



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3523

DATE FILMED 8/7/92 CAMERA NO. 4

CAMERAMAN E.E.S.

92040915063

**REPORTS ANALYSIS REFERRAL**

**TO**

**OFFICE OF GENERAL COUNSEL**

**DATE:** 27 June 1991

**ANALYST:** **KELLY HUFF**

**I. COMMITTEE:** California Pro Life Council Inc.,  
Political Action Committee  
(C00229122)  
Andra R. Moreno, Treasurer  
(April 19, 1991 to Present)  
Kevin E. Kimpton, Treasurer  
(May 31, 1988 to April 19, 1991)  
926 J Street, Suite 1100  
Sacramento, CA 95814

**II. RELEVANT STATUTE:** 11 CFR §102.5(a)(1)(i)

**III. BACKGROUND:**

**Receipt of Funds from a Non-Federal Account**

The California Pro Life Council Inc., Political Action Committee ("the Federal Account") received four (4) transfers from the California Pro Life Council Inc., Political Action Committee Non-Candidate Account ("the Non-Federal Account"), totalling \$9,329.79 during calendar year 1990.

On December 5, 1990, the Federal Account filed its 1990 30 Day Post-General Report. This report disclosed the receipt of a \$3,000 transfer from the Non-Federal Account on October 30, 1990 (Attachment 2).

On April 10, 1991, a Request for Additional Information ("RFAI") was sent to the Federal Account referencing the 30 Day Post-General Report. The RFAI requested clarification of the \$3,000 receipt from the Non-Federal Account. The RFAI also noted that such a transfer is a violation of 11 CFR §102.5(a)(1)(i) and advised the Federal Account to transfer out the full amount (Attachment 3).

On January 29, 1991, the Federal Account filed its 1990 Year End Report. This report disclosed the receipt of three

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(3) transfers, totalling \$6,329.79 from the Non-Federal Account. The transfers were dated October 23, December 4, and December 19, 1990 (Attachment 4).

On April 10, 1991, an RFAI was sent to the Federal Account referencing the 1990 Year End Report. The RFAI requested clarification of the \$6,329.79 received from the Non-Federal Account. The RFAI also noted that such a transfer is a violation of 11 CFR §102.5(a)(1)(i) and advised the Federal Account to transfer out the full amount (Attachment 5).

On April 16, 1991, the Reports Analysis Division ("RAD") analyst spoke with the treasurer, Kevin E. Kimpton. Mr. Kimpton said the transfer was from the state account in the form of a loan. The analyst suggested that the Federal Account transfer the money back to the Non-Federal Account. Mr. Kimpton said the Federal Account did not have enough money to transfer the money back to the Non-Federal Account. Mr. Kimpton asked if the Federal Account could show the figure as a debt owed to the Non-Federal Account. <sup>1/</sup> The analyst said that would be fine, but they needed to get the debt paid off as soon as possible (Attachment 6).

On May 2, 1991, a Second Notice was sent to the Federal Account for failure to respond to the RFAIs (Attachment 7).

On May 20, 1991, Bryan Johnston, Executive Director of the Federal Account, telephoned the RAD analyst. Mr. Johnston informed the RAD analyst that Mr. Kimpton had resigned as treasurer and asked for an extension. The RAD analyst said an extension could not be granted, but that the Federal Account should respond as soon as possible. Mr. Johnston said he would try to get an amendment to the Commission as soon as possible (Attachment 8).

On May 24, 1991, the Federal Account informed the Commission of the new treasurer and requested a sixty day extension to respond to the RFAIs (Attachment 9).

On June 4, 1991 and June 7, 1991, the RAD analyst tried to contact Mr. Johnston but he could not be reached on either occasion. The RAD analyst left a message for Mr. Johnston on both occasions (Attachment 10).

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<sup>1/</sup> On April 19, 1991 the Federal Account filed its 1991 April Quarterly Report. This report disclosed debts owed by the Federal Account totalling \$9,329.79. This report did not have a Schedule D to support debts owed by the Federal Account.

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On June 11, 1991, the RAD analyst spoke with Mr. Johnston. The RAD analyst informed Mr. Johnston that a sixty day extension could not be granted. The RAD analyst asked Mr. Johnston if the Federal Account was going to respond to the Commission's letters. Mr. Johnston said the Federal Account would respond and then asked what they have to do to respond. The RAD analyst explained that the Federal Account needed to transfer out the full amount and inform the Commission in writing of their actions. The RAD analyst explained that if the Federal Account did not have the full amount to transfer out, they needed to respond in writing of the actions they were going to take to comply with the Federal Election Campaign Act and regulations. Mr. Johnston said they would respond as soon as possible (Attachment 11).

On June 18, 1991, the RAD analyst spoke with Mr. Kimpton. Mr. Kimpton informed the RAD analyst that the Federal Account was going to pay the Non-Federal Account \$3,000 of the debt owed now. The RAD analyst told Mr. Kimpton that he needed to inform the Commission in writing of this fact. The RAD analyst explained to Mr. Kimpton that he was not to amend previous reports, but reflect this payment on the next report filed with the Commission. Mr. Kimpton then asked what should be included in this letter to the Commission. The RAD analyst explained that this letter should state what the Federal Account has done, what it is going to do and a copy of the check to verify the \$3,000 payment to the Non-Federal Account. Mr. Kimpton said that he would respond immediately (Attachment 12).

On June 21, 1991, the Federal Account sent its response to the Commission. The Federal Account stated that it had made a partial payment of \$3,000 owed to the Non-Federal Account on June 18, 1991. The Federal Account included a copy of the check issued for verification. The Federal Account stated that they would pay the remaining balance (\$6,329.79) owed to the Non-Federal Account on or before September 30, 1991 (Attachment 13).

**IV. OTHER PENDING MATTERS INITIATED BY RAD:**

None.

