FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3595

DATE FILMED _____ CAMERA NO. _____

CAMERAMAN _____

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U.S. Department of Labor
Washington Area Office

Office of Labor-Management Standards
Suite 558, Riddell Bldg.
1730 K Street, N.W.
Washington, D.C. 20006
Telephone: (202) 254-6510

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
JUN 8 9 35 AM '92

JUN 5 1992

Pre-MUR 262

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 JUN -8 PM 4: 50

Ms. Lois Lerner
Associate General Counsel
for Enforcement
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Dear Ms. Lerner:

Pursuant to the authority of Section 601 of the Labor-Manangement Reporting and Disclosure Act of 1959, as Amended ("LMRDA"), and receipt of a complaint, this Office is conducting an investigation into the election of General Officers of the United Brotherhood of Carpenters and Joiners of America, AFL-CIO ("UBC"), which was conducted on October 10, 1991. Investigator Meg Ferris of my office previously contacted you for advice on handling investigative matters under the Federal Election Commission's jurisdiction.

One of the allegations set forth in the complaint to the Secretary of Labor concerned the use of employer checkoff mechanisms to collect funds for the UBC's incumbant General President's campaign fund. Investigation into this allegation has revealed evidence of what we believe constitute violations of 11 CFR 102.6 (c)(4) and (5) and possibly other provisions of the Federal Election Campaign Act of 1972. For these reasons, we are referring this matter to your office for consideration.

Below is a summary of the relevant investigative findings:

The Carpenters Legislative Improvement Committee ("CLIC"), is the UBC's federally-registered political action committee. CLIC is administered at the UBC General Office, 101 Constitution Ave., NW, Washington, DC 20001.

One of the methods by which CLIC raises funds is through voluntary employee payroll deductions. Employees of the UBC and its affiliated district councils and local unions contribute to CLIC by authorizing automatic deductions, usually one-percent of their earnings, from their paycheck each pay period.

The Los Angeles District Council of Carpenters ("LADC"), a collecting agent for CLIC, failed to turn over the moneys, collected for CLIC by checkoff, to the UBC for the period July 1990 through September 1991. Approximately $ 60,000.00 was collected for CLIC during this period. These funds were retained in the LADC general fund account.

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On September 3, 1991, between 79 and 81 LADC employees signed forms which authorized the LADC to rescind their CLIC payroll deductions and direct their future payroll deductions and their previously deducted contributions to CLIC, to the incumbant UBC General President's campaign fund, known as the "President's Committee."

On September 26, 1991, shortly before the October 10, 1991 UBC General Officer election, a LADC check for $ 50,000.00, comprised of previously collected CLIC funds, was paid to the President's Committee.

In summary, the LADC not only withheld moneys collected for CLIC from the parent organization, but later diverted these funds to a labor union officer election campaign.

The investigation also revealed that twelve (12) other UBC affiliates employed similar payroll deduction methods to collect funds for the President's Committee. These payroll deduction methods, however, did not retroactively apply to previously-collected CLIC contributions.

I request that your office consider these findings and take whatever action deemed appropriate. Because this matter relates closely to allegations this Office is investigating under the LMRDA, we would be willing to cooperate in any enforcement proceedings recommended by the Federal Election Commission.

If you have any questions or if further information on this matter is needed, please contact Supervisory Investigator Michael B. Cahir. Thank you for your consideration of this matter.

Sincerely,

MAY Robert L. Merriner
for

Robert L. Merriner
Area Administrator

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 16, 1992

Robert L. Merriner, Area Administrator
Office of Labor-Management Standards
Suite 558, Riddell Bldg.
1730 K Street, NW
Washington, DC 20006

RE: Pre-MUR 262

Dear Mr. Merriner:

This is to acknowledge receipt of your letter dated June 5, 1992, advising us of the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act") by Carpenters Legislative Improvement Committee, the Los Angeles District Council of Carpenters, and the United Brotherhood of Carpenters and Joiners of America. We are currently reviewing the matter and will advise you of the Commission's determination.

If you have any questions or additional information, please call Jose Rodriguez, the attorney assigned to this matter, at (202) 219-3400. Our file number for this matter is Pre-MUR 262.

Pursuant to 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A), the Commission's review of this matter shall remain confidential until the file has been closed.

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

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

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

Pre-MUR 262
STAFF MEMBER Jose M. Rodriguez

SOURCE: INTERNALLY GENERATED

RESPONDENTS: The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer
The Los Angeles District Council of Carpenters

RELEVANT STATUTES: 2 U.S.C. § 432(b)(2)

11 C.F.R. § 102.6
11 C.F.R. § 102.8(b)

INTERNAL REPORTS CHECKED: Referral from U.S. Department of Labor

FEDERAL AGENCIES CHECKED: None

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I. GENERATION OF MATTER

On June 5, 1992, the Office of the General Counsel received a referral from the U.S. Department of Labor alleging violations of 11 C.F.R. § 102.6(c)(4) and (5) by the Carpenters Legislative Improvement Committee, the separate segregated fund of the United Brotherhood of Carpenters and Joiners of America, AFL-CIO. The Los Angeles District Council of Carpenters is a collecting agent for the Committee.

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

Pursuant to 2 U.S.C. § 432(b)(2)(A) every person who receives a contribution of $50 or less for a political committee, which is not an authorized committee, shall forward

such contribution to the treasurer of the committee within 30 days of receipt. See 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1). Additionally, every person who receives a contribution in excess of $50 for a political committee, which is not an authorized committee, must forward the contribution to the treasurer within 10 days along with the name and address of the contributor and the date of receipt of the contribution. See 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. § 102.8(b)(2).

Collecting agents are required to meet the transmittal and reporting requirements of 11 C.F.R. § 102.8. See 11 C.F.R. § 102.6(c)(4) and (5). A collecting agent is an organization or committee which collects and transmits contributions to a separate segregated fund to which the collecting agent is related. 11 C.F.R. § 102.6(b)(1). A collecting agent may be a local unit of the connected organization of the separate segregated fund. See 11 C.F.R. § 102.6(b)(1)(iii). A separate segregated fund is responsible for ensuring that its collecting agent meets the recordkeeping, reporting, and transmittal requirements of 11 C.F.R. § 102.6. 11 C.F.R. § 102.6(c)(1).

B. Analysis

Carpenters Legislative Improvement Committee ("CLIC") registered as a separate segregated fund on April 14, 1972. CLIC's connected organization is the United Brotherhood of Carpenters and Joiners of America, AFL-CIO, ("UBC"). The Los Angeles District Council of Carpenters ("LADC") is an affiliated district council of UBC. As part of its investigation into the funding of UBC's incumbent General President's re-election fund

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(a/k/a the President's Committee), the Department of Labor has discovered that LADC as a collecting agent failed to turn over to UBC approximately $60,000 in contributions to CLIC. These contributions were made by LADC employees through a voluntary employee payroll deduction plan. As explained, employees of UBC and its affiliated district councils, and local unions, contribute to CLIC by authorizing automatic deductions from their paycheck each pay period. The referral notes that for the period from July 1990 to September 1991 LADC failed to turn over to UBC contributions collected for CLIC by check-off. These funds were, instead, retained in the LADC general fund.

