Andrews and Geoffrey G. Gattis, as treasurer, violated 2 U.S.C. § 441a(f), but take no further action and close the file as it pertains to them.

3. Find reason to believe that the McGowan for Congress Committee and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from JACPAC, but take no further action against them in regard to this issue.

4. Find reason to believe that the Canaan Motel, and its unidentified partners violated 2 U.S.C. § 441a(a)(1)(A).

5. Find reason to believe that the McGowan for Congress Committee and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from the Motel and its partners, and 2 U.S.C. § 434(b) and 11 C.F.R. § 104.11(b) by failing to properly report contributions from the Motel and Computerland.

6. Approve the attached Factual and Legal Analyses (5) and appropriate letters.

Lawrence M. Noble  
General Counsel

12/4/92  
Date

BY:   
Lois G. Lerner  
Associate General Counsel

**Attachments**

1. Complaint
2. Response from the McGowan campaign/disclosure reports
3. Response from JACPAC
4. Response from the Andrews campaign
5. Supplemental Information from Complainants
6. Response to Supplement from McGowan campaign
7. Factual and Legal Analyses (5)
8. McGowan campaign's July, 1992 disclosure report

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FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE  
GENERAL COUNSEL

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

DATE: DECEMBER 10, 1992

SUBJECT: MUR 3494 - FIRST GENERAL COUNSEL'S REPORT  
DATED DECEMBER 4, 1992.

The above-captioned document was circulated to the Commission on MONDAY, DECEMBER 7, 1992 at 4:00 P.M.

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

Commissioner Aikens \_\_\_\_\_  
Commissioner Elliott \_\_\_\_\_  
Commissioner McDonald \_\_\_\_\_  
Commissioner McGarry \_\_\_\_\_  
Commissioner Potter XXX  
Commissioner Thomas \_\_\_\_\_

This matter will be placed on the meeting agenda for TUESDAY, DECEMBER 15, 1992.

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 3494  
Friends of Tom Andrews and )  
Geoffrey G. Gattis, as treasurer; )  
JACPAC and William A. Osborne, as )  
treasurer; )  
McGowan for Congress and Karen )  
Madore Fournier, as treasurer; )  
The Canaan Motel; )  
Three Unidentified Partners in the )  
Canaan Motel. )

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 15, 1992, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 3494:

1. Find reason to believe that JACPAC and William A. Osborne, as treasurer, violated 2 U.S.C. §§ 433(a), 441a(a)(1)(A), and 441b(a), but take no further action and close the file as it pertains to them.
2. Find reason to believe that Friends of Tom Andrews and Geoffrey G. Gattis, as treasurer, violated 2 U.S.C. § 441a(f), but take no further action and close the file as it pertains to them.

(continued)

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3. Find reason to believe that the McGowan for Congress Committee and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from JACPAC, but take no further action against them in regard to this.
4. Find reason to believe that the Canaan Motel, and its unidentified partners, violated 2 U.S.C. § 441a(a)(1)(A).
5. Find reason to believe that the McGowan for Congress Committee and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 441a(f) by accepting an excessive contribution from the Motel and its partners, and 2 U.S.C. § 434(b) and 11 C.F.R. § 104.11(b) by failing to properly report contributions from the Motel and Computerland.
6. Approve the five Factual and Legal Analyses and the appropriate letters as recommended in the General Counsel's report dated December 4, 1992.

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

Attest:

12-17-92  
Date

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

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 4, 1993

Karen Madore Fournier, Treasurer  
McGowan for Congress  
P. O. Box 400  
Canaan, Maine 04924

RE: MUR 3494  
McGowan for Congress and  
Karen Madore Fournier, as treasurer

Dear Ms. Fournier:

On April 3, 1992, the Federal Election Commission notified the McGowan for Congress Committee (the "Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on December 15, 1992, found that there is reason to believe that the Committee and you, as treasurer, violated 2 U.S.C. §§ 441a(f), 434(b) and 11 C.F.R. § 104.11 (b), provisions of the Act and Commission regulations. The Factual and Legal Analysis, which formed the basis for the Commission's findings, is attached for your information. Please note that there are two separate bases for the Commission's Section 441a(f) findings, and that with respect to the Committee's acceptance of an excessive contribution from JACPAC, the Commission determined to take no further action.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Committee and you, as treasurer. You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office, along with answers to the enclosed questions and documents responsive to the enclosed request within 30 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

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

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MUR 3494  
Karen Madore Fournier, Treasurer  
McGowan for Congress  
Page 2

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

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 matter to be made public.

If you have any questions, please contact Xavier K. McDonnell, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosures  
Factual & Legal Analysis  
Questions/Document Requests  
Designation of Counsel Form

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RE: MUR 3494

RESPONDENTS: McGowan for Congress and  
Karen Madore Fournier, as treasurer

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This matter was generated by a complaint filed by the Maine Republican Party and Jay M. Hibbard, Executive Director and by information ascertained by the Commission in the normal course of carrying out its supervisory responsibility. The complaint contains information indicating that the McGowan for Congress Committee (the "McGowan campaign" or "committee"), accepted excessive contributions from the Jack Cashman Political Action Committee ("JACPAC"), and William A. Osborne, as treasurer. In addition, complainants allege that the McGowan campaign improperly settled two debts, one with a motel apparently half-owned by the candidate and the other with a computer company. Responses to the complaint and a supplement to the complaint have been submitted.

I. Excessive Contribution

(A) Applicable Law

The Federal Election Campaign Act of 1971, as amended (the "Act"), provides that no person may make contributions to any candidate and his or her authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). The Act provides that no multicandidate committee may make contributions to any candidate and his or her authorized political committees

with respect to any election for Federal office which aggregate in excess of \$5,000. 2 U.S.C. § 441a(a)(2)(A). A "multicandidate committee" means a political committee which has been registered with the Commission under Section 433 for a period of not less than 6 months, which has received contributions from more than 50 persons, and except for State political party organizations, has made contributions to 5 or more candidates for Federal office. 2 U.S.C. § 441a(a)(4). The Act prohibits candidates and their political committees from knowingly accepting any contributions in excess of the Section 441a(a) limitations. 2 U.S.C. § 441a(f).

Pursuant to 11 C.F.R. § 103.3(b), the treasurer of a political committee shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether the contribution, when aggregated with other contributions from the same contributor, exceeds the contribution limitations. Contributions which on their face exceed the contribution limitations of the Act and contributions which do not exceed the limits on their face but which exceed the contribution limits when aggregated with other contributions from the same contributor may either be deposited into a campaign depository or returned to the contributor. 11 C.F.R. § 103.3(b)(3). If a redesignation or reattribution is not obtained, the treasurer shall, within sixty (60) days of the treasurer's receipt of the contribution, refund the contribution to the contributor. Id.

(B) Analysis

During 1990, JACPAC made contributions, totaling \$3,000, to the McGowan Committee. JACPAC contributed \$2,000 to the 1990

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primary election of the McGowan campaign in February of 1990. The McGowan campaign reported receipt of the contribution on February 12, 1990. JACPAC reported that on July 11, 1990, it made a contribution totaling \$1,000, to the 1990 general election of the McGowan campaign.

JACPAC was not registered with the Commission in February of 1990 when it made the contribution to the candidate committee. JACPAC filed its Statement of Organization on May 3, 1990, well over two months after it had invoked "political committee" status by contributing a total of \$2,000 to the McGowan campaign. By letter dated May 29, 1990, the Reports Analysis Division ("RAD") notified the McGowan Committee that JACPAC was not a qualified multicandidate committee, and that the acceptance of a contribution in excess of \$1,000 per election from JACPAC was prohibited. The McGowan Committee refunded \$1,000 of JACPAC's contribution on April 26, 1990, prior to receiving notice from RAD, but after sixty days of receipt. Thus, there is reason to believe that McGowan for Congress and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 441a(f). However, given the amount involved and the fact that respondents returned the excessive amount over two years ago, the Commission, consistent with its priorities and limited resources, takes no further action and closes the file as it pertains to this issue. See Heckler v. Chaney, 407 U.S. 821 (1985).

