



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

THIS IS THE BEGINNING OF MUR # 3720

DATE FILMED 10/29/93 CAMERA NO. 2

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92 DEC -1 PM 12:48

MUR 3720

FEDERAL ELECTION COMMISSION  
WASHINGTON D.C. 24063

MR LAWRENCE M. NOBLE  
GENERAL COUNSEL

MS LOIS G. LERNER  
ASSOCIATE GENERAL COUNSEL

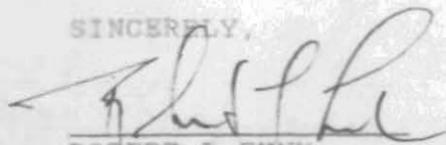
NOVEMBER 21, 1992

DEAR MR NOBLE AND MS LERNER,

THE ENCLOSED "REVISED" COMPLAINT IS BEING SUBMITTED PER YOUR  
LETTER OF INSTRUCTION DATED NOVEMBER 4, 1992, CITING  
REFERENCE TO 2 U.S.C. & 437 g(a) (12)(A).

I WISH TO THANK YOU FOR YOUR COOPERATION AND INFORMATION TO  
CLARIFY THE EXISTING LAWS RELATIVE TO THIS COMPLAINT PROCESS.

SINCERELY,



ROBERT L FUNK  
27246 GARZA DRIVE  
SAUGUS, CA 91350

93040993184

OFFICE OF GENERAL COUNSEL  
FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20463

OCTOBER 23, 1992

RE: VIOLATION OF SECTION 110.6, EARMARKED CONTRIBUTIONS (2  
U.S.C. 44A (A)(8)

IT IS REQUESTED AN IMMEDIATE AND COMPLETE INVESTIGATION BE  
INITIATED BY YOUR ORGANIZATION FOR VIOLATIONS OF FEDERAL  
ELECTION COMMISSION REGULATIONS SECTION 110.6 BY REPUBLICAN  
CANDIDATE HOWARD (BUCK) MCKEON FOR THE 25TH CONGRESSIONAL  
RACE IN CALIFORNIA, BY CONTRIBUTORS, CEASARS WORLD PAC AND  
NORMAN J. GRAY, AND THE COMMITTEE TO ELECT HOWARD (BUCK)  
MCKEON.

NORMAN J. GRAY IS LISTED ON PAGE 4 OF 12 ON THE FEC REPORT OF  
RECEIPTS AND DISBURSEMENTS FILED 4-17-92, SCHEDULE A ENTRY  
#2. NORMAN J. GRAY IS THE CONDUIT FOR THE EARMARKED FUNDS.  
ACCORDING TO MR MCKEON. (ADDENDUM #1)

CEASARS WORLD PAC IS THE CONTRIBUTOR EXECUTING THE ORIGINAL  
DONATION OF \$1000 AND IS LISTED ON PAGE 1 OF 1 OF THE SAME  
REPORT OF RECEIPT AND DISBURSEMENTS OF MCKEON, FILED 4-17-92,  
SCHEDULE A ENTRY #1 CONTRIBUTIONS FROM OTHERS SUCH AS PACS.  
(ADDENDUM #2)

MR MCKEON HAS BEEN CHARGED BY MR GILMARTIN THAT "THIS MAN IS  
ARROGANT, DECEITFUL AND DOES NOT CARE ABOUT ONE SINGLE RULE  
THE FEDERAL GOVERNMENT SUPPLIED TO HIM THE DAY HE RAN FOR  
OFFICE". (ADDENDUM #3)

THIS COMPLAINT IS BEING FILED AT THE "SPECIFIC" DIRECTION OF  
CANDIDATE MCKEON ISSUED IN PUBLIC DEBATE FORUM OF 10-15-92.  
ADDITIONALLY, WHEN THE FEC WAS CONTACTED ON 10-21-92, FEC  
STAFF STATED THE CIRCUMSTANCES DESCRIBED ON THE TELEPHONE  
SOUNDED "FISHY" AND A COMPLAINT SHOULD BE FILED WITHOUT DELAY  
OTHERWISE THE FEC WOULD NOT BE EMPOWERED TO INVESTIGATE THE  
COMPLAINT.

MR MCKEON, IN OPEN DEBATE, RESPONDED TO THE RECEIPT OF PAC  
MONIES, THAT HE WAS GIVEN A \$1000 DONATION BY CHECK WITH A  
"NO NAME " AS PAYEE FROM CEASARS WORLD. MR MCKEON CONTINUED  
TO STATE THE CHECK WAS ALLEGEDLY SENT TO NORM GRAY, WHO WAS  
ACTING AS A FUNDRAISER FOR HIS CAMPAIGN, WITH A NOTE ATTACHED  
STATING IN ESSENCE "GIVE THIS TO THE CANDIDATE OF YOUR  
CHOICE, HE MUST BE A GOOD MAN IF YOU SAY SO". MR MCKEON WENT  
ON TO STATE THAT THE CHECK WAS NOT FILLED OUT WITH HIS  
(MCKEON) NAME ON IT, THAT NORM GRAY OR SOMEONE IN HIS  
ORGANIZATION FORWARDED THE CHECK TO THE MCKEON CAMPAIGN AND  
THE CHECK WAS CASHED AND REPORTED ON THE FORMS ISSUED TO BUCK  
MCKEON FOR CONGRESS PER FEC RULES.

9 3 0 4 0 9 9 3 1 8 5

PAGE 2 VIOLATION SECTION 110.6

SINCE THIS STATEMENT WAS MADE BY MR MCKEON IN OPEN DISCUSSION AT A PUBLIC FORUM IN ANTELOPE VALLEY ON 10-15-92 AND HAD BEEN MADE AT ANOTHER PUBLIC FORUM ON 10-13-92 AT THE ANTELOPE VALLEY INN, IN LANCASTER, AND ALSO HAD BEEN MADE PRIOR TO THAT AT THE KUTY RADIO STATION, IT WAS THE OPINION OF THIS CANDIDATE (GILMARTIN) THE MATTER SHOULD BE VERIFIED.