It is further noted that on September 3, 1991, between 79 and 81 LADC employees signed forms authorizing LADC to rescind their payroll deductions and direct their future payroll deductions, and their previously deducted contributions to CLIC, to the President's Committee. Subsequently, on September 26, 1991, shortly before the October 10, 1991, UBC General Officer election, LADC paid $50,000, comprised of the previously collected CLIC funds, by check to the President's Committee.[1]

In sum, LADC retained for a 16 month period funds totaling $60,000 designated as contributions to CLIC, which were retroactively redesignated by the contributors to another,

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1. The Department of Labor has informed this Office that the $10,000 in redesignated CLIC contributions not transferred to the President's Committee remains in LADC's general fund.

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non-federal, fund.[2] By automatically deducting contributions for CLIC from its employees' paychecks LADC was acting as a collecting agent for the committee. Therefore, pursuant to Commission regulations these funds, along with any required contributor information, should have been transferred to CLIC within a maximum of 30 days. See 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b).

As noted, pursuant to Section 102.6(c)(1) of the Commission's Regulations, separate segregated funds are responsible for ensuring that their collecting agents comply with the transmittal and reporting requirements of 11 C.F.R. § 102.8(b), which are the same as those of 2 U.S.C. § 432(b)(2). Therefore, this Office recommends that the Commission find reason to believe Carpenters Legislative Improvement Committee and its treasurer violated 2 U.S.C. § 432(b)(2) by failing to ensure that its collecting agent comply with the Act's transmittal and reporting requirements.

There is, however, no indication that the Commission intended Section 102.6(c)(1) to immunize collecting agents who fail to comply with the Act's transmittal and reporting requirements. The Commission's Explanation and Justification for this provision explains only that its inclusion "is intended

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2. The referral also notes that employees of twelve other UBC affiliates having similar employee check-off contribution programs also redesignated their contributions to the President's Committee. Unlike the above situation, however, these redesignations were not retroactive and, therefore, did not affect any previously collected contributions to CLIC. Accordingly, there does not appear to be any violations of the Act resulting from these actions.

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to encourage separate segregated funds to ensure that those collecting contributions on their behalf follow the Act and regulations." 48 Fed. Reg. 26297 (1983). In fact, the Commission's Explanation and Justification further explains that Section 102.8(c)(4) "clarifies that collecting agents must follow the requirements of 11 CFR 102.8." Id. This suggests that the collecting agents, like any other individuals or entities forwarding contributions under Section 432(b)(2), are separately liable if they violate the Act's transmittal and reporting requirements. Accordingly, this Office further recommends that the Commission find reason to believe the Los Angeles District Council of Carpenters violated 2 U.S.C. § 432(b)(2) by failing to transfer funds collected for CLIC within the required 10 or 30 day period.

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

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IV. RECOMMENDATIONS

1. Open a MUR.

2. Find reason to believe that The Los Angeles District Council of Carpenters violated 2 U.S.C. § 432(b)(2), and enter into conciliation with Respondent prior to a finding of probable cause to believe.

3. Find reason to believe that The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer, violated 2 U.S.C. § 432(b)(2), and enter into conciliation with Respondent prior to a finding of probable cause to believe.

4. Approve the attached Factual and Legal Analyses and Conciliation Agreements.

5. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

8/12/92
Date

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

Attachments:
1. Referral Materials
2. Factual and Legal Analyses (2)
3. Conciliation Agreements (2)

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

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

DATE: AUGUST 17, 1992

SUBJECT: Pre-MUR 262 - FIRST GENERAL COUNSEL'S REPORT DATED AUGUST 12, 1992.

The above-captioned document was circulated to the Commission on THURSDAY, AUGUST 13, 1992 4:00 P.M.

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

Commissioner Aikens _____

Commissioner Elliott _____

Commissioner McDonald _____

Commissioner McGarry _____

Commissioner Potter _____

Commissioner Thomas XXX

This matter will be placed on the meeting agenda for TUESDAY, AUGUST 25, 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	)	
	)	Pre-MUR 262 (MUR 3595)
The Carpenters Legislative	)	
Improvement Committee and	)	
James S. Bledsoe, as treasurer;	)	
The Los Angeles District Council	)	
of Carpenters.	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on August 25, 1992, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions with respect to Pre-MUR 262:

1. Open a MUR.

2. Find reason to believe that The Los Angeles District Council of Carpenters violated 2 U.S.C. § 432(b)(2) and enter into conciliation with Respondent prior to a finding of probable cause to believe.

3. Find reason to believe that The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer, violated 2 U.S.C. § 432(b)(2), and enter into conciliation with Respondent prior to a finding of probable cause to believe.

(continued)

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4. Approve the Factual and Legal Analyses and Conciliation Agreements as recommended in the General Counsel's report dated August 12, 1992

5. Approve the appropriate letters as recommended in the General Counsel's report dated August 12, 1992.

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

Attest:

8-26-92
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 2, 1992

Fredrick W. Taylor, President
Los Angeles District Council
of Carpenters
520 S. Virgil Ave.
Third Floor
Los Angeles, CA 90020

RE: MUR 3595
Los Angeles District
Council of Carpenters

Dear Mr. Taylor:

On August 25, 1992, the Federal Election Commission found that there is reason to believe the Los Angeles District Council of Carpenters ("LADC") violated 2 U.S.C. § 432(b)(2), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against LADC. 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 LADC, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the

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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 Jose M. Rodriguez, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

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

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: The Los Angeles District Council of Carpenters MUR: 3595

I. GENERATION OF MATTER

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

Pursuant to 2 U.S.C. § 432(b)(2)(A) every person who receives a contribution of $50 or less for a political committee, which is not an authorized committee, shall forward such contribution to the treasurer of the committee within 30 days of receipt. See 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1). Additionally, every person who receives a contribution in excess of $50 for a political committee, which is not an authorized committee, must forward the contribution to the treasurer within 10 days along with the name and address of the contributor and the date of receipt of the contribution. See 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. § 102.8(b)(2).

Collecting agents are required to meet the transmittal and reporting requirements of 11 C.F.R. § 102.8. See 11 C.F.R. § 102.6(c)(4) and (5). A collecting agent is an organization or committee which collects and transmits contributions to a

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separate segregated fund to which the collecting agent is related. 11 C.F.R. § 102.6(b)(1). A collecting agent may be a local unit of the connected organization of the separate segregated fund. See 11 C.F.R. § 102.6(b)(1)(iii).