II. DEBTS

(A) Applicable Law

The term "contribution" includes any gift, subscription,

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loan, advance, or deposit of money or anything of value made by any person for the purposes of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). The term "anything of value" includes all in-kind contributions and the provision of any goods or services without charge, or at a charge which is less than the usual and normal charge. 11 C.F.R. § 100.7(a)(1)(iii)(A). The "usual and normal" charge is the price of the goods in the market from which they ordinarily would have been purchased at the time of the contribution. 11 C.F.R. § 100.7(a)(1)(iii)(B).

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The Act requires political committees to report the amount and nature of outstanding debts and obligations owed by or to such political committee, and where such debts and obligations are settled for less than their reported amount or value, it requires the filing of a statement setting forth the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefor. 2 U.S.C. § 434(b)(8); 11 C.F.R. § 104.3(d).<sup>1</sup> In order to settle a debt for less than the reported amount or value, certain specific conditions must be met, and a report or letter subject to Commission review and approval must be provided. See 11 C.F.R. §§ 116.1-116.10 (October 3, 1990). With the exception of disputed debts and debts to creditors which cannot be found or are out of business, creditor forgiveness

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1. The Commission's regulations provide that if the exact amount of a debt or obligation is not known, the report shall state that the amount reported is an estimate. 11 C.F.R. § 104.11(b) (October 3, 1990). Once the exact amount is determined, the political committee shall either amend the report containing the estimate or indicate the correct amount on the report for the reporting period in which such amount is determined. Id.

generally applies only to ongoing committees if they have made efforts to pay the debt, do not have sufficient cash to pay creditors, and which have, within the previous 24 months, received less than \$1,000 and made less than \$1,000 in disbursements.

11 C.F.R. § 116.8(a); 11 C.F.R. § 116.2(b); 11 C.F.R. §§ 116.9, 116.10. In order for such debt to be forgiven, the creditor must have treated the debt in a "commercially reasonable" manner, and must comply with the requirements set forth at Commission regulation 11 C.F.R. §§ 116.7 and 116.8.

A commercial vendor which is not a corporation may extend credit to a candidate, a political committee or another person on behalf of a candidate or political committee. 11 C.F.R.

§ 116.3(a). An extension of credit will not be considered a contribution provided that the credit is extended in the ordinary course of the commercial vendor's business.<sup>2</sup> In addition, the terms must be substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. Id. See also 11 C.F.R. § 100.7(a)(4).

All contributions from a candidate must be disclosed, and political committees must provide the "identification" of each person who makes a contribution to the reporting committee in

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2. In determining whether credit is extended in the ordinary course of business, the Commission will consider: 1) whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit; 2) whether the commercial vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and 3) whether the extension of credit conformed to the usual and normal practice in the commercial vendor's industry. 11 C.F.R. § 116.3(c).

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excess of \$200 within the calendar year. 2 U.S.C. §§ 434(b)(2)(A)(B) and 434(b)(3)(A). A contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of partnership profits, or by agreement of the partners, as long as certain conditions specified in the Commission's regulations are met. 11 C.F.R. § 110.1(e).

(B) Analysis

The complainants request that the Commission review the McGowan campaign's treatment of two debts incurred during 1990: one with the Canaan Motel ("Motel") and the other with Computerland, a corporation. A debt settlement plan for the debts was submitted to the Commission in March of 1992.

With regard to the Motel transaction, the candidate appears to own one half share of the Motel, and the other half share is apparently owned by three unidentified partners. According to the Committee's disclosure reports, in March of 1990, it rented office space from the Motel at a rate of \$150 per week. The first rental payment, in the sum of \$3,000, was not made until October 28, 1990, when the amount owed totaled \$5,100. It was not until June of 1991, that the campaign made its second payment, in the sum of \$1,000, leaving a debt of \$1,100. Then, in January of 1992, the campaign indicated that the remaining \$1,100 was "reduced" by the Motel in accordance with its usual practice.

Although the language of the complaint is somewhat ambiguous, it appears that the complainants are asserting that the \$1,100 reduction in the debt to the Motel for the office space was an

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unreported contribution. Moreover, the campaign's long delayed payment for the office space raises questions about whether the credit arrangement was in the ordinary course of the Motel's business.

Regarding the \$1,100 reduction, the campaign asserts that the original billing was based upon the "transient" rate, but that because it occupied the space for eight months, the Motel's management extended to the campaign a "long term" rate for the entire rental period, reducing the total amount due by \$1,100. The campaign does not deny that the candidate owns the Motel, but asserts in its most recent response that the candidate is only one of four partners in the business.

There is nothing in the responses or the documents at hand which indicates that a reduction based upon an extended length of occupation was the usual policy or practice of the Motel or within the industry. See 11 C.F.R. § 100.7(a)(1)(iii). Nor is there evidence that at the time the contract was formed, or even when the campaign vacated the office space, the parties agreed that the rate would be reduced based upon a longer occupancy. In fact, it seems odd that this reduction, if based upon the Motel's usual practice, was first disclosed in January of 1992, over a year after the campaign ceased renting the office space.

Regarding the extension of credit, it appears questionable whether it was in the "ordinary course" of the Motel's business, as the campaign did not make any payment for the office space for almost seven months and the first payment was made only a few days prior to the election. Thus, the Motel in effect financed the

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campaign's office space until a few days prior to the election. The Motel received no further payment on the remaining portion of the 1990 debt until June of 1991, which is approximately eight months after the campaign ceased renting the space. There is no evidence that the Motel attempted to collect the debt from the campaign, or that other occupants were permitted to go for such a duration without paying the Motel.

Furthermore, the relationship between the parties casts doubt as to whether this was an arms length transaction. The campaign claims that the Motel's "management" extended to it the long term rate, yet given the candidate's relationship with the business, the management would appear to have been either comprised of the candidate himself or, to some extent, under his control.

If the \$1,100 price reduction and the extension of credit did constitute a contribution, the Committee was to report the advance/contribution from the Motel partnership, and if their individual portions of the contribution exceeded \$200, the identification of each of the partners, including the candidate. By failing to disclose the transaction as an advance/contribution from the Motel partnership and its partners, including the candidate, the McGowan campaign appears to have filed inaccurate disclosure reports. Accordingly, there is reason to believe that the McGowan campaign, and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 434(b).

In addition, unlike the candidate, the unidentified partners are subject to the Section 441a(a) limitations. The amount contributed by the Motel, as well each partner's portion of the

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contribution (contribution from partnership attributed to partnership and to each partner, see 11 C.F.R. § 110.1(e)) may have exceeded the limitations set forth at 2 U.S.C.

§ 441a(a)(1)(A). Accordingly, there is reason to believe that the McGowan campaign, and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 441a(f) by accepting the contributions.

The complainant also requests that the Commission examine the McGowan campaign's transaction with Computerland of South Portland, Maine, a corporation. In May of 1990, the campaign rented a computer for \$100 per month, but in November of 1990, the computer ceased working. The campaign states that it made a \$100 payment to Computerland on May 3, 1990. The respondents also assert that at no time did they ever receive any invoice from Computerland, that the campaign manager attempted to contact the company after the computer stopped working in November of 1990, but that by that time the company was no longer doing business in Maine.