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COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
				TYPE OF FILER		
CALIFORNIA PRO LIFE COUNCIL INC POLITICAL ACTION COMMITTEE				ID #C00228122	NON-PARTY	NON-QUALIFIED
CONNECTED ORGANIZATION: CALIFORNIA PRO LIFE COUNCIL INC						
1989	MID-YEAR REPORT	164	0	1JAN89 -30JUN89	3	89FEC/606/2324
	MID-YEAR REPORT - AMENDMENT	209	0	1JAN89 -30JUN89	3	89FEC/607/2552
	YEAR-END	60	1,000	1JUL89 -31DEC89	4	90FEC/622/4489
1990	APRIL QUARTERLY	16	0	1JAN90 -31MAR90	3	90FEC/638/3646
	JULY QUARTERLY	18	0	1APR90 -30JUN90	3	90FEC/650/1756
	OCTOBER QUARTERLY	17	1,000	1JUL90 -30SEP90	3	90FEC/658/1249
	POST-GENERAL	7,116	2,041	1OCT90 -26NOV90	6	90FEC/677/1795
	REQUEST FOR ADDITIONAL INFORMATION			1OCT90 -26NOV90	2	91FEC/692/1432
	REQUEST FOR ADDITIONAL INFORMATION 2ND			1OCT90 -26NOV90	3	91FEC/694/4340
	YEAR-END	6,349	7,920	27NOV90 -31DEC90	7	91FEC/683/4274
	REQUEST FOR ADDITIONAL INFORMATION			27NOV90 -31DEC90	2	91FEC/692/1449
	REQUEST FOR ADDITIONAL INFORMATION 2ND			27NOV90 -31DEC90	3	91FEC/694/4343
1991	MISCELLANEOUS REPORT TO FEC			24MAY91	2	91FEC/696/5270
	TOTAL	13,785	0 11,961	0	44	TOTAL PAGES

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All reports listed have been reviewed.

Ending cash-on-hand as of 12/31/90: \$4056.05

Debts and obligations owed to the committee as of 12/31/90: \$0

Debts and obligations owed by the committee as of 12/31/90: \$9,329.79

FEDERAL ELECTION COMMISSION  
1991-1992

DATE 26JUN91

COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C)

PAGE 1

COMMITTEE	DOCUMENT	RECEIPTS	DISBURSEMENTS	ID #	COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
CALIFORNIA PRO LIFE COUNCIL INC	POLITICAL ACTION COMMITTEE			0C00228122			
CONNECTED ORGANIZATION:	CALIFORNIA PRO LIFE COUNCIL INC						
	1991 STATEMENT OF ORGANIZATION - AMENDMENT				24MAY91	1	91FEC/696/5308
	APRIL QUARTERLY	44	350		1JAN91 -31MAR91	4	91FEC/693/2859
	TOTAL	44	0	350		5	TOTAL PAGES

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All reports listed have been reviewed  
 Ending Cash-on-hand as of 3/31/91: \$3750.13.  
 Debts and obligations owed to the Committee as of 3/31/91: \$0  
 Debts and obligations owed by the Committee as of 3/31/91: \$9,329.79

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules for each category of the Detailed Summary Page

PAGE 111 OF 12 FOR LINE NUMBER 12

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 any other purpose, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full) CALIFORNIA PRO LIFE COUNCIL, INC POLITICAL ACTION COMMITTEE

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt (this Period)
CALIFORNIA PRO LIFE COUNCIL POLITICAL ACTION COMMITTEE NONCANDIDATE ACCOUNT 126 S STREET, SUITE 400 SACRAMENTO, CA 95819 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	_____ Occupation _____ Aggregate Year-to-Date > \$ 3,000.00	10/01/90	3,000.00
NATIONAL PRO LIFE POLITICAL ACTION COMMITTEE 419 7th STREET, N.W. SUITE 500 WASHINGTON, D.C. 20004 Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	_____ Occupation _____ Aggregate Year-to-Date > \$ 4,100.00	11/2/90	4,100.00
C. Full Name, Mailing Address and ZIP Code 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 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 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 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 Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	_____ Occupation _____ Aggregate Year-to-Date > \$	_____	_____

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SUBTOTAL of Receipts This Page (optional) \_\_\_\_\_

TOTAL This Period (last page the line number only) 7100.00



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

RG-2

APR 10 1991

Kevin E. Kington, Treasurer  
California Pro Life Council Inc.  
Political Action Committee  
926 J Street, Suite 1100  
Sacramento, CA 95814

Identification Number: C00228122

Reference: 30 Day Post-General Report (10/1/90-11/26/90)

Dear Mr. Kington:

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 discloses a receipt of \$3,000 from the California Pro Life Council Political Action Committee Non-Candidate Account (pertinent portion(s) attached). Please clarify whether this transfer is from an account maintained by your committee for non-federal activity. If so, be advised that such transfer is prohibited by 11 CFR §102.5(a)(1)(i) and the full amount of the transfer should be returned to the non-federal account. Please inform the Commission immediately in writing and provide a photocopy of your check for the transfer-out. In addition, the transfer-out should be disclosed on a supporting Schedule B for Line 20 of your next report.

If, however, this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report accordingly.

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the funds in question, or clarification of the transaction, will be taken into consideration.

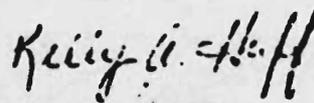
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KH

-The total listed on Line 18, Column B of the Detailed Summary Page appears 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 Line 18, Column B total.

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) 376-2420.

Sincerely,



Kelly A. Huff  
Reports Analyst  
Reports Analysis Division

1136121453





FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20543

RG-2

APR 10 1991

Kevin E. Kimpton, Treasurer  
California Pro Life Council Inc.  
Political Action Committee  
926 J Street, Suite 1100  
Sacramento, CA 95814

Identification Number: C00228122

Reference: Year End Report (11/27/90-12/31/90)

Dear Mr. Kimpton:

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 discloses a receipt of \$6,329.79 from the California Pro Life Council Political Action Committee Non-Candidate Account (pertinent portion(s) attached). Please clarify whether this transfer is from an account maintained by your committee for non-federal activity. If so, be advised that such transfer is prohibited by 11 CFR §102.5(a)(1)(i) and the full amount of the transfer should be returned to the non-federal account. Please inform the Commission immediately in writing and provide a photocopy of your check for the transfer-out. In addition, the transfer-out should be disclosed on a supporting Schedule b for Line 20 of your next report

If, however, this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report accordingly.

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the funds in question, or clarification of the transaction, will be taken into consideration.

-The outstanding balance of a debt owed to a creditor at the close of one report should be exactly the same as the beginning outstanding balance of the next report.

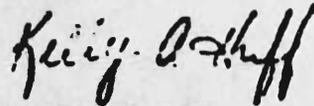
11-36121443

KH

The 30 Day Post-General Election Report shows an ending balance to California Pro Life Council Political Action Committee Non-Candidate Account of \$0.00, while this report shows a beginning balance of \$3,000.00.