A SUBSEQUENT REVIEW OF THE FEC REPORT OF RECEIPTS AND DISBURSEMENTS FILED 4-17-92 DISCLOSED THAT NORMAN GRAY DID MAKE A \$1000 CONTRIBUTION AND CEASARS WORLD PAC ALSO MADE A \$1000 DONATION ON THAT REPORT BY MR MCKEON. MR GRAY IS LISTED AS PRESIDENT OF MAGIC FORD, A CORPORATION AND OTHER MAJOR CONTRIBUTIONS ARE SHOWN FROM MULTIPLE EMPLOYEES OF MAGIC FORD. IT IS UNKNOWN IF A PERSONAL CHECK OR A CORPORATE CHECK WAS ISSUED FOR THIS PURPOSE.

WE HAVE NOT VERIFIED ANY FURTHER CONTRIBUTIONS OF MR GRAY AFTER 6-30-92 REPORT, DATED 7-15-92, TO SEE IF MR GRAY INCREASED HIS PERSONAL CONTRIBUTIONS TO THE CAMPAIGN.

FURTHER DISCUSSION WITH STAFF SUGGESTED A TELEPHONE CALL BE MADE TO FEC TO DETERMINE IF IN FACT, VIOLATIONS HAD BEEN COMMITTED, OR ARE OF A SUSPICIOUS NATURE TO WARRANT A COMPLAINT BEING FILED WITH THE FEC.

WHEN FEC STAFF REPORTED TO THE CAMPAIGN MANAGER MR ROBERT L FUNK FOR COMPLAINANT, THAT THE CIRCUMSTANCES SOUNDED "FISHY" IT WAS DECIDED TO FILE THIS COMPLAINT TO CLARIFY THE ISSUE.

IN SUMMATION OF THE ALLEGATIONS, THE FOLLOWING SCENARIO IS PRESENTED:

CEASARS WORLD PAC SENT A \$1000 DONATION BY CHECK, NOT FILLED OUT COMPLETELY NAMING THE PAYEE, WITH A NOTE TO NORMAN GRAY. THE NOTE IS ALLEGED BY MR MCKEON IN PUBLIC DEBATE, TO STATE TO NORMAN GRAY "NORM, GIVE THIS TO THE CANDIDATE OF YOURS, IF YOU SAY SO HE MUST BE A GOOD MAN".

THE CHECK WAS APPARENTLY FORWARDED TO MCKEON CAMPAIGN HEADQUARTERS AND WAS CASHED BY THE CAMPAIGN STAFF FOR BENEFIT OF THE MCKEON CAMPAIGN AS SET OUT IN SECTION 110.6 FEC REGULATIONS. IT WAS REPORTED ON THE REPORT OF RECEIPTS AND DISBURSEMENTS, FILED 4-17-92.

ACCORDING TO FEC STAFF, A LETTER HAD NOT BEEN RECEIVED AT FEC BY NORMAN J. GRAY, REGARDING THIS DONATION, WHICH IS INDICATED AS NECESSARY IN THE REGULATIONS.

IF IN FACT, A LETTER IDENTIFYING THE DONOR AND DONATION WAS NOT FORWARDED BY GRAY TO FEC, THAN A VIOLATION HAS OCCURRED. (ADDENDUM #4)

93040993186

FEC RULES INDICATE THAT A PAC DONATION "NOT" SPECIFICALLY IDENTIFYING ON THE CHECK, THE NAME OF THE RECEIPIENT IS A VIOLATION OF FEC REGULATIONS.

THE DIRECTION AND CONTROL OF CAMPAIGN FUNDS IS THE SOLE RESPONSIBILITY OF THE CANDIDATE AND IF NOT PROPERLY CONTROLLED, THE CANDIDATE IS IN VIOLATION OF FEC REGULATIONS.

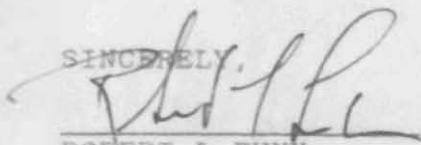
IT IS APPARENT THERE ARE A NUMBER OF VIOLATIONS OF FEC REGULATIONS 110.6 AND OTHERS TO WARRANT AN INVESTIGATION OF THIS CANDIDATE, HIS FILING DISCLOSURE FORMS AND DONATIONS TO HIS CAMPAIGN.

NOTE: THIS OFFICE DOES NOT HAVE A COPY OF THE CHECK OR NOTE REFERENCED BY MR MCKEON, NOR HAS THIS OFFICE BEEN IN CONTACT WITH NORMAN GRAY, CEASARS WORLD PAC, THE COMMITTEE TO ELECT HOWARD (BUCK) MCKEON OR MR MCKEON, REGARDING THIS SITUATION OR CIRCUMSTANCES SURROUNDING IT.

THIS CANDIDATE, MR MCKEON, HAS TAKEN IT UPON HIMSELF TO CONDUCT HIS ELECTION CAMPAIGN WITHOUT REGARD TO THE FEDERAL ELECTION COMMISSION REGULATIONS AND APPEARS TO PRESENT "AN ARROGANCE OF POWER, INFLUENCE AND MONEY" IN THE COMMISSION OF ACTS RELATED TO HIS CAMPAIGN.