The response indicates that the campaign was finally contacted by an agent of Computerland in January of 1991, who informed it that the corporation no longer wanted the inoperable computer and that the campaign made a payment of \$250 to Computerland on January 11, 1991, which, they reported left an "estimated" balance of \$850. Then, in December of 1991, the corporation's agent informed them that the campaign's balance was only \$400, not \$850. Therefore, in its 1991 Year End Report the McGowan committee indicated that a December 23, 1991 payment of \$400 eliminated the \$850 outstanding debt to Computerland. The

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disclosure report specifically stated that a "mutually agreed upon amount" of \$400 was paid in full, and that there was a "\$450 debt reduction."

As noted above, Commission regulation 11 C.F.R. § 104.11(b), which was revised on October 3, 1990--after the campaign entered this agreement with Computerland, but prior to the reporting of the debt--provides that if the exact amount of a debt or obligation is not known, the campaign shall report the amount owed and report that it is an estimate. See also 1980-38. According to the regulations, once the exact amount is determined, the political committee shall either amend the report containing the estimate or indicate the correct amount on the report for the reporting period in which such amount is determined.

It appears that the McGowan campaign failed to disclose that the reported amount owed in January, 1991, was an estimate. By failing to report the debt as an estimate, the McGowan campaign appears to have violated 11 C.F.R. § 104.11(b). In addition, although the agreement to lease the computer was apparently made in May of 1990, the McGowan campaign did not report the debt until after the general election. Therefore, it appears that the McGowan campaign violated 2 U.S.C. § 434(b) by failing to timely and accurately report its debt to Computerland. Accordingly, there is reason to believe that the McGowan for Congress Committee and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 434(b) and 11 C.F.R. § 104.11(b).

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
) MUR 3494  
)

INTERROGATORIES AND REQUEST  
FOR PRODUCTION OF DOCUMENTS

TO: Karen Madore Fournier, Treasurer  
McGowan for Congress  
P. O. Box 400  
Canaan, Maine 04924

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In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 30 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

MUR 3494  
Karen Madore Fournier, Treasurer  
McGowan for Congress  
Page 2

### INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1990 to the present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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QUESTIONS

1. Identify the owners of the Canaan Motel ("Motel"), and;
  - a. Indicate Patrick McGowan's (the "candidate") interest in the Motel (the percentage or share of the Motel owned by him);
  - b. Describe the candidate's role, if any, in the management of the Motel.
2. State whether McGowan for Congress (the "McGowan campaign") occupied space in the Canaan Motel. If the answer to this question is in the affirmative, indicate the terms of the rental agreement, and:
  - a. State the amount of space (or size and number of rooms) the McGowan campaign occupied;
  - b. The amount paid to the Canaan Motel for the space;
  - c. The amount of time the McGowan campaign occupied the space;
  - d. State any changes in the terms of the agreement, and explain such changes; and
  - e. Identify and produce all documents related to the room rental, including but not limited to any written agreement relating to the rental.
3. Indicate whether the McGowan campaign was given a long term rate for the office space during 1990 and 1992. If the answer is in the affirmative, identify the person(s) from the Motel who authorized the application of the long term rental rate.
4. Indicate whether the Motel extended credit to the McGowan campaign in connection with the office space rental during 1990-92. If the answer to this question is in the affirmative, state the terms of the Motel's extension of credit.

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MUR 3494

Karen Madore Fournier, Treasurer  
McGowan for Congress

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5. Indicate whether the McGowan campaign was late in making payments for the space it occupied, and if so:

a. State whether the McGowan campaign paid any interest and/or was charged with any penalties for failing to make timely payments;

b. Describe what action was taken by the Motel to receive payment from the McGowan campaign for the room(s) it occupied, i.e., notices and letters by the Motel relating to obtaining payments.

c. Identify and produce all documents related to the Motel's extension of credit to the McGowan campaign and all documents which relate to efforts taken by the Motel to obtain payment from the campaign.

6. State whether the McGowan campaign currently owes any money to the Canaan Motel. If so, state the amount of money owed and the number of weeks/months credit was thus far extended.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 4, 1993

Canaan Motel  
Rt. 2  
P. O. Box 297  
Canaan, Maine 04924

RE: MUR 3494  
Canaan Motel and its partners

Dear Sir or Madam:

On December 15, 1992, the Federal Election Commission found there is reason to believe that the Canaan Motel (the "Motel") and its partners violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed the basis for the Commission's findings, are attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against the Motel and its partners. 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, along with answers to the enclosed questions, within 30 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

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

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

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Canaan Motel  
Page 2

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

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

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

For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Xavier K. McDonnell, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosures

Factual and Legal Analysis  
Procedures  
Designation of Counsel Form  
Instructions/Directions  
Questions

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RE: MUR 3494

RESPONDENTS: The Canaan Motel and its Partners

This matter was generated by the Commission in the normal course of carrying out its supervisory responsibilities. It appears that the McGowan campaign improperly settled a debt with the Canaan Motel, which is apparently half-owned by the candidate.

A. Applicable Law

The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purposes of influencing a federal election. 2 U.S.C. § 431(8)(A)(i). The term "anything of value" includes all in-kind contributions and the provision of any goods or services without charge, or at a charge which is less than the usual and normal charge. 11 C.F.R. § 100.7(a)(1)(iii)(A). The "usual and normal" charge is the price of the goods in the market from which they ordinarily would have been purchased at the time of the contribution. 11 C.F.R. § 100.7(a)(1)(iii)(B).

A commercial vendor which is not a corporation may extend credit to a candidate, a political committee or another person on behalf of a candidate or political committee. 11 C.F.R. § 116.3(a). An extension of credit will not be considered a contribution provided that the credit is extended in the ordinary

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course of the commercial vendor's business.<sup>1</sup> In addition, the terms must be substantially similar to extensions of credit to nonpolitical debtors that are of similar risk and size of obligation. Id. See also 11 C.F.R. § 100.7(a)(4).

A contribution by a partnership shall be attributed to the partnership and to each partner in direct proportion to his or her share of partnership profits, or by agreement of the partners, as long as certain conditions specified in the Commission's regulations are met. 11 C.F.R. § 110.1(e).

**B. Analysis**

According to the Committee's disclosure reports, in March of 1990, it rented office space from the Motel at a rate of \$150 per week. The first rental payment, in the sum of \$3,000, was not made until October 28, 1990, when the amount owed totaled \$5,100. It was not until June of 1991 that the campaign made its second payment, in the sum of \$1,000, leaving a debt of \$1,100. Then, in January of 1992, the campaign indicated that the remaining \$1,100 was "reduced" by the Motel in accordance with its usual practice.

It appears that the \$1,100 reduction in the debt to the Motel for the office space was an unreported contribution. Moreover, the campaign's long delayed payment for the office space raises

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1. In determining whether credit is extended in the ordinary course of business, the Commission will consider: 1) whether the commercial vendor followed its established procedures and its past practice in approving the extension of credit; 2) whether the commercial vendor received prompt payment in full if it previously extended credit to the same candidate or political committee; and 3) whether the extension of credit conformed to the usual and normal practice in the commercial vendor's industry. 11 C.F.R. § 116.3(c).

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questions about whether the credit arrangement was in the ordinary course of the Motel's business.

Regarding the \$1,100 reduction, the Committee's reports state that the original billing was based upon the "transient" rate, but that because it occupied the space for eight months, the Motel's management extended to the campaign a "long term" rate for the entire rental period, reducing the total amount due by \$1,100. The campaign does not deny that the candidate owns the Motel, but asserts that the candidate is only one of four partners in the business.