B. Analysis

Carpenters Legislative Improvement Committee ("CLIC") registered as a separate segregated fund on April 14, 1972. CLIC's connected organization is the United Brotherhood of Carpenters and Joiners of America, AFL-CIO, ("UBC"). The Los Angeles District Council of Carpenters ("LADC") is an affiliated district council of UBC. It has come to the Commission's attention that LADC as a collecting agent failed to turn over to UBC approximately $60,000 in contributions to CLIC. These contributions were made by LADC employees through a voluntary employee payroll deduction plan. Employees of UBC and its affiliated district councils, and local unions, contribute to CLIC by authorizing automatic deductions from their paycheck each pay period. For the period from July 1990 to September 1991 LADC failed to turn over to UBC contributions collected for CLIC by check-off. These funds were, instead, retained in the LADC general fund.

On September 3, 1991, between 79 and 81 LADC employees signed forms authorizing LADC to rescind their payroll deductions and direct their future payroll deductions, and their previously deducted contributions to CLIC, to UBC's incumbent General President's re-election fund (a/k/a the President's Committee). Subsequently, on September 26, 1991, shortly before

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the October 10, 1991, UBC General Officer election, LADC paid $50,000, comprised of the previously collected CLIC funds, by check to the President's Committee.[1]

In sum, LADC retained for a 16 month period funds totaling $60,000 designated as contributions to CLIC, which were retroactively redesignated by the contributors to another, non-federal, fund. By automatically deducting contributions for CLIC from its employees' paychecks LADC was acting as a collecting agent for the committee. Therefore, pursuant to Commission regulations these funds, along with any required contributor information, should have been transferred to CLIC within a maximum of 30 days. See 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b).

The Commission's Explanation and Justification for Section 102.8(c)(4) "clarifies that collecting agents must follow the requirements of 11 CFR 102.8," which are the same as those of 2 U.S.C. § 432(b)(2). 48 Fed. Reg. 26297 (1983). This illustrates that the collecting agents, like any other individuals or entities forwarding contributions under Section 432(b)(2), are liable if they violate the Act's transmittal and reporting requirements. Therefore, there is reason to believe the Los Angeles District Council of Carpenters violated 2 U.S.C.

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1. The $10,000 in redesignated CLIC contributions not transferred to the President's Committee remains in LADC's general fund.

§ 432(b)(2) by failing to transfer funds collected for CLIC within the required 10 or 30 day period.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 2, 1992

James S. Bledsoe, Treasurer
Carpenters Legislative
Improvement Committee
101 Constitution Avenue, N.W.
Washington, DC 20001

RE: MUR 3595
Carpenters Legislative Improvement
Committee and James S. Bledsoe,
as treasurer

Dear Mr. Bledsoe:

On August 25, 1992, the Federal Election Commission found that there is reason to believe Carpenters Legislative Improvement Committee ("Committee") and you, as treasurer, violated 2 U.S.C. § 432(b)(2), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

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 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

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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 Jose M. Rodriguez, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

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

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer

MUR: 3595

I. GENERATION OF MATTER

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. The Law

Pursuant to 2 U.S.C. § 432(b)(2)(A) every person who receives a contribution of $50 or less for a political committee, which is not an authorized committee, shall forward such contribution to the treasurer of the committee within 30 days of receipt. See 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1). Additionally, every person who receives a contribution in excess of $50 for a political committee, which is not an authorized committee, must forward the contribution to the treasurer within 10 days along with the name and address of the contributor and the date of receipt of the contribution. See 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. § 102.8(b)(2).

Collecting agents are required to meet the transmittal and reporting requirements of 11 C.F.R. § 102.8. See 11 C.F.R. § 102.6(c)(4) and (5). A collecting agent is an organization or

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committee which collects and transmits contributions to a separate segregated fund to which the collecting agent is related. 11 C.F.R. § 102.6(b)(1). A collecting agent may be a local unit of the connected organization of the separate segregated fund. See 11 C.F.R. § 102.6(b)(1)(iii). A separate segregated fund is responsible for ensuring that its collecting agent meets the recordkeeping, reporting, and transmittal requirements of 11 C.F.R. § 102.6. 11 C.F.R. § 102.6(c)(1).

B. Analysis

Carpenters Legislative Improvement Committee ("CLIC") registered as a separate segregated fund on April 14, 1972. CLIC's connected organization is the United Brotherhood of Carpenters and Joiners of America, AFL-CIO, ("UBC"). The Los Angeles District Council of Carpenters ("LADC") is an affiliated district council of UBC. It has come to the Commission's attention that LADC as a collecting agent failed to turn over to UBC approximately $60,000 in contributions to CLIC. These contributions were made by LADC employees through a voluntary employee payroll deduction plan. Employees of UBC and its affiliated district councils, and local unions, contribute to CLIC by authorizing automatic deductions from their paycheck each pay period. For the period from July 1990 to September 1991 LADC failed to turn over to UBC contributions collected for CLIC by check-off. These funds were, instead, retained in the LADC general fund.

On September 3, 1991, between 79 and 81 LADC employees signed forms authorizing LADC to rescind their payroll

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deductions and direct their future payroll deductions, and their previously deducted contributions to CLIC, to UBC's incumbent General President's re-election fund (a/k/a the President's Committee). Subsequently, on September 26, 1991, shortly before the October 10, 1991, UBC General Officer election, LADC paid $50,000, comprised of the previously collected CLIC funds, by check to the President's Committee.[1]

In sum, LADC retained for a 16 month period funds totaling $60,000 designated as contributions to CLIC, which were retroactively redesignated by the contributors to another, non-federal, fund. By automatically deducting contributions for CLIC from its employees' paychecks LADC was acting as a collecting agent for the committee. Therefore, pursuant to Commission regulations these funds, along with any required contributor information, should have been transferred to CLIC within a maximum of 30 days. See 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b).

As noted, pursuant to Section 102.6(c)(1) of the Commission's Regulations, separate segregated funds are responsible for ensuring that their collecting agents comply with the transmittal and reporting requirements of 11 C.F.R. § 102.8(b), which are the same as those of 2 U.S.C. § 432(b)(2). Therefore, there is reason to believe the Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer,

---

1. The $10,000 in redesignated CLIC contributions not transferred to the President's Committee remains in LADC's general fund.

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violated 2 U.S.C. § 432(b)(2) by failing to ensure that its collecting agent comply with the Act's transmittal and reporting requirements.

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OGC#6450

John T. De Carlo
Patrick T. Connor
Gerald V. Selvo
Margaret R. Gifford
Lee S. Feldman
Daniel J. Hall
Anna M. Armenta-Rigor

De Carlo, Connor & Selvo
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
500 SOUTH VIRGIL AVENUE, SUITE 9
LOS ANGELES, CALIFORNIA 90020-9990

Telephone
(213) 738-7959

Telecopier
(213) 738-1813

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 SEP 15 PM 3:25

September 11, 1992

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

Re: MUR 3595
Los Angeles District Council of Carpenters

Dear Ms. Aikens:

This office represents the Los Angeles District Council of Carpenters ("Respondent") with respect to the above-referenced matter. Enclosed is a Statement of Designation of Counsel.

We hereby request on behalf of the Respondent that the Commission enter into conciliation with the Respondent prior to a finding of probable cause to believe a violation has been committed.