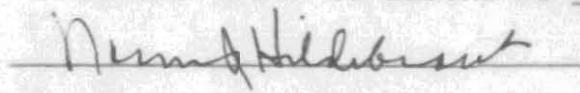
IT MIGHT ALSO BE ADDED THAT IF AN ELECTIONEERING CANDIDATE CANNOT OR WILL NOT ABIDE BY THE RULES AND REGULATIONS OF THE FEC PRIOR TO BEING ELECTED, HOW CAN THE PUBLIC INTEREST BE SERVED OR TRUST IN ELECTED OFFICIALS EVER BE EXPECTED AFTER ELECTION.

SINCERELY,

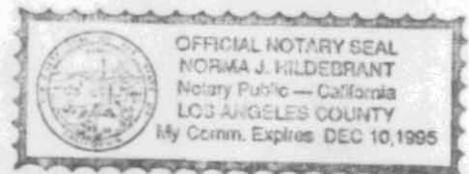


ROBERT L FUNK  
CAMPAIGN MANAGER  
COMMITTEE TO ELECT JAMES H. GILMARTIN  
U.S. CONGRESS, 25TH CD.  
27246 GARZA DRIVE  
SAUGUS, CALIFORNIA 91350

SIGNED AND SWORN TO BEFORE ME November 24, 1992



Norma J. Hildebrant



93040993187

ADDENDA # 1

SCHEDULE A

**ITEMIZED RECEIPTS**  
(Contributions from Individuals/  
Persons Other Than Political Committees)

Use separate schedule(s) PAGE | OF  
for each category of the 4 | 12  
Detailed Summary Page FOR LINE NUMBER  
-11(a)(1)-

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

NAME OF COMMITTEE (in Full)  
Buck McKeon for Congress

93040993188

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year) Each Receipt This Period	Amount of Receipt	Primary for
Good, Hal 27800 Sand Canyon Rd. Canyon Country CA 91351-	self Investor Aggregate Year-to-date> \$700.00	01-24-92 02-27-92	✓200.00 ✓500.00	Primary Primary
Gray, Norman J. 23920 Creekside Rd. Valencia CA 91355-	Magic Ford President Aggregate Year-to-date> \$1,000.00	03-30-92	✓1,000.00	Primary
Green, Richard 28334 Mist Court Saugus CA 91350-	Green Nursery Contractor Aggregate Year-to-date> \$1,000.00	02-07-92	✓1,000.00	Primary
Guglielmino, Don F. 1114 Rossmoyn Glendale CA 91207-	Newhall Hardware Business Owner Aggregate Year-to-date> \$500.00	02-04-92	✓500.00	Primary
Gump, Massena 14956 San Jose St. Mission Hills CA 91345-	Retired Aggregate Year-to-date> \$250.00	02-28-92	✓250.00	Primary
Halladay, Reed E. 23449 Oakrun Lane Newhall CA 91321-	Goldman Sachs & Co. Banker Aggregate Year-to-date> \$1,000.00	03-31-92	✓1,000.00	Primary
Hill, Howard L. 23543 Highland Glen Dr. Newhall CA 91321-	Keysor Century Chm of the Board Aggregate Year-to-date> \$500.00	03-18-92	✓500.00	Primary

SUBTOTAL of Receipts This Page (Optional).....> \$4,950.00

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

1

ADDENDUM #2

SCHEDULE A

ITEMIZED RECEIPTS  
Contributions from Other  
Political Committees-Such As PACs

Use separate schedule(s) PAGE 1 OF 1  
for each category of the  
Detail Page FOR LINE NUMBER 11(c)

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

NAME OF COMMITTEE (in Full)  
Buck McKeon for Congress

Full Name, Mailing Address and ZIP Code	Name of Employer Occupation Aggregate Year-to-Date	Date (month, day, year) Each Receipt This Period	Amount of Receipt for
Caesars World PAC 591 Redwood Hwy. #4000 Mill Valley CA 94941-		03-31-92	✓1,000.00 Primary
	Aggregate Year-to-date		\$1,000.00
DeVils, Friends of Ed P.O. Box 7056 Northridge CA 91327-7056	comp of permissible funds	01-14-92	✓1,000.00 Primary
	Aggregate Year-to-date		\$1,000.00
New PAC 23823 Valencia Blvd. Valencia CA 91355-		02-19-92	✓1,000.00 Primary
	Aggregate Year-to-date		\$1,000.00

Valencia Company SUBJECT

SUBTOTAL of Receipts This Page (Optional).....> \$3,000.00  
TOTAL This Period (last page this line number only).....> \$3,000.00

93040993189

2

## McKeon criticized by Gilmartin during debate

By DAVID FOY  
Staff Writer

LANCASTER - Candidates for a new Antelope Valley congressional district squared off Thursday night in an often-lively debate in which Republican Howard P. "Buck" McKeon was criticized for the way his campaign has been financed and run.

This man is arrogant, deceitful and does not care about one single rule the federal government supplied to him the day he ran for office," Democrat James Gilmartin shouted.

"I'm not arrogant," McKeon, a businessman and former Santa Clarita mayor, replied. He

### Presidential debate/B1

■ Bush, Clinton and Perot field questions from voters in exchanges that range from taxes to crime and character.

added later: "I don't think that I have to speak to my integrity."

Gilmartin, McKeon, pro-Ross Perot independent Rick Pamplin, Libertarian Peggy Christensen and Green Party candidate Charles

Wilken participated in the debate, which was sponsored by the Antelope Valley Press and held in the Lancaster Performing Arts Center.

They are competing in the Nov. 3 general election for the 25th Congressional District, which includes the Los Angeles County portion of the Antelope Valley, Santa Clarita, Northridge, Chatsworth and Granada Hills. Peace and Freedom candidate Nancy Lawrence did not attend the debate.

Christensen got off one of the more laugh-provoking lines of the debate when she explained why she supports congressional term limits.

"Politicians are like dirty diapers,"

Christensen said. "They need changing frequently, and for the same reason."

The candidates generally stuck to such issues as the federal budget deficit, health care, transportation and banking deregulation during the first portion of the debate, which featured questions from Valley Press editors.