There is no evidence that a reduction based upon an extended length of occupation was the usual policy or practice of the Motel or within the industry. See 11 C.F.R. § 100.7(a)(1)(iii). Nor is there evidence that at the time the contract was formed, or even when the campaign vacated the office space, the parties agreed that the rate would be reduced based upon a longer occupancy. In fact, it seems odd that this reduction, if based upon the Motel's usual practice, was first disclosed in January of 1992, over a year after the campaign ceased renting the office space.

Regarding the extension of credit, it appears questionable whether it was in the "ordinary course" of the Motel's business, as the campaign did not make any payment for the office space for almost seven months and the first payment was made only a few days prior to the election. Thus, the Motel in effect financed the campaign's office space until a few days prior to the election. The Motel received no further payment on the remaining portion of the 1990 debt until June of 1991, which is approximately eight

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months after the campaign ceased renting the space. There is no evidence that the Motel attempted to collect the debt from the campaign, or that other occupants were permitted to go for such a duration without paying the Motel.

Furthermore, the relationship between the parties casts doubt as to whether this was an arms length transaction. The campaign's reports indicate that the Motel's "management" extended to it the long term rate, yet given the candidate's relationship with the business, the management would appear to have been either comprised of the candidate himself or, to some extent, under his control.

Unlike the candidate, the Motel and its partners are subject to the Section 441a(a)(1)(A) limitations. The amount contributed by the Motel, as well as each partner's portion of the contribution (contribution from partnership attributed to partnership and to each partner) may have exceeded the limitations set forth at 2 U.S.C. § 441a(a)(1)(A). See 11 C.F.R. § 110.1(e). Accordingly, there is reason to believe that the Canaan Motel and its partners violated 441a(a)(1)(A) by making excessive contributions.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

)  
) MUR 3494  
)

INTERROGATORIES AND REQUEST  
FOR PRODUCTION OF DOCUMENTS

TO: Canaan Motel and its partners  
Rt. 2  
P. O. Box 297  
Canaan, Maine 04924

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In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 30 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety, for inspection and copying at the Office of the General Counsel, Federal Election Commission, Room 659, 999 E Street, N.W., Washington, D.C. 20463, on or before the same deadline, and continue to produce those documents each day thereafter as may be necessary for counsel for the Commission to complete their examination and reproduction of those documents. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals.

INSTRUCTIONS

In answering these interrogatories and request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery requests shall refer to the time period from January 1, 1990 to the present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean the named respondent in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and requests for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

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**QUESTIONS**

1. Identify the owners/partners and management of the Canaan Motel ("Motel"), and specifically:
  - a. Indicate the percentage or share of the Motel owned by each partner;
  - b. Indicate the roles, if any, which each partner has in the management of the Motel;
  - c. Indicate Patrick McGowan's (the "candidate") interest in the Motel (the percentage or share of the Motel owned by him), and describe the candidate's role, if any, in the management of the Motel; and
  - d. State whether any of the partners are incorporated, and if so, identify such corporations.
2. State the costs charged for rooms in the Canaan Motel during the applicable time frame (1990-1992). Identify and produce all documents related to room costs.
3. State whether the Canaan Motel has or had a "short term," or "long term" rental policy regarding rooms. If so, describe the policy, and state:
  - a. The requirements of the policy, including the duration of occupancy required for the "long term" rate;
  - b. Whether the policy is effective retroactively (so that occupants who stay longer than initially agreed upon may obtain the long term rate subsequently);
  - c. Whether such policy is in writing, and if so, produce all documents related to the policy and its implementation; and
  - d. State whether any occupants of the Motel were charged the long term rate during the years 1990-1992, and if so state the number of agreements which provided for the reduced rate.

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MUR 3494

Canaan Motel and its partners

Page 5

4. State whether McGowan for Congress (the "McGowan campaign") occupied space in the Canaan Motel. If the answer to this question is in the affirmative, indicate the terms of the rental agreement, including:

- a. The amount of space (e.g. the number and size of rooms) the McGowan campaign occupied;
- b. The amount paid to the Canaan Motel;
- c. The amount of time the McGowan campaign occupied the Motel during each year;
- e. State the amount or rate which the Canaan Motel charged to other persons/occupants for the same (or similar) size rooms; and
- f. Identify and produce all documents related to the room rental including but not limited to all invoices, rental agreements and correspondence.

5. Describe the terms of payment for rooms, and specifically state:

- a. When payment for rooms is due;
- b. Whether and under what conditions the Motel extends credit for occupancy, and, if so state the terms, including interest charged;
- c. The Motel's policy regarding an occupant's failure to make timely payments; and
- d. Identify and produce all documents relating to the Motel's policy regarding payments and extension of credit.

6. Indicate whether the Motel extended credit to the McGowan campaign during 1990-92. If the answer to this question is in the affirmative, state:

- a. Whether the McGowan campaign paid any interest and/or was charged with any penalties for failing to make timely payments;

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- b. Whether the Motel extended credit to other occupants for a duration in length similar to that extended to the McGowan campaign; and
  - c. Identify and produce all documents related to the Motel's extension of credit to the McGowan campaign.
7. Indicate whether the McGowan campaign is currently indebted to the Motel. If so, state the amount owed and the length of time for which credit has thus far been extended.
8. State whether the partners or the Motel made any monetary or in-kind contributions to the McGowan campaign during 1990-92. If the answer to this question is in the affirmative, state the date and amount contributed, and produce all documents related to such contributions.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 4, 1993

Geoffrey G. Gattis, Treasurer  
Friends of Tom Andrews  
P. O. Box 4400  
Station A  
Portland, Maine 04101

RE: MUR 3494  
Friends of Tom Andrews and  
Geoffrey G. Gattis, as treasurer

Dear Mr. Andrews:

On December 15, 1992, the Federal Election Commission found reason to believe that Friends of Tom Andrews ("the Committee") and you, as treasurer, violated 2 U.S.C. § 441a(f), 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 the Committee and you, as treasurer. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

The Commission reminds you that accepting any contribution in excess of the limitations of the Act appears to be a violation of 2 U.S.C. § 441a(f). You should take immediate steps to insure 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 Xavier K. McDonnell, the attorney assigned to this matter, at (202) 219-3400.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosure  
Factual and Legal Analysis

93040983377

FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RE: MUR 3494

**RESPONDENTS:** Friends of Tom Andrews and  
Geoffrey G. Gattis, as treasurer

This matter was generated by a complaint filed by the Maine Republican Party and Jay M. Hibbard, Executive Director. The complaint contains information indicating that Friends of Tom Andrews (the "Andrews campaign" or "committee") accepted an excessive contribution from the Jack Cashman Political Action Committee ("JACPAC").

**A. Applicable Law**

The Federal Election Campaign Act of 1971, as amended (the "Act"), provides that no person may make contributions to any candidate and his or her authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). The Act prohibits candidates and their political committees from knowingly accepting any contributions in excess of the Section 441a(a) limitations. 2 U.S.C. § 441a(f).

Pursuant to 11 C.F.R. § 103.3(b), the treasurer of a political committee shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether contributions, when aggregated with other contributions from the same contributor, exceed the contribution limitations. Contributions which on their face exceed the

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contribution limitations of the Act and contributions which do not exceed the limits on their face but which exceed the contribution limits when aggregated with other contributions from the same contributor may either be deposited into a campaign depository or returned to the contributor. 11 C.F.R. § 103.3(b)(3). If redesignation or reattribution of the contribution is not obtained, the treasurer shall, within sixty (60) days of the treasurer's receipt of the contribution, refund the contribution to the contributor. Id.