Please contact us concerning the conciliation. Thank you.

Very truly yours,

DE CARLO, CONNOR & SELVO,
a Professional Corporation

John T. De Carlo

JTD:ls
opeiu 30
cc: Jose M. Rodriguez, Esq.
Ms. Lois G. Lerner
Associate General Counsel

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 3595

NAME OF COUNSEL: JOHN T. DE CARLO, Esq.
DE CARLO, CONNOR & SELVO
a Professional Corporation

ADDRESS: 500 South Virgil Avenue
Suite 320
Los Angeles, California 90020

TELEPHONE: (213) 738-7959

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/11/92
Date

Signature

RESPONDENT'S NAME: LOS ANGELES DISTRICT COUNCIL OF CARPENTERS

ADDRESS: 520 South Virgil Avenue
Third Floor
Los Angeles, California 90020

HOME PHONE:

BUSINESS PHONE: (213) 385-1457

93040930786

United Brotherhood of Carpenters and Joiners of America

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JOSEPH E. MAYER
ASSOCIATE GENERAL COUNSEL

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101 CONSTITUTION AVE., N.W.
WASHINGTON, D.C. 20001
(202) 546-6206
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FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
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September 21, 1992

Mr. Jose M. Rodriquez, Esq.
Federal Election Commission
Washington, D.C. 20463

RE: MUR 3595
Carpenters Legislative Improvement Committee and
James S. Bledsoe, as Treasurer

Dear Mr. Rodriquez:

As you know I am counsel for the United Brotherhood of Carpenters in Washington, D.C., and have been designated as counsel in this matter for the Carpenters Legislative Improvement Committee ("CLIC") and James S. Bledsoe. Enclosed is a statement of designation of counsel executed by CLIC through Mr. Bledsoe. I hereby request on behalf of CLIC and Mr. Bledsoe that they be given an opportunity to enter into conciliation with the Commission prior to a finding of probable cause to believe a violation of the federal election laws has been committee.

It is likely that Los Angeles District Council of Carpenters, also named as a respondent in MUR 3595, would like to engage in conciliation jointly with CLIC and Mr. Bledsoe as the allegations against each of them arise from the same factual context. There may be some logistical problems in view of the geographic separation and time differences among the parties. However, we will make every effort to coordinate and expedite the joint conciliation process.

If it is possible to have a meeting with your or Mr. Noble with respect to this conciliation it would be greatly appreciated.

Thank you for your cooperation in this matter.

Very truly yours,

Joseph E. Mayer

Joseph E. Mayer
Associate General Counsel

JEM/mkd

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COMMISSION
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STATEMENT OF DESIGNATION OF COUNSEL

MUR 3595

NAME OF COUNSEL: Joseph E. Mayer

ADDRESS: United Brotherhood of Carpenters
101 Constitution Avenue N.W.
Washington, D.C. 20001

TELEPHONE: 202/546-6206

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.

September 21, 1992

James S. Bledsoe

RESPONDENT'S NAME: Carpenters Legislative Improvement Committee and James S. Bledsoe, as Treasurer

ADDRESS: United Brotherhood of Carpenters
101 Constitution Avenue N.W.
Washington, D.C. 20001

TELEPHONE: 202/546-6206

93040930788

United Brotherhood of Carpenters and Joiners of America

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(202) 546-6206
TELEFAX: (202) 546-7802

December 4, 1992

Jose Rodriquez, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street N.W.
Washington, D.C. 20463

RE: MUR 3595

Dear Mr. Rodriquez:

Enclosed is an executed copy of the conciliation agreement we negotiated in the above-identified matter, along with checks in the amount of $10,000 each payable to the Federal Election Commission. I also enclose a draft of a memorandum that Respondent Bledsoe, Treasurer of Respondent CLIC, proposes to send to Respondent Los Angeles District Council of Capenters and to all our other affiliates pursuant to the provisions of Article VI-c of the conciliation agreement. If accepted by the Commission, the conciliation agreement will constitute a complete bar to any further action by the Commission against the respondents in connection with this matter.

You have stated that you will recommend that the Commission accept the conciliation agreement in its present form. If you or the Commission have any problems with the conciliation agreement or the proposed notice to our affiliates, please let me know immediately at 546-6206. Assuming that the Commission accepts and executes the agreement, kindly send me a copy of the agreement with the original signature of Ms. Lois G. Lerner or whomever signs for the Commission.

I trust this will bring this matter to a quick conclusion and I sincerely appreciate your cooperation and assistance.

Very truly yours,

Joseph E. Mayer

Joseph E. Mayer
Associate General Counsel

JEM/mkd
Enclosure

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December 4, 1992

MEMORANDUM

TO: All Local Unions, District Councils and State Councils

SUBJECT: Compliance with Federal Election Commission Rules and Regulations

Pursuant to a conciliation agreement between the Federal Election Commission (the "FEC") and the Carpenters Legislative Improvement Committee ("CLIC"), it is absolutely essential that each affiliate of the United Brotherhood comply with the Federal Election Campaign Act of 1971 (the "FECA"), as amended, and the Regulations issued thereunder by the FEC. In particular, with respect to contributions to CLIC, you are required to comply fully and promptly with each and every recording, reporting and transmission requirement established by FECA Section 432(b)(2) and Sections 102.8 and 102.6(c)(4) and (5) of the published Regulations. Copies of these provisions are attached for your reference.

A failure to comply with these procedures may subject both you, as a "collecting agency," and CLIC and its treasurer, to substantial civil penalties or even criminal sanctions for knowing and willful violations. Even inadvertent mistakes, oversights, and omissions are not readily excused or overlooked by the FEC and may result in costly monetary penalties. Knowing violations may be penalized by fines of up to the greater of $10,000 or 200 percent of the contribution involved; and criminal sanctions for deliberate violations may include up to one year's imprisonment, a fine of the greater of $25,000 or 300 percent of the contribution involved, or both.

In short, this is a matter of utmost importance. Please cooperate fully in satisfying all the demands of the FECA and the regulations issued under it. Any questions about your obligations should be referred to competent legal counsel.

Fraternally yours,

GENERAL TREASURER

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(B) in the case of any other person, the full name and address of such person.

(14) The term "national committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

(15) The term "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.

(16) The term "political party" means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

(17) The term "independent expenditure" means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

(18) The term "clearly identified" means that—

(A) the name of the candidate involved appears;

(B) a photograph or drawing of the candidate appears; or

(C) the identity of the candidate is apparent by unambiguous reference.

(19) The term "Act" means the Federal Election Campaign Act of 1971 as amended.

§ 432. Organization of political committees

(a) *Treasurer; vacancy; official authorizations.* Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

(b) *Account of contributions; segregated funds.*

(1) Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receiving such contribution, forward to the treasurer such contribution, and if the amount of the contribution is in excess of $50 the name and address of the person making the contribution and the date of receipt.