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,



Kelly A. Huff  
Reports Analyst  
Reports Analysis Division

01036021450

TELECON

ANALYST: Kelly Huff

CONVERSATION WITH: Mr. Kevin E. Kimpton

COMMITTEE: California Pro Life Council Inc., Political Action Committee

DATE: April 16, 1991

SUBJECT(S): Received RFAI's referencing 30 Day Post General Election and Year  
End Reports

Mr. Kimpton said that the money was not a transfer but money received in the form of a loan. I told Mr. Kimpton that the federal account could not receive money from their non-federal account and they should transfer out the full amount received. Mr. Kimpton said that they did not have the money to transfer out and could they show it as a debt. I said that was fine, but they needed to transfer out the money as soon as possible.

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FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

RQ-3

May 2, 1991

Kevin E. Kimpton, Treasurer  
California Pro Life Council Inc.  
Political Action Committee  
926 J Street, Suite 1100  
Sacramento, CA 95814

Identification Number: C00220122

Reference: 30 Day Post-General (10/1/90-11/26/90) and Year End  
(11/27/90-12/31/90) Reports

Dear Mr. Kimpton:

This letter is to inform you that as of May 1, 1991, the Commission has not received your response to our requests for additional information dated April 10, 1991. Those notices requested information essential to full public disclosure of your federal election financial activity and to ensure compliance with provisions of the Federal Election Campaign Act (the Act). Copies of our original requests are enclosed.

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions related to this matter, please contact Kelly A. Huff on our toll-free number (800) 424-9555, or our local number (202) 376-2480.

Sincerely,

John D. Gibson  
Assistant Staff Director  
Reports Analysis Division

Enclosures

91036141343

TELECON

ANALYST: Kelly Huff

CONVERSATION WITH: Bryan Johnston, Executive Director of CA Pro Life Council

COMMITTEE: California Pro Life Council Inc., Political Action Committee

DATE: May 20, 1991

SUBJECT(S): Received a Second Notice

Mr. Johnston said he received a letter from a Mr. John Gibson (Second Notice). Mr. Johnston said that Mr. Kimpton had resigned his position as treasurer and they were trying to get organized with a new treasurer. Mr. Johnston asked for an extension and I said that I could not grant an extension. I also added that they needed to respond as soon as possible to the letters.

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# CALIFORNIA PRO LIFE COUNCIL STATE P.A.C.

*Working for a Pro Life California*

926 J Street, Suite 1100, Sacramento, California 95814 (916) 442-8315

May 20, 1991

Kelly A. Huff  
Federal Election Commission  
Washington DC 20463

ID: C00228122

RE: 30 Day Post-General (10/1/90-11/26/91) and Year End  
(11/27/90-12/31/90) Reports

California Pro Life Council, Inc., Political Action Committee has recently appointed a new treasurer, Andra Rory Moreno, due to the resignation of Kevin E. Kimpton. (The position of treasurer is as a volunteer, rather than a paid position.) Ms. Moreno is acquainting herself with previously filed reports and financial activity, but is not prepared at this time to recommend specific action on our part.

We would appreciate an extension of sixty (60) days in which to resolve this problem.

Sincerely,

Brian P. Johnston, Executive Director  
California Pro Life Council

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31J36165270

91 MAY 24 AM 9:14

TELECON

ANALYST: Kelly Huff

CONVERSATION WITH:

COMMITTEE: California Pro Life Council Inc., Political Action Committee

DATE:

SUBJECT(S):

June 4, 1991 - I tried to contact Mr. Johnston at (916) 442-8315 at approximately 3:30pm. He was not in and I left a message for him to contact me at the Commission.

June 7, 1991 - I tried to contact Mr. Johnston at (916)442-8315 at approximately 11:15am. Mr. Johnston was out of town. I left a message for him to contact me. I then asked if Mr. Johnston would get this message. I was told he checks in for his messages during the day.

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TELECON

ANALYST: Kelly Huff

CONVERSATION WITH: Bryan Johnston

COMMITTEE: California Pro Life Council Inc., Political Action Committee

DATE: June 11, 1991

SUBJECT(S):

I spoke with Mr. Johnston today because he called in response to the Phone messages that I had left for him at his office.

I told Mr. Johnston that a sixty day extension could not be granted. I then asked Mr. Johnston if his committee was planning on responding to the letters from the Commission. He said they would respond and then asked how they should take action on this matter. I explained that they need to transfer out the full amount in question, then inform the Commission of this action with proof in writing. I also explained that if they did not have the money to transfer out of their account, they will need to inform the Commission on what actions they are going to take to comply. Mr. Johnston said they would respond as soon as possible.

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TELECON

ANALYST: Kelly Huff

CONVERSATION WITH: Kevin Kimpton (former treasurer)

COMMITTEE: California Pro Life Council Inc., Political Action Committee

DATE: June 18, 1991 (approximately 10:05 am)

SUBJECT(S):

I spoke with Mr. Kimpton today. Mr. Kimpton called to inform me the Federal Account was going to pay the Non-Federal Account \$3,000 now.

Mr. Kimpton then asked if this was OK? I told Mr. Kimpton he needed to put this information in writing. I then explained that he should not amend any previous reports as he was going to do, but explained that this payment should be reflected on the next report filed.

Mr. Kimpton asked what information should be contained in the letter? I told him that it should state what they have done and what they are going to do to pay the Non-Federal Account, as well as a copy of the check to verify the \$3,000 payment.

Mr. Kimpton said that he would explain a payment plan that would enable them to finish paying their debt to the Non-Federal Account by Sept. 30th. I said that this information would be important to put in the letter. I said that he should reply as soon as possible and he said he would do that.

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# CALIFORNIA PRO LIFE COUNCIL STATE P.A.C.

*Working for a Pro Life California*

926 J Street, Suite 1100, Sacramento, California 95814 (916) 442-8315

June 18, 1991

Kelly A. Huff  
Reports Analyst  
Reports Analysis Division  
Federal Election Commission  
Washington DC 20463

Identification Number: C00228122

Reference: 30 Day Post-General Report (10/1/90-11/26/90)  
Year End Report (11/27/90-12/31/90)

Dear Ms. Huff:

This letter is in response to the telephone conversation between Kevin Kington and yourself June 18, 1991. California Pro Life Council State Political Action Committee will proceed as follows:

1. At this time we are financially able to pay \$3,000 of the debt owed to California Pro Life Political Action Committee Non-Candidate Account (copy of check enclosed).
2. We propose to pay the remaining balance of \$6,329 at or prior to the filing of the September 30, 1991 quarterly report.