But when the candidates were allowed to ask questions of each other, McKeon found his integrity under attack from Gilmartin and Pamplin, who criticized McKeon's acceptance of campaign contributions from political action committees.

Pamplin asked whether it was true that McKeon had accepted contributions from political action committees. See DEBATE on A6



NG A POINT - Libertarian candidate Peggy Christensen speaks at the pole while Howard "Buck" McKeon, left, and Rick Pamplin listen. The three, along

with other candidates in the 25th District Congressional election, participated in an Antelope Valley Press-sponsored debate Thursday night.

EVELYN KRISTO/valley press

## Debate

From A1

McKeon has hired Dan Morgan & Associates, a Virginia-based firm that solicits contributions from PACs for candidates, to obtain PAC money for McKeon's campaign.

McKeon confirmed that it was true, but denied Pamplin's charge that McKeon had lied by saying he never solicited PAC money. McKeon said he didn't think he ever said that.

Gilmartin, a Santa Clarita attorney, criticized McKeon over a mass mailing McKeon sent out in May during the GOP primary, and purportedly bearing the letterhead of a Northridge resident named Fred Huckvale.

During what resembled a courtroom cross-examination, McKeon was handed a copy of the letter by Gilmartin. McKeon conceded that the address listed as Huckvale's was actually that of McKeon's San Fernando Valley campaign office.

McKeon also admitted that the letter - a hit piece criticiz-

ing GOP opponent Phillip D. Wyman - did not identify it as being paid by McKeon's campaign. Gilmartin claimed the letter was deceitful because it hid the involvement of the McKeon campaign.

McKeon said Gilmartin's attack represents proof that "one of the problems with Congress is we have too many attorneys."

McKeon replied that if Gilmartin thinks the mailing violated federal laws, he should file another complaint with the Federal Elections Commission.

Gilmartin had previously filed complaints with the FEC over a newsletter sent to customers of Valencia National Bank, which McKeon chairs, that carried an article about McKeon's GOP primary victory. Gilmartin also sniped at loans made by the bank to its directors; McKeon said federal regulators told the bank it could not forbid loans to its own directors.

Christensen spoke in favor of individual responsibility, less government, fewer taxes and

(ii) The contribution is earmarked by the contributor for a particular candidate with respect to a particular election.

(d) *Independent expenditures.* The annual limitation on contributions in this section applies to contributions made to persons, including political committees, making independent expenditures under 11 CFR part 109.

(e) *Contributions to delegates and delegate committees.* The annual limitation on contributions in this section applies to contributions to delegates and delegate committees under 11 CFR 110.14.

[54 FR 34112, Aug. 17, 1989 and 54 FR 48580, Nov. 24, 1989]

§ 110.6 Earmarked contributions (2 U.S.C. 441a(a)(8)).

(a) *General.* All contributions by a person made on behalf of or to a candidate, including contributions which are in any way earmarked or otherwise directed to the candidate through an intermediary or conduit, are contributions from the person to the candidate.

(b) *Definitions.* (1) For purposes of this section, *earmarked* means a designation, instruction, or encumbrance, whether direct or indirect, express or implied, oral or written, which results in all or any part of a contribution or expenditure being made to, or expended on behalf of, a clearly identified candidate or a candidate's authorized committee.

(2) For purposes of this section, *conduit or intermediary* means any person who receives and forwards an earmarked contribution to a candidate or a candidate's authorized committee, except as provided in paragraph (b)(2)(i) of this section.

(i) For purposes of this section, the following persons shall not be considered to be conduits or intermediaries:

(A) An individual who is an employee or a full-time volunteer working for the candidate's authorized committee, provided that the individual is not acting in his or her capacity as a representative of an entity prohibited from making contributions;

(B) A fundraising representative conducting joint fundraising with the

candidate's authorized committee pursuant to 11 CFR 102.17 or 9034.8;

(C) An affiliated committee, as defined in 11 CFR 100.5(g);

(D) A commercial fundraising firm retained by the candidate or the candidate's authorized committee to assist in fundraising; and

(E) An individual who is expressly authorized by the candidate or the candidate's authorized committee to engage in fundraising, and who occupies a significant position within the candidate's campaign organization, provided that the individual is not acting in his or her capacity as a representative of an entity prohibited from making contributions.

(ii) Any person who is prohibited from making contributions or expenditures in connection with an election for Federal office shall be prohibited from acting as a conduit for contributions earmarked to candidates or their authorized committees. The provisions of this section shall not restrict the ability of an organization or committee to serve as a collecting agent for a separate segregated fund pursuant to 11 CFR 102.6.

(iii) Any person who receives an earmarked contribution shall forward such earmarked contribution to the candidate or authorized committee in accordance with 11 CFR 102.8, except that—

(A) A fundraising representative shall follow the joint fundraising procedures set forth at 11 CFR 102.17.

(B) A person who is prohibited from acting as a conduit pursuant to paragraph (b)(2)(ii) of this section shall return the earmarked contribution to the contributor.

(c) *Reporting of earmarked contributions—(1) Reports by conduits and intermediaries.* (i) The intermediary or conduit of the earmarked contribution shall report the original source and the recipient candidate or authorized committee to the Commission, the Clerk of the House of Representatives, or the Secretary of the Senate, as appropriate (see 11 CFR part 105), and to the recipient candidate or authorized committee.

(ii) The report to the Commission, Clerk or Secretary shall be included in the conduit's or intermediary's report

for the reporting period in which the earmarked contribution was received, or, if the conduit or intermediary is not required to report under 11 CFR part 104, by letter to the Commission within thirty days after forwarding the earmarked contribution.

(iii) The report to the recipient candidate or authorized committee shall be made when the earmarked contribution is forwarded to the recipient candidate or authorized committee pursuant to 11 CFR 102.8.