(2) Every person who receives a contribution for a political committee which is not an authorized committee shall—

(A) if the amount of the contribution is $50 or less, forward to the treasurer such contribution no later than 30 days after receiving the contribution; and

(B) if the amount of the contribution is in excess of $50, forward to the treasurer such contribution, the name and address of the person making the contribution, and the date of receipt of the contribution, no later than 10 days after receiving the contribution.

(3) All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

(c) *Recordkeeping.* The treasurer of a political committee shall keep an account of—

(1) all contributions received by or on behalf of such political committee;

(2) the name and address of any person who makes any contribution in excess of $50, together with the date and amount of such contribution by any person;

(3) the identification of any person who makes a contribution or contributions aggregating more than $200 during a calendar year, together with the date and amount of any such contribution;

(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution; and

(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or cancelled check for each disbursement in excess of $200.

available for examination by the Commission.

[45 FR 15104, Mar. 7, 1980, as amended at 55 FR 21209, Apr. 1, 1980; 55 FR 26067, June 26, 1990]

§ 102.6 Transfers of funds; collecting agents.

(a) *Transfers of funds; registration and reporting required*—(1) *Who may make transfers under this section.* (i) Transfers of funds may be made without limit on amount between affiliated committees whether or not they are political committees under 11 CFR 100.5.

(ii) Transfers of funds may be made without limit on amount between or among a national party committee, a State party committee and/or any subordinate party committee whether or not they are political committees under 11 CFR 100.5 and whether or not such committees are affiliated.

(iii) Transfers of joint fundraising proceeds may be made without limit on amount between organizations or committees participating in the joint fundraising activity provided that no participating committee or organization governed by 11 CFR 102.17 received more than its allocated share of the funds raised.

(iv) Transfers under paragraphs (a)(1) (i) through (iii) shall be made only from funds which are permissible under the Act. See 11 CFR parts 110, 114 and 115.

(2) *When registration and reporting required.* Except as provided in 11 CFR 102.6(b), organizations or committees making transfers under 11 CFR 102.6(a)(1) shall count such transfers against the reporting thresholds of the Act for determining whether an organization or committee is a political committee under 11 CFR 100.5.

(b) *Fundraising by collecting agents; No reporting required*—(1) *Definition of collecting agent.* A collecting agent is an organization or committee that collects and transmits contributions to one or more separate segregated funds to which the collecting agent is related. A collecting agent may be either:

(i) A committee, whether or not it is a political committee as defined in 11 CFR 100.5, affiliated with the separate segregated fund under 11 CFR 110.3; or

(ii) The connected organization of the separate segregated fund as defined in 11 CFR 100.6; or

(iii) A parent, subsidiary, branch, division, department, or local unit of the connected organization of the separate segregated fund; or

(iv) A local, national or international union collecting contributions on behalf of the separate segregated fund of any federation with which the local, national or international union is affiliated. *See* 11 CFR 114.1(e).

(2) *Collecting agent not required to report.* A collecting agent that is an unregistered organization and that follows the procedures of 11 CFR 102.6(c) is not required to register and report as a political committee under 11 CFR parts 102 and 104, provided that the organization does not engage in other activities such as making contributions or expenditures for the purpose of influencing federal elections.

(3) *Who is not a collecting agent*—(i) *Commercial fundraising firm.* A separate segregated fund or a collecting agent may hire a commercial fundraising firm to assist in fundraising; however, the commercial fundraising firm shall not be considered as a collecting agent for the purpose of this section. Rather, the commercial fundraising firm shall be considered to be the agent of the separate segregated fund or collecting agent.

(ii) *Individuals.* An individual who collects contributions for a separate segregated fund shall not be considered a collecting agent for the purpose of this section. Individuals who collect contributions are subject to the requirements of 11 CFR 102.8 and the provisions of 11 CFR part 110.

(4) *Separate segregated fund may collect contributions.* Nothing in this section shall preclude a separate segregated fund from soliciting and collecting contributions on its own behalf.

(c) *Procedures for collecting agents*—(1) *Separate segregated fund responsible for acts of collecting agent.* The separate segregated fund shall be responsible for ensuring that the recordkeeping, reporting and transmittal requirements of this section are met.

(2) *Solicitation for contributions.* A collecting agent may include a solicitation for voluntary contributions to a separate segregated fund in a bill for membership dues or other payments such as conference registration fees or a solicitation for contributions to the collecting agent. The collecting agent may only solicit contributions from those persons permitted to be solicited under 11 CFR part 114. The solicitation for contributions must meet all of the requirements for proper solicitations under 11 CFR 114.5.

(i) The collecting agent may pay any or all of the costs incurred in soliciting and transmitting contributions to the separate segregated fund.

(ii) If the separate segregated fund pays any solicitation or other administrative expense from its own account, which expense could be paid for as an administrative expense by the collecting agent, the collecting agent may reimburse the separate segregated fund no later than 30 calendar days after the expense was paid by the separate segregated fund.

(3) *Checks combining contributions with other payments.* A contributor may write a check that represents both a contribution and payment of dues or other fees. The check must be drawn on the contributor's personal checking account or on a non-repayable corporate drawing account of the individual contributor. Under a payroll deduction plan, an employer may write a check on behalf of its employees to a union or its agent, which check represents a combined payment of voluntary contributions to the union's separate segregated fund and union dues or other employee deductions.

(4) *Transmittal of contributions.* The full amount of each contribution collected by a collecting agent on behalf of a separate segregated fund shall be transmitted to that fund within 10 or 30 days as required by 11 CFR 102.8.

(i) Checks made payable to the separate segregated fund shall be transmitted by the collecting agent directly to the separate segregated fund in accordance with 11 CFR 102.8.

(ii) To transfer all other contributions, a collecting agent shall either:

(A) Establish a transmittal account to be used solely for the deposit and transmittal of funds collected on behalf of the separate segregated fund. Funds deposited into this account are subject to the prohibitions and limitations of the Act. If any expenditure is made from the account, other than a transfer of funds to an affiliated committee, the account shall be considered a depository of the recipient committee and all activity of that account shall be reported; or

(B) Deposit the contributions collected into the collecting agent's treasury account. The collecting agent shall keep separate records of all receipts and deposits that represent contributions to the separate segregated fund and, in the case of cash contributions, the collecting agent shall make separate deposits of such funds; or

(C) Deposit the contributions collected into an account otherwise established solely for State or local election activity. The collecting agent shall keep separate records of all receipts and deposits that represent contributions to the separate segregated fund; or

(D) In the case of cash contributions, transmit the contributions to the separate segregated fund in the form of money orders or cashier's checks.

(5) *Contributor information.* The collecting agent shall comply with the requirements of 11 CFR 102.8 regarding transmittal of contributions and contributor information to the separate segregated fund, except that contributions of $50 or less are received at a mass collection, a record shall be kept of the date, the total amount collected, and the name of the function at which the collection was made.