Sincerely,

*Andra Rory Moreno, Treasurer*

Andra Rory Moreno, Treasurer  
California Pro Life Council Inc. Political Action Committee

220409150532  
3103619J0532

91 JUN 21 AM 9:53

CA PRO LIFE COUNCIL  
POLITICAL ACTION COMMITTEE  
800 1ST ST. STE 200  
SACRAMENTO, CA 95811

PAY TO THE ORDER OF

*California Pro Life Council*  
*5000*  
*50/100*  
DOLLARS



SAN FRANCISCO FEDERAL SAVINGS

MEMBER OF THE FEDERAL RESERVE SYSTEM  
SANTA MONICA BRANCH  
1000 MARKET STREET  
SANTA MONICA, CA 90401

*ID 960032*  
*Kevin E. Knight*  
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RECEIVED  
F.E.C.  
SECRETARIAT

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

92 MAY 11 PM 12:30

**SENSITIVE**

**FIRST GENERAL COUNSEL'S REPORT**

RAD Referral: 91L-67  
STAFF MEMBER: Dawn M. Odrowski

SOURCE: Internally Generated

RESPONDENTS: California Pro Life Council Inc. Political Action  
Committee (federal and non-federal accounts) and  
Andra Rory Moreno, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 441b(a)  
11 C.F.R. § 102.5(a)

INTERNAL REPORTS CHECKED: Committee reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Reports Analysis Division ("RAD") referred the California Pro Life Council Inc. Political Action Committee (the "Committee") and Andra Moreno, as treasurer, to the Office of General Counsel based on an improper transfer of funds totaling \$9,329.79 to the Committee's federal account from a non-federal account in violation of 11 C.F.R. § 102.5(a). Attachment 1.

II. FACTUAL AND LEGAL ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended, prohibits corporations, national banks and labor organizations from making contributions or expenditures from their general treasury funds in connection with Federal elections and federal

1. Andra Rory Moreno is treasurer of both the federal and non-federal committees.

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political committees are prohibited from knowingly accepting them. 2 U.S.C. § 441b(a).

To ensure that political committees which finance federal and non-federal activity do not receive or expend funds which are in violation of the Act, regulations promulgated by the Commission provide that organizations which are political committees under the Act shall either (1) establish a separate federal account in which only funds subject to the Act's prohibitions and limitations may be deposited and which shall make all disbursements, contributions, expenditures and transfers in connection with federal elections or (2) establish a single account for both federal and non-federal activity which shall receive only contributions subject to the prohibitions and limitations of the Act. 11 C.F.R. §§ 102.5(a)(i) and (ii). In the former case, the separate account becomes the federal political committee for registration and reporting purposes.

Commission regulations further provide that if an organization establishes separate accounts, "[n]o transfers may be made to such federal account from any other account(s) maintained by such organization for the purposes of financing activity in connection with non-federal elections." 11 C.F.R. § 102.5(a)(1)(i).<sup>2</sup>

**B. Analysis**

According to its Statement of Organization, the Committee

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2. The regulations at 11 C.F.R. § 102.5(a) were amended effective January 1, 1991. Because the transactions at issue here occurred prior to that date, the former version of 11 C.F.R. § 102.5(a) is cited here.

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is a separate segregated fund established and administered by California Pro Life Council, Inc.

The Committee's 1990 Post General Report disclosed receipt on October 30, 1990, of a \$3,000 transfer from California Pro-Life Council Political Action Committee, Non-Candidate Account. Reports filed with the California Secretary of State's office show that California Pro Life Council Political Action Committee, Non-Candidate Account is an account of the California Pro Life Council State PAC ("Non-Federal Account").

In its 1990 Year End Report, the Committee disclosed receipt of three additional transfers, totaling \$6,329.79, from the Non-Federal Account: \$353.33 on October 23; \$5,684.46 on December 4 and \$292 on December 19, 1990. That report also lists the total transfers as a \$9,329.79 debt owed by the Committee to the Non-Federal Account.

On April 16, 1991, in response to Requests for Additional Information ("RFAIs") from RAD questioning these transfers, the former Committee treasurer stated in a phone call that the funds received from the Non-Federal Account were loans and said the Committee did not have enough funds to repay the Non-Federal Account. He said the Committee would report the transfers as a debt owed the Non-Federal Account. Attachment 1 at 13. In subsequent phone calls and correspondence during May and June, 1991, the Committee advised the Commission it had a new treasurer and twice requested additional time to respond to the RFAIs.

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Thereafter, the Committee filed its 1991 July Quarterly Report which lists a \$3,000 "loan repayment." No supporting schedules were filed with the report but in an accompanying letter, the Committee said it had paid \$3,000 of the debt owed to the non-federal account, provided a copy of a negotiated check evidencing the payment, and proposed paying the remaining \$6,329 to the Non-Federal Account prior to the filing of its "September 30, 1991 quarterly report." Attachment 1 at 20-21. No additional payments were made within that time. However, the Committee has attached to its most recent report, the 1992 April Quarterly, copies of a \$6,329.79 check payable to the Non-Federal Account and a deposit slip in that amount, dated April 9, 1992, purportedly showing deposit of the check into the Non-Federal Account. Attachment 2 at 3-4. Unlike the check copy provided for the earlier \$3,000 payment, however, the copy provided for this transaction does not evidence negotiation of the check. Moreover, the Committee does not list the payment as a disbursement on the Detailed Summary Page and has not subtracted the amount of the payment from its cash on hand. Attachment 2 at 1-2.

Under California law, the Non-Federal Account can receive contributions from corporate and labor organizations. Indeed, reports filed by the Non-Federal Account with the California Secretary of State for the period during which it made the transfers show that it contained at least one corporate

contribution and other contributions from companies which may be incorporated.<sup>3</sup> Attachment 3.