**B. Analysis**

During 1990, the Andrews campaign accepted contributions from JACPAC, totaling \$3,000. JACPAC contributed \$2,000 to the 1990 primary election of the Andrews campaign in February of 1990. The Andrews campaign reported receipt of the contribution on February 17, 1990. In July of 1990, the Andrews Committee also accepted a \$1,000 contribution from JACPAC in connection with the 1990 general election.

JACPAC was prohibited from making contributions in excess of \$1,000 to any federal candidate per election, and thus the Andrews campaign was prohibited from accepting any contribution per election in excess of that amount. The Commission's Reports Analysis Division of the Commission ("RAD") notified the Andrews Committee that the acceptance of a contribution in excess of \$1,000 for the primary election from JACPAC was prohibited. Commission records reflect that JACPAC received a \$1,000 refund from the Andrews campaign on June 1, 1990, more than 60 days after receipt. Accordingly, there is reason to believe that Friends of

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Tom Andrews and Geoffrey G. Gattis, as treasurer, violated 2 U.S.C. § 441a(f). However, given the circumstances presented, the Commission determined to take no further action against Friends of Tom Andrews and Geoffrey G. Gattis, and close the file as it pertains to them. See Heckler v. Chaney, 407 U.S. 821 (1985).

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 4, 1993

Severn Beliveau, Esquire  
Preti, Flaherty, Beliveau & Pachios  
P. O. Box 1058  
Augusta, Maine 04333-1058

RE: MUR 3494  
JACKPAC and  
William A. Osborne, as treasurer

Dear Mr. Beliveau:

On December 15, 1992, the Federal Election Commission found reason to believe that JACPAC, and Williams A. Osborne, as treasurer, ("your clients") violated 2 U.S.C. § 433(a), 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 your clients. The Factual and Legal Analysis, which formed the basis for the Commission's findings, is attached for your information.

The Commission reminds your clients that failing to register within 10 days of becoming a political committee, making contributions in excess of the limitations of the Act, and accepting corporate contributions appears to be in violation of 2 U.S.C. § 433(a), 441a(a)(1)(A) and 441b(a). Your clients should take immediate steps to insure 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.

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Severn Beliveau, Esquire  
Page 2

If you have any questions, please contact  
Xavier K. McDonnell, the attorney assigned to this matter, at  
(202) 219-3400.

Sincerely,

*Joan D. Aikens*

Joan D. Aikens  
Chairman

Enclosure  
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION  
FACTUAL AND LEGAL ANALYSIS

RE: MUR 3494

**RESPONDENTS:** Jack Cashman Political Action Committee  
and William A. Osborne, as treasurer

This matter was generated by a complaint filed by the Maine Republican Party and Jay M. Hibbard, Executive Director. The complaint contains information indicating that, at a time when it was not registered with the Commission, the Jack Cashman Political Action Committee ("JACPAC"), and William A. Osborne, as treasurer, made excessive contributions, and that both before and after registration, JACPAC accepted corporate contributions.

**A. Applicable Law**

The Federal Election Campaign Act of 1971, as amended (the "Act"), defines a "political committee" as any committee, club, association, or other group of persons which receives contributions or makes expenditures aggregating in excess of \$1,000 during any calendar year. 2 U.S.C. § 431(4). All committees must file a statement of organization with the Commission within 10 days of becoming a political committee. 2 U.S.C. § 433(a).

Under the Act, no person may make contributions to any candidate and his or her authorized political committees with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). The Act provides that no multicandidate committee may make contributions

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to any candidate and his or her authorized political committees with respect to any election for Federal office which aggregate in excess of \$5,000 per election. 2 U.S.C. § 441a(a)(2)(A). A "multicandidate committee" means a political committee which has been registered with the Commission under Section 433 for a period of not less than 6 months, which has received contributions from more than 50 persons, and except for State political party organizations, has made contributions to 5 or more candidates for Federal office. 2 U.S.C. § 441a(a)(4). In addition, corporations, national banks and labor organizations are prohibited from making contributions from their general treasury funds in connection with Federal elections and candidates, and political committees are prohibited from accepting such contributions. 2 U.S.C. § 441b(a).

Pursuant to 11 C.F.R. § 103.3(b), the treasurer of a political committee shall be responsible for examining all contributions received for evidence of illegality and for ascertaining whether the contribution, when aggregated with other contributions from the same contributor, exceeds the contribution limitations. Contributions that present genuine questions as to whether they were made by corporations or labor organizations may either be deposited into a campaign depository or returned to a contributor. 11 C.F.R. § 103.3(b). If the contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution, but if the contribution cannot be determined to be legal, then the treasurer shall, within thirty (30) days of receipt or when the illegality

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is discovered, refund the contribution to the contributor. 11 C.F.R. §§ 103.3(b)(1), (2). If the political committee does not have sufficient funds to make the refund at the time the illegality is discovered, it shall make the refund from the next funds received. 11 C.F.R. § 103.3(b)(2).

B. Analysis

During 1990, JACPAC made contributions, totaling \$3,000 each, to the authorized committees of both the McGowan and the Andrews Campaigns. Specifically, JACPAC contributed \$2,000 to the 1990 primary elections of both the Andrews and McGowan campaigns in February of 1990. The McGowan campaign reported receipt of the contribution on February 12, 1990, and the Andrews campaign reported receipt on February 17, 1990. JACPAC reported that on July 11, 1990, it made contributions totaling \$1,000 each to the 1990 general elections of the same candidate committees.<sup>1</sup>

JACPAC was not registered with the Commission in February of 1990 when it made the \$2,000 contributions to the candidate committees. JACPAC filed its Statement of Organization on May 3, 1990, well over two months after it had invoked "political committee" status by contributing a total of \$4,000 to the Andrews

1. Although in correspondence to the candidate committees, JACPAC indicates that it made the excessive contributions in May and September of 1990, it appears they were in fact made in February and July of that year. JACPAC never reported the contributions it made in February, which was prior to its registration with the Commission, but the candidate committees reported that they had received those contributions in February of 1990, and had returned the excessive portions in April and June of that year. Moreover, disclosure reports filed by JACPAC, as well as those filed by the candidate committees, indicate that the second round of contributions were made by JACPAC in July, rather than in September, of 1990.

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and McGowan campaigns. Thus, there is reason to believe that JACPAC and William A. Osborne, as treasurer, violated 2 U.S.C. § 433(a) by failing to register with the Commission within 10 days of making contributions in excess of \$1,000.

Since JACPAC was not even registered with the Commission at the time it made the initial \$2,000 contributions to each of the candidate committees in February of 1990, it was clearly not a qualified multicandidate committee and was prohibited from making contributions in excess of \$1,000 to any federal candidate per election. Thus, there is reason to believe JACPAC, and William A. Osborne, as treasurer, violated 2 U.S.C. § 441a(a)(1)(A).

JACPAC's disclosure reports also reveal that it had accepted the following contributions, totaling \$2,350 from corporations:

Tambrands, Incorporated	\$500	February 21, 1990
H. O. Bouchard	\$500	February 21, 1990
Champion Corporation	\$300	March 13, 1990
Pepsi Cola of Aroostook, Inc.	\$200	April 30, 1990
James River Corporation	\$600	May 18, 1990.
U.S. Tobacco Company	\$250	October 30, 1990

Accordingly, there is reason to believe that JACPAC, and William A. Osborne, as treasurer, violated 2 U.S.C. § 441b(a) by accepting corporate contributions totaling \$2,350.