(6) *Retention of records.* The collecting agent shall retain all records of contribution deposits and transmittals under this section for a period of three years and shall make these records available to the Commission on request. The separate segregated fund shall keep a record of all transmittals of contributions received from collecting agents under this section, and shall retain these records for a period of three years.

(7) *Reporting of funds received through collecting agents.* A separate segregated fund receiving contributions collected by a collecting agent shall report the full amount of each contribution received as a contribution from the original contributor to the extent required by 11 CFR 104.3(a).

[48 FR 26300, June 7, 1983]

§ 102.7 Organization of political committees (2 U.S.C. 432(a)).

(a) Every political committee shall have a treasurer and may designate, on the committee's Statement of Organization, an assistant treasurer who shall assume the duties and responsibilities of the treasurer in the event of a temporary or permanent vacancy in the office or in the event the treasurer is unavailable.

(b) Except as provided in subsection (a), no contribution or expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of the treasurer.

(c) No expenditure shall be made for or on behalf of a political committee without the authorization of its treasurer or of an agent authorized orally or in writing by the treasurer.

(d) Any candidate who receives a contribution, as defined at 11 CFR 100.7, obtains any loan or makes any disbursement in connection with his or her campaign, shall be considered as having received the contribution, obtained the loan or made the disbursement as an agent of such authorized committee(s).

§ 102.8 Receipt of contributions (2 U.S.C. 432(b)).

(a) Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receipt, forward such contribution to the treasurer. If the amount of the contribution is in excess of $50, such person shall also forward to the treasurer the name and address of the contributor and the date of receipt of the contribution. If the amount of the contribution is in excess of $200, such person shall forward the contribution, the identification of the contributor in accordance with 11 CFR 100.12, and the date of receipt of the contribution. Date of receipt shall be the date such person obtains possession of the contribution.

(b) (1) Every person who receives a contribution of $50 or less for a political committee which is not an authorized committee shall forward such contribution to the treasurer of the political committee no later than 30 days after receipt.

(2) Every person who receives a contribution in excess of $50 for a political committee which is not an authorized committee shall, no later than 10 days after receipt of the contribution, forward to the treasurer of the political committee: the contribution; the name and address of the contributor; and the date of receipt of the contribution. If the amount of the contribution is in excess of $200, such person shall forward the contribution, the identification of the contributor in accordance with 11 CFR 100.12, and the date of receipt of the contribution. Date of receipt shall be the date such person obtains possession of the contribution.

(c) The provisions of 11 CFR 102.8 concerning receipt of contributions for political committees shall also apply to earmarked contributions transmitted by an intermediary or conduit.

§ 102.9 Accounting for contributions and expenditures (2 U.S.C. 432(c)).

The treasurer of a political committee or an agent authorized by the treasurer to receive contributions and make expenditures shall fulfill all recordkeeping duties as set forth at 11 CFR 102.9(a) through (f):

(a) An account shall be kept by any reasonable accounting procedure of all contributions received by or on behalf of the political committee.

(1) For contributions in excess of $50, such account shall include the name and address of the contributor and the date of receipt and amount of such contribution.

(2) For contributions from any person whose contributions aggregate more than $200 during a calendar year, such account shall include the identification of the person, and the date of receipt and amount of such contribution.

(3) For contributions from a political committee, such account shall include the identification of the political committee and the date of receipt and amount of such contribution.

(b)(1) An account shall be kept of all disbursements made by or on behalf of the political committee. Such account shall consist of a record of:

(i) the name and address of every person to whom any disbursement is made;

(ii) the date, amount, and purpose of the disbursement; and

(iii) if the disbursement is made for a candidate, the name and office (including State and congressional district, if any) sought by that candidate.

(iv) For purposes of 11 CFR 102.9(b)(1), *purpose* has the same meaning given the term at 11 CFR 104.3(b)(3)(i)(A).

(2) In addition to the account to be kept under 11 CFR 102.9(b)(1), a receipt or invoice from the payee or a cancelled check to the payee shall be obtained and kept for each disbursement in excess of $200 by or on behalf of, the committee, except that credit card transactions, shall be documented in accordance with 11 CFR 102.9(b)(2)(ii) and disbursements by share draft or check drawn on a credit union account shall be documented in accordance with 11 CFR 102.9(b)(2)(iii).

(i)(A) For purposes of 11 CFR 102.9(b)(2), *payee* means the person who provides the goods or services to the committee or agent thereof in return for payment, except for an advance of $500 or less for travel and subsistence to an individual who will be the recipient of the goods or services.

(B) For any advance of $500 or less to an individual for travel and subsistence, the expense voucher or other expense account documentation and a cancelled check to the recipient of the advance shall be obtained and kept.

(ii) For any credit card transaction, documentation shall include a monthly billing statement or customer receipt for each transaction and the cancelled check used to pay the credit card account.

(iii) For purposes of 11 CFR 102.9(b)(2), a carbon copy of a share draft or check drawn on a credit union account may be used as a duplicate record of such draft or check provided that the monthly account statement showing that the share draft or check was paid by the credit union is also retained.

(c) The treasurer shall preserve all records and accounts required to be kept under 11 CFR 102.9 for 3 years after the report to which such records and accounts relate is filed.

(d) In performing recordkeeping duties, the treasurer or his or her authorized agent shall use his or her best efforts to obtain, maintain and submit the required information and shall keep a complete record of such efforts. If there is a showing that best efforts have been made, any records of a committee shall be deemed to be in compliance with this Act. With regard to the requirements of 11 CFR 102.9(b)(2) concerning receipts, invoices and cancelled checks, the treasurer will not be deemed to have exercised best efforts to obtain, maintain and submit the records unless he or she has made at least one written effort per transaction to obtain a duplicate copy of the invoice, receipt, or cancelled check.

(e) If the candidate, or his or her authorized committee(s), receives contributions prior to the date of the primary election, which contributions are designated in writing by the contributor for use in connection with the general election, such candidate or such committee(s) shall use an acceptable accounting method to distinguish between contributions received for the primary election and contributions received for the general election. Acceptable methods include, but are not limited to:

(1) The designation of separate accounts for each election, caucus or convention or

(2) The establishment of separate books and records for each election.

If a candidate is not a candidate in the general election, any contributions made for the general election shall be refunded to the contributors, redesignated in accordance with 11 CFR 110.1(b)(5) or 110.2(b)(5), or reattributed in accordance with 11 CFR 110.1(k)(3), as appropriate.

§ 100.9 Commission (2 U.S.C. 431(10)).

Commission means the Federal Election Commission, 999 E Street, NW., Washington, DC 20463.

[45 FR 15094, Mar. 7, 1980, as amended at 50 FR 50778, Dec. 12, 1985]

§ 100.10 Person (2 U.S.C. 431(11)).

Person means an individual, partnership, committee, association, corporation, labor organization, and any other organization, or group of persons, but does not include the Federal government or any authority of the Federal government.

§ 100.11 State (2 U.S.C. 431(12)).

State means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

§ 100.12 Identification (2 U.S.C. 431(13)).