Moreover, it is evident from the Committee's reports that it used the transfers from the Non-Federal Account to make contributions and expenditures to federal candidates. First, the Committee's 30 Day Post-General report lists a \$1,000 contribution made to a federal candidate on October 30, 1990, the same date the \$3,000 transfer was received from the Non-Federal Account. That contribution could not have been made without the transfer since, according to the report, the Committee's cash on hand and other receipts prior to the transfer totaled only approximately \$570. The Committee received other funds only after it had made the contribution.<sup>4</sup> Second, the Committee's 1990 Year End Report lists the total \$9,329.77 transfers from the Non-Federal Account as a debt owed the Account for "media expenses and brochures." Schedule D of that report then lists independent expenditures for brochures and radio ads in support of federal candidates. Of these, two independent expenditures of \$353.33 and \$292 made on October 23 and December 19, 1990, respectively, exactly equal the transfers

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3. For example, reports of Non-Federal Account activity from October-December 1990 list contributions received from R.H. Communications, Inc., Fieldstead & Company, California Data Solutions, Law Offices of Michael Purdue, Howe Business Services, Maynard Olsen, M.D., and Invitations Unlimited II. Attachment 3 at 3-5 and 10.

4. The 1990 Post General Report report lists only one other receipt, a \$4,100 transfer from The National Right to Life Political Action Committee, received on November 2, 1990, three days after the contribution was made.

made from the Non-Federal Account on those days. Additionally, three of the four expenditures made on December 4, 1990 for various federal candidates equal the \$5,684.46 transfer made from the Non-Federal Account that day.<sup>5</sup>

The transfer of funds from the Non-Federal Account to the federal account violates 11 C.F.R. § 102.5(a) whether or not such transfers are structured as a debt.<sup>6</sup> Additionally, the acceptance of transfers containing corporate contributions and the use of such funds by the federal account to make contributions and expenditures in connection with federal elections violates 2 U.S.C. § 441b(a). Therefore, this Office recommends that the Commission find reason to believe that California Pro Life Council, Inc. Political Action Committee (federal and non-federal accounts) and Andra Moreno, as treasurer, violated 2 U.S.C. § 441b(a)<sup>7</sup> and 11 C.F.R. § 102.5(a).

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5. Schedule D lists expenditures of \$2,295.46, \$2,295, \$1,094 and \$376.38 made on December 30, 1990 for brochures in support of federal candidates. The first three total \$5,684.46.

6. At the time of the transfers, 11 C.F.R. § 102.5 prohibited transfers from a non-federal to a federal account for any reason. As of January 1, 1991, such transfers are permitted under 11 C.F.R. § 102.5 for the limited purpose of paying for the non-federal account's share of allocated expenses. The transfers at issue here would also constitute a violation of the amended regulation, however, because they were used to make contributions and expenditures on behalf of federal candidates.

7. There is no evidence that corporations contributing to the Non-Federal Account intended contributions to be used in connection with federal elections or that they even knew the funds were deposited in the federal account. Therefore, this Office makes no recommendation with regard to these entities.

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

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**IV. RECOMMENDATIONS**

1. Open a MUR.
2. Find reason to believe that California Pro Life Council Inc. Political Action Committee (federal and non-federal accounts) and Andra Rory Moreno, as treasurer, violated

2 U.S.C § 441b(a) and 11 C.F.R. § 102.5(a), and enter into conciliation prior to a finding of probable cause to believe.

3. Approve the attached Factual and Legal Analysis, the appropriate letter and the proposed conciliation agreement.

Lawrence M. Noble  
General Counsel

5/8/92  
Date

BY: [Signature]  
Lois G. Lerner  
Associate General Counsel

**Attachments:**

1. Referral Materials
2. Excerpt from 1992 April Quarterly Report
3. Reports filed by Non-Federal Account
4. Factual and Legal Analysis
5. Proposed Conciliation Agreement

92040915091

BEFORE THE FEDERAL ELECTION COMMISSION

(MUR  
3523)

In the Matter of	)	
	)	
California Pro Life Council Inc.	)	RAD Referral #91L-67
Political Action Committee (federal	)	
and non-federal accounts) and	)	
Andra Rory Moreno, as treasurer.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 14, 1992, the Commission decided by a vote of 6-0 to take the following actions in RAD Referral #91L-67:

1. Open a MUR.
2. Find reason to believe that California Pro Life Council Inc. Political Action Committee (federal and non-federal accounts) and Andra Rory Moreno, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a), and enter into conciliation prior to a finding of probable cause to believe.

(Continued)

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3. Approve the Factual and Legal Analysis, the appropriate letter and the proposed conciliation agreement, as recommended in the General Counsel's Report dated May 8, 1992.

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

Attest:

May 15, 1992  
Date

Delores R. Davis  
for Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat: Mon., May 11, 1992 12:30 p.m.  
Circulated to the Commission: Mon., May 11, 1992 4:00 p.m.  
Deadline for vote: Thurs., May 14, 1992 4:00 p.m.

dr

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 21, 1992

Andra Rory Moreno, Treasurer  
California Pro Life Council Inc.  
Political Action Committee  
(federal/non-federal accounts)  
926 J Street, Suite 1100  
Sacramento, CA 95814

RE: MUR 3523  
California Pro Life Council  
Inc. Political Action  
Committee (federal and  
non-federal accounts)  
and Andra Rory Moreno,  
as treasurer

Dear Ms. Moreno:

On May 14, 1992, the Federal Election Commission found that there is reason to believe California Pro Life Council, Inc. Political Action Committee (federal and non-federal accounts) ("the Committee") and you, as treasurer, violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations promulgated thereunder. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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

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

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations

92040915094

Ms. Andra Rory Moreno, Treasurer  
Page 2

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

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

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

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Dawn M. Odrowski, 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  
Conciliation Agreement

92040915095

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: California Pro Life Council, Inc. MUR: 3523  
Political Action Committee  
(federal and non-federal accounts)  
and Andra Rory Moreno, as treasurer<sup>1</sup>

I. GENERATION OF MATTER

The Reports Analysis Division ("RAD") referred the California Pro Life Council Inc. Political Action Committee (the "Committee") and Andra Moreno, as treasurer (collectively, "Respondents"), to the Office of General Counsel based on an improper transfer of funds totaling \$9,329.79 to the Committee's federal account from a non-federal account in violation of 11 C.F.R. § 102.5(a).

II. FACTUAL AND LEGAL ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended, (the "Act") prohibits corporations, national banks and labor organizations from making contributions or expenditures from their general treasury funds in connection with federal elections and federal political committees are prohibited from knowingly accepting them. 2 U.S.C. § 441b(a).

To ensure that political committees which finance federal and non-federal activity do not receive or expend funds which are in violation of the Act, regulations promulgated by the

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1. Andra Rory Moreno is treasurer of both the federal and non-federal committees.