After reviewing JACPAC's first regularly scheduled report, the 1990 July Quarterly, the Reports Analysis Division ("RAD") notified JACPAC that it appeared to have accepted contributions from corporations, and informed the Committee that corrective action should be taken. JACPAC filed a response to RAD's notices, acknowledging that it had made several errors and explaining that making the contributions to the two campaign committees was its

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first incursion into federal electoral activity and that its treasurer and others within the committee were unfamiliar with the requirements of the Act. In response to RAD's inquiries about the prohibited funds, JACPAC indicated that it had written to the two federal candidate committees requesting refunds of the entire \$2,000 it had given to each. At the same time, JACPAC reported that it had expended all of its funds, and stated that there would be no further activity by JACPAC on any level and requested termination.

In sum, JACPAC admits that it made the contributions to federal candidates without understanding the implications and requirements of the Act, and once JACPAC realized what was involved, it ceased operations and terminated, thus bringing to a halt its brief and limited involvement in federal electoral activity. Given all the above circumstances, consistent with its priorities and limited resources, the Commission determined to take no further action and close the file as it pertains to these respondents. See Heckler v. Chaney, 407 U.S. 821 (1985).

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**FLAHERTY, BELIVEAU & PACHOS**

**ATTORNEYS AT LAW**

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JEFFREY M. SULLIVAN  
DENNIS M. DOIRON  
STANLEY P. PIECUCH  
KEVIN J. BEAL  
DEBORAH L. POPE  
PENNY ST. LOUIS  
CHARLES F. DINGMAN  
DAVID W. BATE  
RICHARD L. SUTER  
JEFFREY P. RUSSELL

OF COUNSEL

ROBERT C. PRETTI  
ROBERT W. SMITH  
DAVID B. VAN SLYKE

February 3, 1993

Ms. Joan D. Aikens  
Chairman  
Federal Election Commission  
Washington, DC 20463

RE: MUR 3494  
McGowan for Congress and  
Karen Madore Fournier, as treasurer

Dear Ms. Aikens:

We represent the McGowan for Congress Committee and its treasurer, Karen Madore Fournier. Please find enclosed a Statement of Designation of Counsel for your file. We are in the process of reviewing your letter of January 14 and are preparing a response to the interrogatories and request for product of documents. In order to assure that we respond fully to your request, I would request an extension until February 22 to respond to your request.

Sincerely yours,

Severin M. Beliveau

SMB:coa

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Enclosure

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93 FEB -8 PM 3:02

RECEIVED  
FEDERAL ELECTION COMMISSION

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3492

NAME OF COUNSEL: Severin M. Beliveau

ADDRESS: Preti, Flaherty, Beliveau + Pachios  
45 Memorial Circle  
Augusta ME 04432

TELEPHONE: (207) 623-2914

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.

11/26/93  
Date

Karen Fournier  
Signature

RESPONDENT'S NAME: Karen Madore Fournier

ADDRESS: McGowan for Congress  
P.O. Box 400  
Canada ME 04924

HOME PHONE: (207) 474-6170

BUSINESS PHONE: (207) 453-9559

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

February 9, 1993

Severn M. Beliveau, Esquire  
Prete, Flaherty, Beliveau & Pachios  
P.O. Box 1058  
Augusta, Maine 04333-1058

RE: MUR 3494  
McGowan for Congress and  
Karen Madore Fournier, as treasurer

Dear Mr. Beliveau:

This is in response to your letter dated February 3, 1993, which we received on February 8, 1993, requesting an extension until February 22, 1993, to respond to the Commission's discovery requests. 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 February 22, 1993.

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

Sincerely,

*Xavier K. McDonnell*  
Xavier K. McDonnell  
Attorney

93040983390

OAC 8857  
FLAHERTY, BELIVEAU & PACE

ATTORNEYS AT LAW

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FEDERAL ELECTION COMMISSION  
93 APR -5 PM 4:29

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OF COUNSEL

ROBERT F. PRETI  
ROBERT W. SMITH  
DAVID R. VAN SLYKE

April 2, 1993

Xavier K. McDonnell, Esq.  
Federal Election Commission  
Washington, DC 20463

RE: MUR 3494  
McGowan for Congress and  
Karen Madore Fournier, as Treasurer

Dear Mr. McDonnell:

I am enclosing the answers to the questions posed in your letters of January 4, 1993 to Canaan Motel and its partners and to McGowan for Congress and Karen Madore Fournier, as Treasurer.

I trust that the answers will satisfactorily explain the circumstances surrounding the motel rental issue and the transaction with Computerland of South Portland, Maine. As you will note from Ms. Fournier's answers, the campaign at all times attempted to fully comply with the provisions of the Federal Election Campaign Act of 1971. Ms. Fournier served as a volunteer treasurer and clearly was not familiar with all the intricacies of the Federal Campaign Law. The explanation with respect to the use of the unfurnished motel room is clearly understandable since most small businesses in Maine do not adopt written policies with respect to discounts for longer use.

Obviously Ms. Fournier was unaware of Commission Regulation 11CFR §104.11(b) which was revised after the campaign entered an agreement with Computerland. Her explanation on this issue is reasonable, credible and straightforward and confirms the fact that the campaign had no intention of circumventing or avoiding its responsibilities under the Act.

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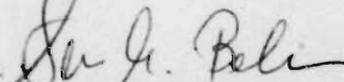
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Xavier K. McDonnell, Esq.  
April 2, 1993  
Page 2

In view of the circumstances, I would request that the Commission take no further action against the Committee and Ms. Madore, given the circumstances of this case and the amount involved since at most there may have been a technical violation of the law.

Please contact me if you require any further action or clarification.

Very truly yours,

  
Severin M. Beliveau

SMB:coa

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Enclosures

93040983392

MCGOWAN FOR CONGRESS AND KAREN MADORE FOURNIER,  
AS TREASURER, ANSWERS TO QUESTIONS  
PROPOUNDED BY THE FEDERAL ELECTION COMMISSION

93 APR -5 PM 4:29  
RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK OF THE HOUSE OF REPRESENTATIVES

QUESTION:

1. Identify the owners of the Canaan Motel ("Motel"), and;
  - a. Indicate Patrick McGowan's (the "candidate") interest in the Motel (the percentage or share of the Motel owned by him);
  - b. Describe the candidate's role, if any, in the management of the Motel.

ANSWER:

1. The owners of the Canaan Motel are Bernard McGowan and Ann McGowan of Pittsfield, Maine, and Patrick McGowan and Bonnie McGowan of Canaan, Maine.
  - a. Patrick McGowan has a one-fourth (25%) interest in the ownership of the Motel.
  - b. The candidate is a non-managing partner. The Motel is managed by Bernard McGowan.

QUESTION:

2. State whether McGowan for Congress (the "McGowan campaign") occupied space in the Canaan Motel. If the answer to this question is in the affirmative, indicate the terms of the rental agreement, and:
  - a. State the amount of space (or size and number of rooms) the McGowan campaign occupied;
  - b. The amount paid to the Canaan Motel for the space;
  - c. The amount of time the McGowan campaign occupied the space;
  - d. State any changes in the terms of the agreement, and explain such changes; and
  - e. Identify and produce all documents related to the room rental, including but not limited to any written agreement relating to the rental.

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ANSWER:

2. The McGowan campaign did occupy space in the Canaan Motel.
  - a. The campaign occupied one room, dimensions 19x12 feet, unfurnished and without motel services.
  - b. The campaign paid \$4,000 for the space.
  - c. The campaign occupied the space for eight months in 1990.
  - d. The original verbal agreement in March 1990 was for the rate of \$150 per week, payable upon vacating the room. The agreement was changed in November 1990 by the Motel to reflect the length of the stay and the lack of usual Motel services.
  - e. The enclosed document is the statement of account and receipt for partial payment provided to the campaign by the Motel in November 1990.