(iv) The report by the conduit or intermediary shall contain the following information:

(A) The name and mailing address of each contributor and, for each earmarked contribution in excess of \$200, the contributor's occupation and the name of his or her employer;

(B) The amount of each earmarked contribution, the date received by the conduit, and the intended recipient as designated by the contributor; and

(C) The date each earmarked contribution was forwarded to the recipient candidate or authorized committee and whether the earmarked contribution was forwarded in cash or by the contributor's check or by the conduit's check.

(v) For each earmarked contribution passed through the conduit's or intermediary's account, the information specified in paragraph (c)(1)(iv) (A) through (C) of this section shall be itemized on the appropriate schedules of receipts and disbursements attached to the conduit's or intermediary's report, or shall be disclosed by letter, as appropriate. For each earmarked contribution forwarded in the form of the contributor's check or other written instrument, the information specified in paragraph (c)(1)(iv) (A) through (C) of this section shall be disclosed as a memo entry on the appropriate schedules of receipts and disbursements attached to the conduit's or intermediary's report, or shall be disclosed by letter, as appropriate.

(2) *Reports by recipient candidates and authorized committees.* (i) The recipient candidate or authorized committee shall report each conduit or intermediary who forwards one or more earmarked contributions which in the

aggregate exceed \$200 in any calendar year.

(ii) The report by the recipient candidate or authorized committee shall contain the following information:

(A) The identification of the conduit or intermediary, as defined in 11 CFR 100.12;

(B) The total amount of earmarked contributions received from the conduit or intermediary and the date of receipt; and

(C) The information required under 11 CFR 104.3(a) (3) and (4) for each earmarked contribution which in the aggregate exceeds \$200 in any calendar year.

(iii) The information specified in paragraph (c)(2)(ii) (A) through (C) of this section shall be itemized on Schedule A attached to the report for the reporting period in which the earmarked contribution is received.

(d) *Direction or control.* (1) A conduit's or intermediary's contribution limits are not affected by the forwarding of an earmarked contribution except where the conduit or intermediary exercises any direction or control over the choice of the recipient candidate.

(2) If a conduit or intermediary exercises any direction or control over the choice of the recipient candidate, the earmarked contribution shall be considered a contribution by both the original contributor and the conduit or intermediary. If the conduit or intermediary exercises any direction or control over the choice of the recipient candidate, the report filed by the conduit or intermediary in the report filed by the recipient candidate or authorized committee shall indicate that the earmarked contribution is made by both the original contributor and the conduit or intermediary, and that the entire amount of the contribution is attributed to each.

[54 FR 34113, Aug. 17, 1989 and 54 FR 48580, Nov. 24, 1989]

§ 110.7 Party committee expenditure limitations (2 U.S.C. 441a(d)).

(a)(1) The national committee of a political party may make expenditures in connection with the general election campaign of any candidate for

APPENDIX #4

# Bank's Mailers Illegal, McKeon Foes Charge

■ **Politics:** One opponent files complaint over a newsletter backing the GOP Congress hopeful.

By JACK CHEEVERS  
TIMES STAFF WRITER

Two opponents of Republican congressional contender Howard P. (Buck) McKeon are complaining to federal election officials about a newsletter touting McKeon that was mailed by a Valencia bank he chairs to 2,500 of its customers.

Democrat James Gilmartin and independent Rick Pamplin charged that the Valencia National Bank newsletter constitutes an illegal corporate contribution to McKeon's campaign, and Pamplin called on McKeon to resign as board chairman.

The three men are battling in the newly created 25th Congressional District, which covers the Santa Clarita and Antelope valleys and

parts of the northern San Fernando Valley. Pamplin, a Palmdale screenwriter, qualified for the ballot after a signature-gathering drive by local Ross Perot supporters.

The newsletter was mailed last month to 400 bank stockholders and 2,500 checking account customers, said bank marketing director Gail Pinsker, who edits the newsletter. In addition, copies were left in display racks at a branch office in Valencia, she said.

The report congratulated McKeon, who has been bank chairman for five years, on winning the June GOP primary election and said that, if elected Nov. 3, he "will benefit the Valley tremendously."

"With McKeon in Congress, the Santa Clarita Valley will be able to rest assured that its future is in the hands of someone dedicated to the economic success of businesses in the community," it said.

Gilmartin, a Santa Clarita attorney, was identified in the newsletter.

Please see RACE, B3

## RACE: Candidates Criticize Bank Mailer

Continued from B3

ter as McKeon's Democratic opponent, but was not otherwise described. Pamplin was not mentioned.

Gilmartin and Pamplin said the newsletter violated the federal ban on campaign contributions by corporations and gave McKeon an unfair political advantage.

"If I mailed out 3,000 newsletters, it would cost me, for postage and printing and so forth, probably \$1,500 to \$1,700," said Gilmartin, who noted that McKeon's campaign was more than \$200,000 in debt after the primary election.

"Why does the Republican candidate get a free ride? Because he chairs the bank. It's just unfair." Gilmartin filed a complaint with the Federal Election Commission last week, and Pamplin said Friday

he plans to file one soon.

FEC spokesman Fred Eiland said it is legal for federally chartered banks to communicate political endorsements to stockholders, executives, employees and their families, but not to the general public.

McKeon said he had "nothing at all to do" with the newsletter.

Pamplin called on McKeon to resign the bank chairmanship, saying it would be a conflict of interest for him to hold the job while serving in Congress.

McKeon said he informed other bank directors that if he is elected in November, he will resign "as soon as they can accept my resignation." McKeon said he made that decision before Pamplin entered the race last month.

McKeon said he would quit not

because of any conflict of interest, but because he won't have the time to attend bank board meetings if he is elected.