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Commission provide that organizations which are political committees under the Act shall either (1) establish a separate federal account in which only funds subject to the Act's prohibitions and limitations may be deposited and which shall make all disbursements, contributions, expenditures and transfers in connection with federal elections or (2) establish a single account for both federal and non-federal activity which shall receive only contributions subject to the prohibitions and limitations of the Act. 11 C.F.R. §§ 102.5(a)(i) and (ii). In the former case, the separate account becomes the federal political committee for registration and reporting purposes.

Commission regulations further provide that if an organization establishes separate accounts, "[n]o transfers may be made to such federal account from any other account(s) maintained by such organization for the purposes of financing activity in connection with non-federal elections." 11 C.F.R. § 102.5(a)(1)(i).<sup>2</sup>

B. Analysis

According to its Statement of Organization, the Committee is a separate segregated fund established and administered by California Pro Life Council, Inc.

The Committee's 1990 Post General Report disclosed receipt on October 30, 1990, of a \$3,000 transfer from California Pro-Life Council Political Action Committee, Non-Candidate

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2. The regulations at 11 C.F.R. § 102.5(a) were amended effective January 1, 1991. Because the transactions at issue here occurred prior to that date, the former version of 11 C.F.R. § 102.5(a) is cited here.

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Account. Reports filed with the California Secretary of State's office show that California Pro Life Council Political Action Committee, Non-Candidate Account is an account of the California Pro Life Council State PAC ("Non-Federal Account").

In its 1990 Year End Report, the Committee disclosed receipt on October 23, December 4 and December 19, 1990 of three additional transfers, totaling \$6,329.79, from the Non-Federal Account: \$353.33 on October 23; \$5,684.46 on December 4 and \$292 on December 19, 1990. That report also lists the total transfers as a \$9,329.79 debt owed by the Committee to the Non-Federal Account.

On April 16, 1991, in response to Requests for Additional Information ("RFAs") from RAD questioning these transfers, the former Committee treasurer stated in a phone call that the funds received from the Non-Federal Account were loans and said the Committee did not have enough funds to repay the Non-Federal Account. He said the Committee would report the transfers as a debt owed the Non-Federal Account. In subsequent phone calls and correspondence during May and June, 1991, the Committee advised the Commission it had a new treasurer and twice requested additional time to respond to the RFAs.

Thereafter, the Committee filed its 1991 July Quarterly Report which lists a \$3,000 "loan repayment." No supporting schedules were filed with the report but in an accompanying letter, the Committee said it had paid \$3,000 of the debt owed to the Non-Federal account, provided a copy of the negotiated check evidencing the payment, and proposed paying the remaining

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\$6,329.79 to the Non-Federal Account prior to the filing of its "September 30, 1991 quarterly report." No additional payments were made within that time. However, the Committee has attached to its most recent report, the 1992 April Quarterly, copies of a \$6,329.79 check payable to the Non-Federal Account and a deposit slip in that amount, dated April 9, 1992, purportedly showing deposit of the check into the Non-Federal Account. Unlike the check copy provided for the earlier \$3,000 payment, however, the copy provided for this transaction does not evidence negotiation of the check. Moreover, the Committee does not list the payment as a disbursement on the Detailed Summary Page and has not subtracted the amount of the payment from its cash on hand.

Under California law, the Non-Federal Account can receive contributions from corporate and labor organizations. Indeed, reports filed by the Non-Federal Account with the California Secretary of State for the period during which it made the transfers show that it contained at least one corporate contribution and other contributions from companies which may be incorporated.<sup>3</sup>

Moreover, it is evident from the Committee's reports that it used the transfers from the Non-Federal Account to make contributions and expenditures to federal candidates. First, the Committee's 30 Day Post-General report lists a \$1,000

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3. For example, reports of Non-Federal Account activity from October-December 1990 list contributions received from R.H. Communications, Inc., Fieldstead & Company, California Data Solutions, Law Offices of Michael Purdue, Howe Business Services, Maynard Olsen, M.D., and Invitations Unlimited II.

contribution made to a federal candidate on October 30, 1990, the same date the \$3,000 transfer was received from the Non-Federal Account. That contribution could not have been made without the transfer since, according to the report, the Committee's cash on hand and other receipts prior to the transfer totaled only approximately \$570. The Committee received other funds only after it had made the contribution.<sup>4</sup>

Second, the Committee's 1990 Year End Report lists the total \$9,329.79 transfers from the Non-Federal Account as a debt owed the Account for "media expenses and brochures." Schedule D of that report then lists independent expenditures for brochures and radio ads in support of federal candidates. Of these, two independent expenditures of \$353.33 and \$292 made on October 23 and December 19, 1990, respectively, exactly equal the transfers made from the Non-Federal Account on those days. Additionally, three of the four expenditures made on December 4, 1990, for various federal candidates equal the \$5,684.46 transfer made from the Non-Federal Account that day.<sup>5</sup>

The transfer of funds from the Non-Federal Account to the federal account violates 11 C.F.R. § 102.5(a) whether or not

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4. The 1990 Post General Report report lists only one other receipt, a \$4,100 transfer from The National Right to Life Political Action Committee, received on November 2, 1990, three days after the contribution was made.

5. Schedule D lists expenditures of \$2,295.46, \$2,295, \$1,094 and \$376.38 made on December 30, 1990 for brochures in support of federal candidates. The first three total \$5,684.46.

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such transfers are structured as a debt.<sup>6</sup> Additionally, the acceptance of transfers containing corporate contributions and the use of such funds by the federal account to make contributions and expenditures in connection with federal elections violates 11 C.F.R. § 102.5(a) and 2 U.S.C. § 441b(a). Therefore, there is reason to believe California Pro Life Council, Inc. Political Action Committee (federal and non-federal accounts) and Andra Rory Moreno, as treasurer violated 11 C.F.R. § 102.5(a) and 2 U.S.C. § 441b(a).

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6. At the time of the transfers, 11 C.F.R. § 102.5 prohibited transfers from a non-federal to a federal account for any reason. As of January 1, 1991, such transfers are permitted under 11 C.F.R § 102.5 for the limited purpose of paying for the non-federal account's share of allocated expenses. The transfers at issue here would also constitute a violation of the amended regulation, however, because they were used to make contributions and expenditures on behalf of federal candidates.

# CALIFORNIA PRO LIFE COUNCIL STATE P.A.C.

*Working for a Pro Life California*

926 J Street, Suite 1100, Sacramento, California 95814 (916) 442-8315

June 15, 1992

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

ATTN: Dawn M. Odrowski

RE: MUR 3523  
California Pro Life Council Inc.  
Political Action Committee  
(federal and non-federal  
accounts)  
and Andra Rory Moreno,  
as treasurer

Dear Ms. Odrowski:

I am hereby submitting the conciliation agreement which we discussed by telephone on June 8, 1992.