QUESTION:

3. Indicate whether the McGowan campaign was given a long-term rate for the office space during 1990 and 1992. If the answer is in the affirmative, identify the person(s) from the Motel who authorized the application of the long-term rental rate.

ANSWER:

3. The McGowan campaign was given a long-term rate for office space in 1990 and 1992. The rate was \$500 per month. The rate was authorized by Bernard McGowan.

QUESTION:

4. Indicate whether the Motel extended credit to the McGowan campaign in connection with the office space rental during 1990-92. If the answer to this question is in the affirmative, state the terms of the Motel's extension of credit.

ANSWER:

4. The Motel extended credit to the campaign in November 1990 in the amount of \$1,000. Interest was not charged, and the \$1,000 was to be paid as soon as the campaign had raised the

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funds. The Motel also granted credit to the campaign in November 1992 in the amount of \$3,000. The terms are the same as those in 1990.

QUESTION:

5. Indicate whether the McGowan campaign was late in making payments for the space it occupied, and if so:
  - a. State whether the McGowan campaign paid any interest and/or as charged with any penalties for failing to make timely payments;
  - b. Describe what action was taken by the Motel to receive payment from the McGowan campaign for the room(s) it occupied, i.e., notices and letters by the Motel relating to obtaining payments.
  - c. Identify and produce all documents related to the Motel's extension of credit to the McGowan campaign and all documents which relate to efforts taken by the Motel to obtain payment from the campaign.

ANSWER:

5. The campaign was late in making part of its payments in 1990 and 1992, in that the campaign was unable each time to pay its rent in full when it vacated in November. This is when credit was granted.
  - a. The campaign did not pay any interest or penalties.
  - b. The Motel granted credit in each year until the funds were raised by the campaign. No follow-up letters or notices were sent by the Motel.
  - c. The extension of credit was verbal. No documents pertain.

QUESTION:

6. State whether the McGowan campaign currently owes any money to the Canaan Motel. If so, state the amount of money owed and the number of weeks/months credit as thus far extended.

ANSWER:

6. The campaign currently owes the Motel \$3,000, to be repaid as soon as the funds are raised.

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DATED at Canaan, Maine this 19th day of March 1993.

McGowan for Congress and  
Karen Madore Fournier, as  
Treasurer

Karen Fournier  
Karen Madore Fournier

STATE OF MAINE  
SOMERSET, SS

March 19, 1993

Personally appeared before me the above-named Karen Madore Fournier and made oath that the foregoing statements made by him are true to the best of his knowledge, information, and belief and to the extent that information is based upon belief, he believes them to be true.

Before me,

Irma Graf  
Notary Public

Print Name: IRMA GRAF

Commission Expires: Mar 14 1994

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.AB2

RESPONSE TO FEDERAL ELECTION COMMISSION  
QUESTIONS DATED JANUARY 4, 1993  
MUR 3494

RECEIVED  
FEDERAL ELECTION COMMISSION  
93 APR -5 PM 4:29  
OFFICE OF THE CLERK

TO: XAVIER McDONNELL  
FROM: CANAAN MOTEL & PARTNERS (MCGOWANS)  
DATE: JANUARY 12, 1993

1. The owners and partners of the Canaan Motel are Bernard E. McGowan, Ann B. McGowan (husband & wife), Patrick K. McGowan, and Bonnie L. McGowan (husband & wife). The management is done solely by Bernard McGowan.
  - a. Each of the partners own a twenty five percent (25%) share of the Canaan Motel.
  - b. Each partner shares in the annual profits and losses of the Canaan Motel. Bernard McGowan serves as the Operations Manager of the Canaan Motel.
  - c. Patrick McGowan the "candidate" has a fourth ( $\frac{1}{4}$ ) ownership interest in the Canaan Motel. He shares financially in the annual profits or losses of the Canaan Motel. He has no role in the management of the motel.
  - d. The partners of the Canaan Motel are not incorporated.
2. Room rates at the Canaan Motel vary from season to season in Central Maine. Summer rates per night during the time in question (1990-1992) were thirty dollars (\$30.00) per night during winter months, fifty five dollars (\$55.00) per night during the summer months. Rooms were also available to the public for weekly rental of one hundred fifty dollars (\$150.00) per week for seven (7) days and one hundred twenty five dollars (\$125.00) per week for a five (5) day rental.
3. The only short or long term rental policy at the Canaan Motel is answered in question #2. The Canaan Motel has had only one (1) tenant for commercial office space rental and that was the McGowan for Congress Campaign.
  - a. The duration of stay to qualify for a long term rate is twenty eight (28) days.
  - b. The policy is retroactive.
  - c. The motel policy is a verbal policy stated to the occupant by the management.
  - d. Several occupants were charged the weekly rate during the years 1990-1992. **NOTE:** All occupants staying at the Canaan Motel on a weekly basis were entitled to laundry, telephone, cable television, maid service, the use of an indoor pool and hot tub at no additional charge.

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4. The McGowan for Congress Campaign occupied one (1) unfurnished room in the back section of the Canaan Motel in 1990.
    - a. The room occupied by the McGowan for Congress Campaign was a 19' x 12' standard room.
    - b. The amount paid to the Canaan Motel for the time period in question was four thousand dollars (\$4,000.00).
    - c. The McGowan for Congress Campaign occupied one (1) room for eight (8) months in 1990 at the Canaan Motel.
    - e. Except for standard weekly and short term rates described in question #2, the Canaan Motel had no other long term occupants similar to the arrangement of the McGowan for Congress Campaign. McGowan for Congress rented an unfurnished room. Telephone, laundry, cable television, maid service, and pool privileges were not available, nor were overnight accommodations.
    - f. See exhibit B. The room rent charge was adjusted to reflect the lowered level of services and the length of occupancy.
  
  5. The terms for payment of the rooms at the Canaan Motel are cash, credit cards or other reasonable terms deemed appropriate by the management of the Canaan Motel.
    - a. Payment for the rooms at the Canaan Motel is due at the end of the occupants stay.
    - b. The Canaan Motel extends credit for occupancy on rare occasions. Terms are negotiated with the motel's manager. Interest is charged if the motel manager deems it appropriate.
    - c. The motel's policy in regard to collecting unpaid accounts is to establish a payment plan and collect the funds as soon as the occupant or former occupant is able to pay. If terms are not met it is the motel's policy to seek collection through legal means.
    - d. The motel's policy in regard to payment and extensions of credit is unwritten and is subject to the manager's discretion.
  
  6. The Canaan Motel extended credit to the McGowan for Congress Campaign for a period of time in 1990, in that the Campaign's rent was due at the end of its' stay, in accordance with the policy stated in question #5-a above.
    - a. The McGowan Campaign paid no interest and was charged no penalty for failure to make timely payments.
    - b. The Canaan Motel did not extend credit to any other occupants for any length of time that had similar occupancy to that of the McGowan for Congress Campaign.
    - c. The agreement to extend credit to the McGowan for Congress Campaign was an unwritten verbal agreement between a representative of the McGowan for Congress Campaign and the management of the Canaan Motel.

7. The McGowan for Congress Campaign currently owes the Canaan Motel three thousand dollars (\$3,000.00) for its' 1992 rent. The credit has been extended for six (6) months.
8. The partners of the Canaan Motel contributed to the McGowan for Congress Campaign in 1990-1992.