Identification means, in the case of an individual, his or her full name, including: first name, middle name or initial, if available, and last name; mailing address; occupation; and the name of his or her employer; and, in the case of any other person, the person's full name and address.

§ 100.13 National committee (2 U.S.C. 431(14)).

National committee means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of the political party at the national level, as determined by the Commission.

§ 100.14 State committee, subordinate committee (2 U.S.C. 431(15)).

(a) *State committee* means the organization which by virtue of the bylaws of a political party, is responsible for the day-to-day operation of the political party at the State level, as determined by the Commission.

(b) *Subordinate committee of a State committee* means any organization which is responsible for the day-to-day operation of the political party at the level of city, county, neighborhood, ward, district, precinct, or any other subdivision of a State or any organization under the control or direction of the State committee.

§ 100.15 Political party (2 U.S.C. 431(16)).

Political party means an association, committee, or organization which nominates or selects a candidate for election to any Federal office, whose name appears on an election ballot as the candidate of the association, committee, or organization.

§ 100.16 Independent expenditure (2 U.S.C. 431(17)).

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

§ 100.17 Clearly identified (2 U.S.C. 431(18)).

The term *clearly identified* means that the name of the candidate involved appears; a photograph or drawing of the candidate appears; or the identity of the candidate is apparent by unambiguous reference.

§ 100.18 Act (2 U.S.C. 431(19)).

Act means the Federal Election Campaign Act of 1971 (Pub. L. 92-225), as amended in 1974 (Pub. L. 93-443), 1976 (Pub. L. 94-283), 1977 (Pub. L. 95-216) and 1980 (Pub. L. 96-187).

§ 100.19 File, filed or filing (2 U.S.C. 434(a)).

With respect to reports, statements, notices, and designations required to be filed under 11 CFR parts 101, 102, 104, 105, 107, 108 and 109, and any modifications or amendments thereto, the terms *file, filed* and *filing* mean either of the following actions:

(a) A document is timely filed upon delivery to the Federal Election Commission, 999 E Street, NW., Washington, DC 20463; the Secretary of the United States Senate, Office of Public Records, 119 D Street NE., Washington, DC 20510; or the Clerk of the United States House of Representatives, House Records and Registration, 1036 Longworth House Office Building, Washington, DC 20515 as required by 11 CFR part 105, by the close of the prescribed filing date.

(b) A document is timely filed upon deposit as registered or certified mail in an established U.S. Post Office and postmarked no later than midnight of the day of the filing date, except that pre-election reports so mailed must be postmarked no later than midnight of the fifteenth day before the date of the election. Reports and statements sent by first class mail must be received by the close of business of the prescribed filing date to be timely filed.

[45 FR 15094, Mar. 7, 1980, as amended at 50 FR 50778, Dec. 12, 1985]

§ 100.20 Occupation (2 U.S.C. 431(13)).

Occupation means the principal job title or position of an individual and whether or not self-employed.

§ 100.21 Employer (2 U.S.C. 431(13)).

Employer means the organization or person by whom an individual is employed, and not the name of his or her supervisor.

PART 101—CANDIDATE STATUS AND DESIGNATIONS (2 U.S.C. 432(e))

Sec.
101.1 Candidate designations (2 U.S.C. 432(e)(1)).
101.2 Candidate as agent of authorized committee (2 U.S.C. 432(e)(2)).
101.3 Funds received or expended prior to becoming a candidate (2 U.S.C. 432(e)(2)).

AUTHORITY: 2 U.S.C. 432(e), 438(a)(f).

§ 101.1 Candidate designations (2 U.S.C. 432(e)(1)).

(a) *Principal Campaign Committee.* Within 15 days after becoming a candidate under 11 CFR 100.3, each candidate, other than a nominee for the office of Vice President, shall designate in writing a principal campaign committee in accordance with 11 CFR 102.12. A candidate shall designate his or her principal campaign committee by filing a Statement of Candidacy on FEC Form 2, or by filing a letter containing the same information (that is, the individual's name and address, party affiliation and office sought, the District and State in which Federal office is sought, and the name and address of his or her principal campaign committee) at the place of filing specified at 11 CFR part 105. Each principal campaign committee shall register, designate a depository and report in accordance with 11 CFR parts 102, 103 and 104.

(b) *Authorized Committees.* A candidate may designate additional political committees in accordance with 11 CFR 102.13 to serve as committees which will be authorized to accept contributions or make expenditures on behalf of the candidate. For each such authorized committee, other than a principal campaign committee, the candidate shall file a written designation with his or her principal campaign committee. The principal campaign committee shall file such designations at the place of filing specified at 11 CFR part 105.

[45 FR 15103, Mar. 7, 1980, as amended at 45 FR 21209, Apr. 1, 1980]

§ 101.2 Candidate as agent of authorized committee (2 U.S.C. 432(e)(2)).

(a) Any candidate who receives a contribution as defined at 11 CFR 100.7, obtains any loan, or makes any disbursement, in connection with his or her campaign shall be considered as having received such contribution, obtained such loan or made such disbursement as an agent of his or her authorized committee(s).

(b) When an individual becomes a candidate, any funds received, loans obtained, or disbursements made prior to becoming a candidate in connection with his or her campaign shall be deemed to have been received, obtained or made as an agent of his or her authorized committee(s).

[45 FR 15103, Mar. 7, 1980]

§ 101.3 Funds received or expended prior to becoming a candidate (2 U.S.C. 432(e)(2)).

When an individual becomes a candidate, all funds received or payments made in connection with activities con-

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
The Los Angeles District Council of Carpenters	)	MUR 3595
The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement which has been signed by Joseph E. Mayer, counsel for Respondents The Los Angeles District Council of Carpenters ("LADC"), and The Carpenters Legislative Improvement Committee ("CLIC") and James S. Bledsoe, as treasurer.

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Based on the foregoing, this Office recommends that the Commission accept the attached conciliation agreement with LADC, and CLIC and its treasurer.

II. RECOMMENDATIONS

1. Accept the attached conciliation agreement with The Los Angeles District Council of Carpenters and The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer.

2. Close the file.

3. Approve the appropriate letters.

Lawrence M. Noble
General Counsel

December 21, 1992
Date

BY: Lois G. Lerner gb
Lois G. Lerner
Associate General Counsel

Attachments
1. Conciliation Agreement
2. Proposed Directive
3. Photocopy of civil penalty checks

Staff Assigned: Jose M. Rodriguez

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
The Los Angeles District Council of Carpenters;	)	MUR 3595
The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on January 6, 1993, the Commission decided by a vote of 6-0 to take the following actions in MUR 3595:

1. Accept the conciliation agreement with The Los Angeles District Council of Carpenters and The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer, as recommended in the General Counsel's Report dated December 21, 1992.