As I had mentioned in that conversation, the violations ascribed to the California Pro Life Council Inc. Political Action Committee occurred due to clerical error during the General Election campaign of 1990. There was no intentional or duplicitous violation of federal election laws in this matter. In fact, the transfers were made in good faith by an employee seeking to protect the financial standing of the corporation.

As the attached documents indicate, Kevin Kimpton, the treasurer at the time, in regular communication with the Commission, made every effort to correct this error.

I have enclosed the conciliation agreement proposed by the Commission, and have attached documentation requested. Please note that the transfer requested by the Commission, of \$6,329.79, was made in advance of the proposed conciliation agreement.

Allow me to close by reiterating that unlike many other recipient committees, California Pro Life Council Inc. Political Action Committee is a volunteer-based committee. The treasurer's position is an unpaid volunteer post, and unlike many broad-based committees, income is not derived by dues or mandatory contributions, but by the voluntary donations of its members.

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FEDERAL ELECTION  
COMMISSION  
MAIL ROOM

26 JUN 11 11 43 AM '92

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FEDERAL ELECTION COMMISSION  
OFFICE OF GENERAL COUNSEL  
92 JUN 23 AM 10:42

Please advise me of any further information or materials you may need in regard to this matter, otherwise I shall consider the payment of fine and submission of conciliation agreement to satisfactorily resolve this error. Again, thank you for your kind consideration of this matter.

Sincerely yours,



Brian Johnston, Executive Director  
California Pro Life Council

**Enclosures**

Letter of June 18, 1991

Copy of check verifying transfer of funds

P.S. - Please submit this letter together with the attached documents for public record.

92040915103



# CALIFORNIA PRO LIFE COUNCIL STATE P.A.C.

*Working for a Pro Life California*

926 J Street, Suite 1100, Sacramento, California 95814 (916) 442-8315

June 18, 1991

Kelly A. Huff  
Reports Analyst  
Reports Analysis Division  
Federal Election Commission  
Washington DC 20463

Identification Number: C00228122

Reference: 30 Day Post-General Report (10/1/90-11/26/90)  
Year End Report (11/27/90-12/31/90)

Dear Ms. Huff:

This letter is in response to the telephone conversation between Kevin Kiampton and yourself June 18, 1991. California Pro Life Council State Political Action Committee will proceed as follows:

1. At this time we are financially able to pay \$3,000 of the debt owed to California Pro Life Political Action Committee Non-Candidate Account (copy of check enclosed).
2. We propose to pay the remaining balance of \$6,329 at or prior to the filing of the September 30, 1991 quarterly report.

Sincerely,

*Andra Rory Moreno, Treasurer*

Andra Rory Moreno, Treasurer  
California Pro Life Council Inc. Political Action Committee

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CA PRO LIFE COUNCIL 5-88  
POLITICAL ACTION COMMITTEE  
926 J ST., STE 503  
SACRAMENTO, CA 95814

11  
60-7028/3211

010004777 04-13-92

PAY TO THE ORDER OF California Pro Life Council P.A.C. Non Cont. Acct. \$ 6,349.79

Six thousand three hundred four and 79/100 DOLLARS



SAN FRANCISCO FEDERAL SAVINGS  
MEMBER FDIC  
SACRAMENTO, CALIFORNIA BRANCH

*Kevin E. [Signature]*

MEMO Transfer of funds  
⑆32117028260117 54006002265⑆ ⑆0000632979⑆

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CAME OF AMERICA  
1405 MARKET ST.  
SAN FRANCISCO CA

1211  
00358

APR 10 92

3211-7028-2

010004777 04-13-92

1130 19902

ID #860482  
02385-05841

CALLIFORNIA PRO-LIFE  
COUNCIL P.A.C.

MEMBER OF AMERICA  
NATIONAL FEDERATION OF PRO-LIFE ORGANIZATIONS

288 Pay to the order of 288

FOR DEPOSIT ONLY

010004777

RECEIVED  
FEDERAL ELECTION COMMISSION  
OFFICE OF THE CLERK

92 JUN 23 AM 10:4

ON CALIFORNIA MID LIFE COUNCIL  
STATE PAC CANDIDATE ACCOUNT

0444

104 80042  
920 J STREET, SUITE 1100  
SACRAMENTO, CA 95814

June 15 19 22

11:57  
12:10

FOR THE *State* ORDER OF *State* *of* *California* *Electoral* *Commission* \$ 4,000.00

*Four thousand and 00/100* DOLLARS



First Interstate Bank  
of California  
920 J Street  
PO Box 1200  
Sacramento, CA 95804-1200

*Andrea Bong Howard*

FOR MUR 3523  
⑆121000578⑆559731756⑆ 0444 11

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F.E.C.  
SECRETARIAT

BEFORE THE FEDERAL ELECTION COMMISSION SEP 29 AM 11:15

In the Matter of )  
 )  
California Pro Life Council, Inc., ) MUR 3523  
Political Action Committee )  
(federal and non-federal accounts) )  
and Andra Rory Moreno, as treasurer )

**SENSITIVE**

**GENERAL COUNSEL'S REPORT**

**I. BACKGROUND**

Attached is a conciliation agreement which has been signed by Brian Johnston, Executive Director of California Pro Life Council, Inc. Attachment 1 at 6-10.

The attached agreement contains no changes from the agreement previously approved by the Commission. The civil penalty payment of \$4,000.00 was received on June 23, 1992. Attachment 1 at 11-12.

**II. RECOMMENDATIONS**

1. Accept the attached conciliation agreement with the California Pro Life Council, Inc., Political Action Committee, and Andra Rory Moreno, as treasurer.
2. Close the file.
3. Approve the appropriate letter.

Lawrence M. Noble  
General Counsel

6/26/92  
Date

BY: [Signature]  
Lois G. Lerner  
Associate General Counsel

Attachment  
Conciliation agreement and  
civil penalty check

Staff assigned: Dawn M. Odrowski

92040915107

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
California Pro Life Council, Inc., ) MUR 3523  
Political Action Committee )  
(federal and non-federal accounts) )  
and Andra Rory Moreno, as treasurer. )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 2, 1992, the Commission decided by a vote of 6-0 to take the following actions in MUR 3523:

1. Accept the conciliation agreement with the California Pro Life Council, Inc., Political Action Committee, and Andra Rory Moreno, as treasurer, as recommended in the General Counsel's Report dated June 26, 1992.
2. Close the file.