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93192



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 8, 1992

Robert L. Funk  
27246 Garza Dr.  
Saugus, CA 91350

RE: MUR 3720

Dear Mr. Funk:

This letter acknowledges receipt on December 1, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Norman J. Gray, Caesars World PAC, and Roger Lee, as treasurer, Buck McKeon for Congress, and Daralyn E. Reed, as treasurer, Howard McKeon, and Magic Ford, Inc. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3720. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely

A handwritten signature in cursive script, reading "Jonathan Bernstein", is written over the typed name.

Jonathan A. Bernstein  
Assistant General Counsel

Enclosure  
Procedures

93040993193



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 8, 1992

Buck McKeon for Congress  
Daralyn E. Reed, Treasurer  
18960 Soledad Canyon Rd.  
Santa Clarita, CA 91351

RE: MUR 3720

Dear Ms. Reed:

The Federal Election Commission received a complaint which indicates that Buck McKeon for Congress ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3720. Please refer to this number in all future correspondence.

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

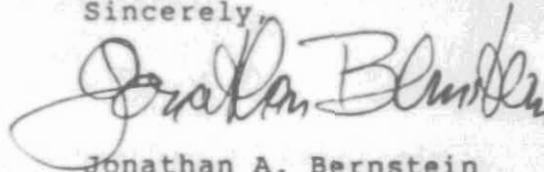
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

93040993194

Buck McKeon for Congress  
Daralyn E. Reed, Treasurer  
Page 2

If you have any questions, please contact Helen Kim, the attorney assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein  
Assistant General Counsel

Enclosures

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

93040993195



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 8, 1992

Caesars World PAC  
Roger Lee, Treasurer  
591 Redwood Hwy., #4000  
Mill Valley, CA 94941

RE: MUR 3720

Dear Mr. Lee:

The Federal Election Commission received a complaint which indicates that Caesars World PAC ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3720. Please refer to this number in all future correspondence.

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

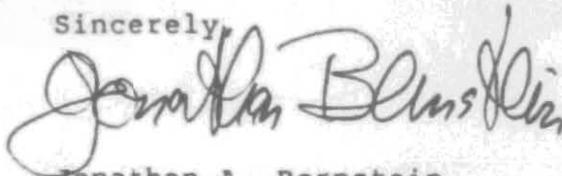
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

93040993196

Caesars World PAC  
Roger Lee, Treasurer  
Page 2

If you have any questions, please contact Helen Kim, the attorney assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein  
Assistant General Counsel

Enclosures

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

93040993197



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 8, 1992

Norman J. Gray  
23920 Creekside Rd.  
Valencia, CA 91355

RE: MUR 3720

Dear Mr. Gray:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3720. Please refer to this number in all future correspondence.

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

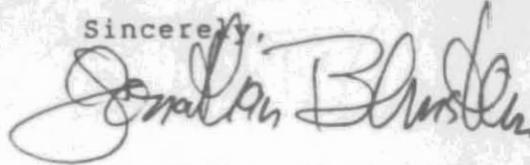
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

93040993198

Norman J. Gray  
Page 2

If you have any questions, please contact Helen Kim, the attorney assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein  
Assistant General Counsel

Enclosures

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

93040993199



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

December 8, 1992

Howard McKeon  
18960 Soledad Canyon Rd.  
Santa Clarita, CA 91351

RE: MUR 3720

Dear Mr. McKeon:

The Federal Election Commission received a complaint which indicates that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3720. Please refer to this number in all future correspondence.

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

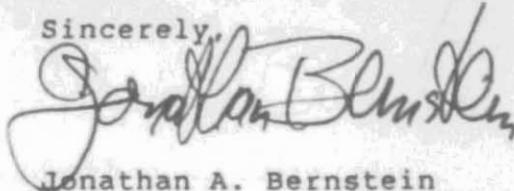
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed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

93040993200

Howard McKeon  
Page 2

If you have any questions, please contact Helen Kim, the attorney assigned to this matter, at (202) 219-3720. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein  
Assistant General Counsel

Enclosures

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

93040993201



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

December 8, 1992

Magic Ford, Inc.  
Norman Gray, President  
23920 Creekside Rd.  
Valencia, CA 91355

RE: MUR 3720

Dear Mr. Gray:

The Federal Election Commission received a complaint which indicates that Magic Ford, Inc. may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3720. Please refer to this number in all future correspondence.

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

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

93040993202

Magic Ford Inc.  
Norman Gray, President  
Page 2

If you have any questions, please contact Helen Kim, the attorney assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Jonathan A. Bernstein  
Assistant General Counsel

Enclosures

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

93040993203

LAW OFFICES OF  
**NIELSEN, MERKSAMER,  
PARRINELLO, MUELLER & NAYLOR**

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

SACRAMENTO  
770 L STREET, SUITE 800  
SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 446-6752

591 REDWOOD HIGHWAY, #4000  
MILL VALLEY, CALIFORNIA 94941  
TELEPHONE (415) 389-6800

SAN FRANCISCO  
650 CALIFORNIA STREET, SUITE 2650  
SAN FRANCISCO, CALIFORNIA 94108  
TELEPHONE (415) 389-6800

RECEIVED  
FEDERAL ELECTION COMMISSION  
DEC 21 PM 3:39

December 17, 1992

Helen Kim, Esq.  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

Re: MUR 3720

Dear Ms. Kim:

We have received your December 8, 1992 letter regarding the complaint filed with the FEC by the Committee to Elect James Gilmartin regarding Caesar's World PAC ("the Committee"), Congressman Buck McKeon and Norman Gray. This letter responds to your request for information demonstrating that no action should be taken by the FEC against the Committee in this matter. Enclosed is the authorization to serve as counsel for Mr. Lee and the Committee.