PATRICK K. MCGOWAN	01/11/90	-	\$ 500.00
	02/16/90	-	\$1000.00
	04/10/90	-	\$ 200.00
	05/03/90	-	\$ 51.94
	05/23/90	-	\$ 790.50
	06/29/90	-	\$ 495.00
	06/30/90	-	\$1369.35
	07/07/90	-	\$ 36.08
	07/08/90	-	\$ 22.12
	09/30/90	-	\$3186.56
	09/30/90	-	\$ 304.00
	10/17/90	-	\$ 908.70
	11/05/90	-	\$ 308.00
	11/06/90	-	\$ 828.88

**TOTAL: \$10,001.13**

BONNIE L. MCGOWAN	01/02/90	-	\$1000.00
	10/26/90	-	\$ 400.00

**TOTAL: \$1,400.00**

BERNARD E. MCGOWAN	09/14/90	-	\$1000.00
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**TOTAL: \$1,000.00**

ANN B. MCGOWAN	05/01/90	-	\$ 100.00
	06/05/90	-	\$ 112.50
	08/24/90	-	\$ 100.00
	09/21/90	-	\$ 318.20
	09/21/90	-	\$ 70.00
	09/25/90	-	\$ 10.00
	10/26/90	-	\$ 25.00
	11/05/90	-	\$ 100.00

**TOTAL: \$ 835.70**

FEC form enclosed. All contributions were made as individuals on personal checks, not as partners on partnership checks.

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This information is sworn to be true to me this day  
January 12, 1993.

THEODORE E. RUPPRECHT  
NOTARY PUBLIC, MAINE  
MY COMMISSION EXPIRES OCT. 25, 1995

BY: Theodore E. Rupprecht  
NOTARY PUBLIC

PATRICK K. MCGOWAN Patrick K. McGowan  
BONNIE L. MCGOWAN Bonnie L. McGowan  
BERNARD E. MCGOWAN Bernard E. McGowan  
ANN B. MCGOWAN Ann B. McGowan

Signed at Canaan Maine January 12, 1993.

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MUR # 3494

ADDITIONAL DOCUMENTS WILL BE ADDED TO THIS FILE AS THEY BECOME AVAILABLE. PLEASE CHECK FOR ADDITIONAL MICROFILM LOCATIONS.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3494

DATE FILMED 10/28/93 CAMERA NO. 2

CAMERAMAN MC

93040983402



FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

Microfilm  
 Public Records  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3494.

12/10/93

93043542704

**THE READER IS REFERRED TO ADDITIONAL MICROFILM LOCATIONS  
FOR THE FOLLOWING DOCUMENTS PERTINENT TO THIS CASE**

1. Memo, General Counsel to the Commission, dated September 22, 1992, Subject: Priority System Report. See Reel 354, pages 1590-94.
2. Memo, General Counsel to the Commission, dated April 14, 1993, Subject: Enforcement Priority System. See Reel 354, pages 1595-1620.
3. Certification of Commission vote, dated April 28, 1993. See Reel 354, pages 1621-22.
4. General Counsel's Report, In the Matter of Enforcement Priority, dated December 3, 1993. See Reel 354, pages 1623-1740.
5. Certification of Commission vote, dated December 9, 1993. See Reel 354, pages 1741-1746.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1992

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Jay M. Hibbard, Executive Director  
Maine Republican Party  
Post Office Box 0  
Augusta, ME 04332-0630

RE: MUR 3494

Dear Mr. Hibbard:

On March 30, 1992, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

On December 15, 1992, the Commission took several actions with respect to this matter. The Commission found reason to believe that JACPAC and William A. Osborne, as treasurer, violated 2 U.S.C. §§ 433(a), 441a(a)(1)(A), and 441b(a), but took no further action and closed the file as it pertains to them.

The Commission also found reason to believe that Friends of Tom Andrews and Geoffrey G. Gattis, as treasurer, violated 2 U.S.C. § 441a(f), but took no further action and closed the file as it pertains to them.

In addition, the Commission found reason to believe that the Canaan Motel and its unidentified partners violated 2 U.S.C. § 441a(a)(1)(A).

Lastly, the Commission found that there was reason to believe that McGowan for Congress Committee and Karen Madore Fournier, as treasurer, violated 2 U.S.C. § 441a(f), 434(b), and 11 C.F.R. § 104.11(b). There were two separate bases for the Commission's Section 441a(f) findings, and with respect to the Committee's acceptance of an excessive contribution from JACPAC, the Commission determined to take no further action.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against McGowan for Congress and Karen Madore Fournier, as treasurer, and the Canaan Motel and its unidentified partners. See attached narrative. Accordingly, the

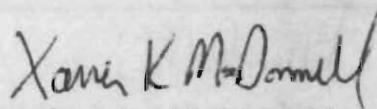
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Jay M. Hibbard, Executive Director  
Page 2

Commission closed its file in this matter. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

  
Xavier K. McDonnell  
Attorney

Attachment  
Narrative

Date the Commission voted to close the file: DEC 09 1993

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MUR 3494  
MCGOWAN FOR CONGRESS

The Commission found reason to believe, inter alia, that the McGowan Committee accepted excessive in-kind contributions through the use of office space in the Canaan Motel, which is owned by the candidate and his partners, and failed to report those contributions. The Committee also failed to properly report an estimated debt.

The transactions at issue in this matter involve limited amounts, appear to have had a minimal impact on the process, and present no significant issue relative to the other issues pending before the Commission.

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FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

DEC 10 1993

Severin M. Beliveau, Esq.  
Preti, Flaherty, Beliveau & Pachios  
45 Memorial Circle  
P. O. Box 1058  
Augusta, ME 04332-1058

RE: MUR 3494  
McGowan for Congress and  
Karen Madore Fournier, as treasurer  
Canaan Motel and its partners  
JACPAC and  
William A. Osborne, as treasurer

Dear Mr. Beliveau:

On January 4, 1993, your clients, the McGowan for Congress Committee ("Committee") and Karen Madore Fournier, as treasurer, were notified that the Federal Election Commission had found reason to believe that they had violated 2 U.S.C. §§ 441a(f), 434(b) and 11 C.F.R. § 104.11(b). Also on January 4, 1993, your clients, the Canaan Motel and its partners, were notified that the Commission had found reason to believe that they had violated 2 U.S.C. § 441a(a)(1)(A). On April 2, 1993, you submitted a response on behalf of the Committee and the Canaan Motel and its partners.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no further action against the McGowan for Congress Committee and Karen Madore Fournier, as treasurer, and the Canaan Motel and its partners. See attached narrative. Accordingly, the Commission closed its file in this matter.

With respect to all of your clients, 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

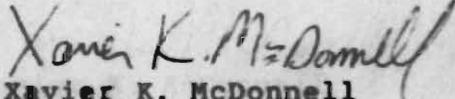
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Severin M. Beliveau, Esq.  
Page 2

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 receipt of your additional materials, any permissible submissions will be added to the public record when they are received.

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

Sincerely,

  
Xavier K. McDonnell  
Attorney

Attachment  
Narrative

Date the Commission voted to close the file:

DEC 09 1993

93043542710

MUR 3494  
MCGOWAN FOR CONGRESS

The Commission found reason to believe, inter alia, that the McGowan Committee accepted excessive in-kind contributions through the use of office space in the Canaan Motel, which is owned by the candidate and his partners, and failed to report those contributions. The Committee also failed to properly report an estimated debt.

The transactions at issue in this matter involve limited amounts, appear to have had a minimal impact on the process, and present no significant issue relative to the other issues pending before the Commission.

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Geoffrey G. Gattis, Treasurer  
Friends of Tom Andrews  
P. O. Box 4400  
Station A  
Portland, ME 04101

RE: MUR 3494

Dear Mr. Gattis:

This is to advise you that this matter is now closed. The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public.

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 receipt of your additional materials, any permissible submissions will be added to the public record when received.

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

Sincerely,

Xavier K. McDoanell  
Attorney

93043542712