(continued)

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3. Approve the appropriate letter, as recommended in the General Counsel's Report dated June 26, 1992.

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

Attest:

*July 7, 1992*  
Date

*Delores R. Harris*  
*for* Marjorie W. Emmons  
Secretary of the Commission

Received in the Secretariat: Mon., June 29, 1992 11:15 a.m.  
Circulated to the Commission: Mon., June 29, 1992 4:00 p.m.  
Deadline for vote: Thurs., July 02, 1992 4:00 p.m.

bjr

92040915109



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RESOLVED

July 14, 1992

Andra Rory Moreno, Treasurer  
California Pro Life Council Inc.  
Political Action Committee  
(federal/non-federal accounts)  
926 J Street, Suite 1100  
Sacramento, CA 95814

RE: MUR 3523  
California Pro Life Council  
Inc. Political Action  
Committee (federal and  
non-federal accounts)  
and Andra Rory Moreno,  
as treasurer

Dear Ms. Moreno:

On July 2 1992, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on behalf of California Pro Life Council Inc. Political Action Committee (federal and non-federal accounts) and you, as treasurer, in settlement of violations of 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

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

Please be advised that information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

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Ms. Andra Rory Moreno  
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 219-3400.

Sincerely,



Dawn M. Odrowski  
Attorney

Enclosure  
Conciliation Agreement

cc W./enclosure:  
Mr. Brian Johnston, Executive Director  
California Pro Life Council Inc.  
926 J Street, Suite 1100  
Sacramento, CA 95814

92040915111

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
California Pro Life Council, Inc.	)	MUR 3523
Political Action Committee (federal	)	
and non-federal accounts) and Andra	)	
Rory Moreno, as treasurer	)	

92 JUN 23 AM 10:42  
 RECEIVED  
 FEDERAL ELECTION COMMISSION  
 OFFICE OF GENERAL COUNSEL

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that California Pro Life Council, Inc. Political Action Committee (federal and non-federal account) and Andra Rory Moreno, as treasurer ("Respondents") violated 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

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

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

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

1. California Pro Life Council, Inc. Political Action Committee ("the Committee") is a political committee within the meaning of 2 U.S.C. § 431(4)(B), established and administered by California Pro Life Council, Inc.

2. According to reports filed with the California Secretary of State, the California Pro Life Council Political Action Committee Non-Candidate Account is an account of the California Pro Life Council State PAC ("Non-Federal Account") which finances non-federal activity.

3. Andra Rory Moreno is treasurer of the Committee and the Non-Federal Account.

4. The Federal Election Campaign Act of 1971, as amended, (the "Act") prohibits corporations, national banks and labor organizations from making contributions or expenditures from their general treasury funds in connection with federal elections and federal political committees are prohibited from accepting them. 2 U.S.C. § 441b(a).

5. Commission regulations provide that organizations which are political committees under the Act shall either

(1) establish a separate federal account in which only funds subject to the Act's prohibitions and limitations may be deposited and which shall make all disbursements, contributions, expenditures and transfers in connection with federal elections or (2) establish a single account for both federal and non-federal activity which shall receive only contributions subject to the prohibitions and limitations of the Act.

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11 C.F.R. §§ 102.5(a)(i) and (ii). In the former case, the separate account becomes the federal political committee for registration and reporting purposes.

6. Commission regulations in effect during the relevant period also provided that "[n]o transfers may be made to such federal account from any other account(s) maintained by such organization for the purposes of financing activity in connection with non-federal elections." 11 C.F.R. § 102.5(a)(1)(i) (1990).

7. California law permits political committees to accept contributions from corporations and labor organizations.

8. The Committee's 1990 Post General Report disclosed receipt on October 30, 1990, of a \$3,000 transfer from the Non-Federal Account. The Committee's 1990 Year End Report disclosed receipt of three additional transfers, totaling \$6,329.79, from the Non-Federal Account: \$353.33 on October 23; \$5,684.46 on December 4 and \$292 on December 19. That report also lists the total transfers as a \$9,329.77 debt owed by the Committee to the Non-Federal Account.

9. The Non-Federal Account contained corporate contributions at the time the transfers were made to the Committee.

10. The Committee used the transfers from the Non-Federal Account to make contributions and expenditures to federal candidates. Specifically, the Committee made a \$1,000 contribution to a federal candidate on October 30, 1990, the same date the \$3,000 transfer was received from the Non-Federal

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Account. That contribution could not have been made without the transfer. Additionally, the Committee's 1990 Year End Report lists the transfers from the Non-Federal Account as a debt owed the Account for "media expenses and brochures." Schedule D of that report then lists independent expenditures for brochures and radio ads in support of federal candidates. Of these, two independent expenditures of \$353.33 and \$292 made on October 23 and December 19, 1990, respectively, exactly equal the transfers made from the Non-Federal Account on those days. Also, three of the four expenditures made on December 4, 1990 for various federal candidates equal the \$5,684.46 transfer made from the Non-Federal Account that day.

V. Respondents transferred funds, which included corporate contributions, from the Non-Federal Account to the Committee and the Committee knowingly accepted those funds in violation of 2 U.S.C. § 441b(a) and 11 C.F.R. § 102.5(a).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Four Thousand Dollars (\$4,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Committee will transfer \$6,329.79, the balance of the improper transfers, to the Non-Federal Account.

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

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the District of Columbia.

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

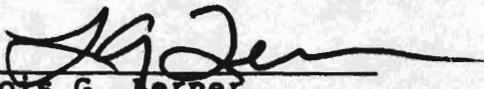
X. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements) contained in this agreement and to so notify the Commission.

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

FOR THE COMMISSION:

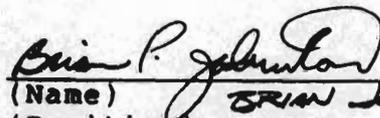
Lawrence M. Noble  
General Counsel

BY:

  
Lois G. Ferner  
Associate General Counsel

7/14/92  
Date

FOR THE RESPONDENTS:

  
(Name) BRIAN JOHNSTON  
(Position) EXECUTIVE DIRECTOR

6/15/92  
Date

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

THIS IS THE END OF ROL # 3523

DATE FILMED 8/7/92 CAMERA NO. 4

CAMERAMAN E.E.S.

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