The complaint alleges that the Committee gave Mr. McKeon a \$1,000 contribution check "with a 'no name' as payee from Caesar's World." To the extent that this statement implies that the Committee gave Mr. McKeon a blank check, it is patently wrong. The Committee sent a \$1,000 contribution check to Mr. McKeon in March 1992 which was imprinted with the Committee's name, address and identification number, and which had Mr. McKeon's name typed on it by the Treasurer in our office. (See copy enclosed.)

The complaint next asserts that the Committee gave the allegedly "blank" check to Mr. Gray with instructions to forward it to whomever he chose. This statement is also false. Mr. Gray asked the Committee on behalf of Mr. McKeon to contribute to his campaign; the Committee decided to do so; and the check was sent directly to Mr. McKeon.<sup>1</sup> The Committee properly reported the contribution on its 3X report filed for the period. (See copy enclosed.)

<sup>1</sup> Contrary to the allegations of the complaint, this transaction did not render the Committee's \$1,000 check an "earmarked" contribution from the Committee to Mr. Gray, because Mr. Gray was an authorized fundraiser for Mr. McKeon's campaign. (11 CFR section 110.6(b)(2)(i)(E).)

93040993204

RECEIVED  
FEDERAL ELECTION COMMISSION  
MAIN CASE ROOM  
DEC 21 9 28 AM '92

Helen Kim, Esq.  
December 17, 1992  
Page 2

We are confident that this letter demonstrates that the Committee did not violate any provision of the Federal Election Campaign Act. Please feel free to call us with any questions or concerns.

Sincerely,



James R. Sutton  
Counsel for the Committee

JRS/dc

Enclosures

6300.02

93040993205

CAESARS WORLD POLITICAL ACTION COMMITTEE

ID NO. C00219717  
591 REDWOOD HIGHWAY, NO. 4000  
MILL VALLEY, CA 94941

MAR 31 1992

2032

March 23, 19 92

11-24/961  
1210

PAY  
TO THE  
ORDER OF

Buck McKeon for Congress

\$ 1,000.00

THE SUM I 000 DOLLS 00 CTS

DOLLARS

PRIVATE BANKING GROUP

**WELLS FARGO BANK**

ONE MONTGOMERY STREET, SAN FRANCISCO, CA 94104

FOR Primary 1992

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⑈0000100000⑈

93040993206

9 3 0 4 0 9 9 3 2  
ENDORSE HERE DAY TO THE ORDER OF  
VALENCIA NATIONAL BANK  
VALENCIA, CA 91380  
▶ 12203471 ▶  
FOR DEPOSIT ONLY  
BUCK MC KEEN FLEX SAVINGS  
01/05/03

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
OR THE CHECK WILL BE VOID

VALENCIA  
NATIONAL BANK  
VALENCIA, CA  
▶ 122 241 501 ◀

APR 26 2003

12203471  
AP 26 03  
22203471

FILE

LAW OFFICES OF  
NIELSEN, MERKSAMER,  
PARRINELLO, MUELLER & NAYLOR

A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

SACRAMENTO  
779 L STREET, SUITE 800  
SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 446-6752

591 REDWOOD HIGHWAY, #4000  
MILL VALLEY, CALIFORNIA 94941  
TELEPHONE (415) 389-6800

SAN FRANCISCO  
650 CALIFORNIA STREET, SUITE 2650  
SAN FRANCISCO, CALIFORNIA 94108  
TELEPHONE (415) 389-6800

April 2, 1992

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

Dear Filing Officer:

Enclosed herewith please find the original signed copy of  
the following for:

Caesars World Political Action Committee

for the period 3/01/92 through 3/31/92.

- Form 1
- Form 3X
- Amendment to above
- Other: \_\_\_\_\_
- Report to the Federal Election Commission sent by  
Certified Mail, Return Receipt Requested
- Report(s) to state filing official(s) sent with  
Certificate of Mailing

Please endorse this transmittal letter as acknowledgment of  
receipt of the enclosed report and return it in the stamped  
envelope provided.

cc: California  
    ✓ Nevada (was sent here too)

93040993208

# REPORT RECEIPTS AND DISBURSEMENTS

For Other Than An Authorized Committee  
(Summary Page)

USE FEC MAILING LABEL  
OR  
TYPE OR PRINT

1. NAME OF COMMITTEE (in full) <b>Caesars World Political Action Committee</b>		2. FEC IDENTIFICATION NUMBER <b>C00219717</b>
ADDRESS (number and street) <small>Check if different than previously reported</small> <b>591 Redwood Highway, #4000</b>		
CITY, STATE and ZIP CODE <b>Mill Valley, CA 94941</b>		3. This committee qualified as a multicandidate committee DURING THIS Reporting Period on _____ (date)

## 4. TYPE OF REPORT

- (a)  April 15 Quarterly Report  
 July 15 Quarterly Report  
 October 15 Quarterly Report  
 January 31 Year End Report  
 July 31 Mid Year Report (Non-election Year Only)  
 Termination Report
- Monthly Report Due On:  
 February 20     June 20     October 20  
 March 20     July 20     November 20  
 April 20     August 20     December 20  
 May 20     September 20     January 31
- Twelfth day report preceding \_\_\_\_\_ (Type of Election)  
 election on \_\_\_\_\_ in the State of \_\_\_\_\_  
 Thirtieth day report following the General Election on \_\_\_\_\_ in the State of \_\_\_\_\_