2. Close the file.

3. Approve the appropriate letters, as recommended in the General Counsel's Report dated December 21, 1992.

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

Attest:

1-6-93
Date

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

Received in the Secretariat: Mon., Dec. 21, 1992 3:55 p.m.
Circulated to the Commission: Tues., Dec. 22, 1992 11:00 a.m.
Deadline for vote: Wed., Jan. 06, 1993 4:00 p.m.

bjr

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

January 11, 1993

Joseph E. Mayer, Esq.
Associate General Counsel
United Brotherhood of Carpenters
and Joiners of America
101 Constitution Avenue, N.W.
Washington, DC 20001

RE: MUR 3595
The Los Angeles District
Council of Carpenters
The Carpenters Legislative
Improvement Committee and
James S. Bledsoe, as treasurer

Dear Mr. Mayer:

On January 6, 1993, the Federal Election Commission accepted the signed conciliation agreement and civil penalties submitted on your clients' behalf in settlement of violations of 2 U.S.C. § 432(b)(2), a provision 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 any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

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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Enclosed you will find a copy of the fully executed conciliation agreement for your files and, as requested, a copy of your compliance letter. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Jose M. Rodriguez
Attorney

Enclosures
Conciliation Agreement
Compliance Letter

cc: John T. De Carlo, Esq.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
The Los Angeles District Council of Carpenters, The Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer	)	MUR 3595

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 the Los Angeles District Council of Carpenters and the Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer, ("Respondents") violated 2 U.S.C. § 432(b)(2).

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), which provides that unless this agreement is violated, it shall constitute a complete bar to any further action by the Commission against Respondents in connection with this matter.

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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.

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

1. The Carpenters Legislative Improvement Committee ("CLIC") is a political committee within the meaning of 2 U.S.C. § 431(4)(B).

2. James S. Bledsoe is the present treasurer of Respondent CLIC, but was not treasurer during the period relevant to this matter.

3. Respondent CLIC's connected organization is the United Brotherhood of Carpenters and Joiners of America, AFL-CIO, ("UBC").

4. Respondent Los Angeles District Council of Carpenters ("LADC") is an affiliated district council of UBC and acts as a collecting agent for Respondent CLIC within the meaning of the Federal Election Campaign Act of 1971, as amended. See 11 C.F.R. § 102.6(b)(1).

5. During the period from July 1990 to September 1991 Respondent LADC collected approximately $60,000 in contributions for Respondent CLIC but did not forward these funds to Respondent CLIC. Therefore, Respondent CLIC did not receive the funds collected on its behalf.

6. Instead, Respondent LADC retained these contributions in its general fund.

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7. These contributions were collected by Respondent LADC from its employees by means of a voluntary employee payroll deduction plan.

8. On or about September 3, 1991, between 78 and 81 employees of Respondent LADC retroactively rescinded their payroll deductions for Respondent CLIC and authorized Respondent LADC to contribute their future payroll deductions and their previously deducted contributions for CLIC to the incumbent UBC General President's re-election fund ("the President's Committee"), a separate, non-federal, fund. Pursuant to these directions, on September 26, 1991, LADC paid $50,000, comprised of the previously collected CLIC funds, to the President's Committee.

9. Respondents contend that the redesignations resulted from Respondent LADC's employees' displeasure with CLIC's activities and their desire to see more of Respondent CLIC's funds used to address local concerns.

10. Respondents also contend that Respondent James S. Bledsoe became General Treasurer of UBC and CLIC's treasurer as a result of UBC's October 10, 1991, General Officers election, and that Respondent Bledsoe was neither a General Officer of the UBC nor in any way connected to Respondent CLIC prior to his March 1992 installation as General Treasurer of UBC following his October 1991 election.

11. Pursuant to 2 U.S.C. § 432(b)(2)(A) every person who receives a contribution of $50 or less for a political committee, which is not an authorized committee, shall forward such contribution to the treasurer of the committee within 30 days of

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receipt. See 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1). Additionally, every person who receives a contribution in excess of $50 for a political committee, which is not an authorized committee, must forward the contribution to the treasurer within 10 days along with the name and address of the contributor and the date of receipt of the contribution. See 2 U.S.C. § 432(b)(2)(B) and 11 C.F.R. § 102.8(b)(2).

12. Collecting agents are required to meet the transmittal and reporting requirements of 11 C.F.R. § 102.8., see 11 C.F.R. § 102.6(c)(4) and (5), which are the same as those of 2 U.S.C. § 432(b)(2).

13. Respondent CLIC and its treasurer are responsible for ensuring that the committee's collecting agents comply with the transmittal and reporting requirements of 11 C.F.R. § 102.8(b). See 11 C.F.R. § 102.6(c)(1).

V. a. Respondent LADC as a collecting agent failed to forward $60,000 in contributions collected on Respondent CLIC's behalf, in violation of 2 U.S.C. § 432(b)(2).

b. Respondent LADC will pay a civil penalty to the Federal Election Commission in the amount of Ten Thousand Dollars ($10,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VI. a. Respondents CLIC and its treasurer failed to ensure that the committee's collecting agent, Respondent LADC, forward $60,000 in contributions collected on the committee's behalf, in violation of 2 U.S.C. § 432(b)(2).

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b. Respondent CLIC will pay a civil penalty to the Federal Election Commission in the amount of Ten Thousand Dollars ($10,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

c. In his capacity as UBC General Treasurer and treasurer of Respondent CLIC, Respondent Bledsoe will issue to Respondent LADC and to each UBC subordinate and affiliated body a directive to comply fully with each and every requirement of 2 U.S.C. § 432(b)(2) and 11 C.F.R. §§ 102.8 and 102.6(c)(4) and (5).

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

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

IX. 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.

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X. 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: _____ Date 1/8/93
Lois G. Lerner
Associate General Counsel

FOR THE RESPONDENTS:

_____ Date 12/4/92
Name: Joseph E. Mayer
Position: Counsel for Los Angeles District Council of Carpenters

_____ Date 12/4/92
Name: Joseph E. Mayer
Position: Counsel for the Carpenters Legislative Improvement Committee and James S. Bledsoe, as treasurer

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

CLOSED

January 14, 1993

Robert L. Merriner, Area Administrator
U.S. Department of Labor
Office of Labor-Management Standards
Suite 558, Riddell Bldg.
1730 K. Street, N.W.
Washington, DC 20006

RE: MUR 3595
The Los Angeles District
Council of Carpenters
The Carpenters Legislative
Improvement Committee and
James S. Bledsoe, as treasurer

Dear Merriner:

This is in reference to the matter involving the above captioned Respondents, which your office referred to the Federal Election Commission.

On August 25, 1992, the Commission found that there was reason to believe Respondents violated 2 U.S.C. § 432(b)(2), a provision of the Federal Election Campaign Act of 1971, as amended, and has now entered into a conciliation agreement in the matter. A copy of this agreement is enclosed for your information.

We appreciate your cooperation in helping the Commission meet its enforcement responsibilities under the Federal Election Campaign Act of 1971, as amended.

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

Sincerely,

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Enclosure
Conciliation Agreement

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FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE END OF MUR # 3595

DATE FILMED _____ CAMERA NO. ___

CAMERAMAN _____

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