(b) Is this Report an Amendment?     YES     NO

## SUMMARY

	COLUMN A This Period	COLUMN B Calendar Year-to-Date
5. Covering Period <u>3/01/92</u> through <u>3/31/92</u>		
6. (a) Cash on Hand January 1, 19 <u>92</u>		\$ 27,360.02
(b) Cash on Hand at Beginning of Reporting Period	\$ 25,200.15	
(c) Total Receipts (from Line 19)	\$ 43.58	\$ 130.64
(d) Subtotal (add Lines 6(b) and 6(c) for Column A and Lines 6(a) and 6(c) for Column B)	\$ 25,243.73	\$ 27,490.66
7. Total Disbursements (from Line 30)	\$ 2,000.00	\$ 4,246.93
8. Cash on Hand at Close of Reporting Period (subtract Line 7 from Line 6(d))	\$ 23,243.73	\$ 23,243.73
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	\$ -0-	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	\$ -0-	

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

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

Type or Print Name of Treasurer

**Lezlee H. Westine, Assistant Treasurer**

Signature of Treasurer

*Lezlee H. Westine*

Date

4/6/92

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

FEC FORM 3X

(revised 1/1/91)

**DETAILED SUMMARY PAGE**  
**OF RECEIPTS AND DISBURSEMENTS**  
**PAGE 2, FEC FORM 3X**

(revised 11/91)

NAME OF COMMITTEE  
 Caesars world Political Action Committee

REPORT COVERING PERIOD  
 FROM 3/01/92 TO 3/31/92

**I. Receipts**

	COLUMN A Total This Period	COLUMN B Calendar Year
11. Contributions (other than loans) From:		
a. Individual Persons Other Than Political Committees		
i. Itemized (use Schedule A) .....		
ii. Unitemized .....		
iii. Total .....	(add i and ii) >	
b. Political Party Committees .....		
c. Other Political Committees (such as PACs) .....		
d. Total Contributions .....	(add a iii, b and c) >	
12. Transfers From Affiliated/Other Party Committees .....		
13. All Loans Received .....		
14. Loan Repayments Received .....		
15. Offsets To Operating Expenditures (Refunds, Rebates, etc.) .....		
16. Refunds of Contributions Made to Federal Candidates and Other Political Committees .....		
17. Other Federal Receipts (Dividends, Interest, etc.) .....	43.58	130.64
18. Transfers from Nonfederal Account for Joint Activity .....		
19. Total Receipts .....	43.58	130.64
20. Total Federal Receipts .....	43.58	130.64

**II. Disbursements**

21. Operating Expenditures:		
a. Shared Federal/Non-Federal Activity (from Schedule H4)		
i. Federal Share .....		
ii. Non-Federal Share .....		
b. Other Federal Operating Expenditures .....		
c. Total Operating Expenditures .....	(Add a i, a ii, and b) >	
22. Transfers to Affiliated/Other Party Committees .....		
23. Contributions to Federal Candidates/Committees and Other Political Committees .....	2,000.00	4,000.00
24. Independent Expenditures (use Schedule E) .....		
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 441a(d)) (use Schedule F) ..		
26. Loan Repayments Made .....		
27. Loans Made .....		
28. Refunds of Contributions To:		
a. Individuals/Persons Other Than Political Committees .....		
b. Political Party Committees .....		
c. Other Political Committees (such as PACs) .....		
d. Total Contribution Refunds .....	(Add a, b and c) >	
29. Other Disbursements .....	-0-	246.93
30. Total Disbursements .....	2,000.00	4,246.93
31. Total Federal Disbursements .....	2,000.00	4,246.93

**III. Net Contributions/Operating Expenditures**

32. Total Contributions (other than loans)(from line 11d) .....		
33. Total Contribution Refunds (from line 28d) .....		
34. Net Contributions (other than loans)(subtract line 33 from 32) .....		
35. Total Federal Operating Expenditures .....	(add 21 a i and 21 b) >	
36. Offsets to Operating Expenditures (from line 15) .....		
37. Net Operating Expenditures .....	(subtract line 36 from 35) >	

93040993210

SCHEDULE A  
Other Receipts

ITEMIZED RECEIPTS

NAME OF COMMITTEE (in Full)  
Caesar's World Political Action Committee C00219717

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

Full Name Mailing Address	Name of Employer Occupation	Date MM/DD/YY	Amount
WELLS FARGO BANK ONE MONTGOMERY STREET SAN FRANCISCO, CA 94163-	INTEREST EARNED	03/31/92	\$43.58

Receipt for  OTHER                      Aggregate YTD >                      \$130.64

SUBTOTAL of Receipts This Page.....>                      \$43.58

TOTAL This Period.....>                      \$43.58

93040993211

SCHEDULE B ITEMIZED DISBURSEMENTS  
 Contributions to Candidates/Committees

NAME OF COMMITTEE (in Full)  
 Caesar's World Political Action Committee C00219717

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

Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
LEVINE CAMPAIGN COMMITTEE 8075 WEST THIRD STREET, #402 LOS ANGELES, CA 90048-	UNITED STATES SENATE STATE - CA MEL LEVINE Disbursement for [X]Primary 1992	03/06/92	\$1000.00
BUCK MCKEON FOR CONGRESS 18960 SOLEDAD CANYON ROAD SANTA CLARITA, CA 91351-	MEMBER OF CONGRESS STATE - CA DIST - 25 BUCK MCKEON Disbursement for [X]Primary 1992	03/23/92	\$1000.00
SUBTOTAL of Disbursements This Page.....>			\$2000.00
TOTAL This Period.....>			\$2000.00

93040993212

DEC 23 11 04 AM '92

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3720

NAME OF COUNSEL: Colleen McAndrews

ADDRESS: 1441 Fourth Street

Santa Monica, California 90401

TELEPHONE: ( 310 ) 458-1405

92 DEC 23 AM 12:31

RECEIVED  
FEDERAL ELECTION COMMISSION

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.

12/21/92  
Date

Howard McKeon  
Signature

RESPONDENT'S NAME: Howard "Buck" McKeon

ADDRESS: 18960 Soledad Canyon Road

Santa Clarita, Ca 91351

TELEPHONE: HOME ( 805 ) 251-4525

BUSINESS ( 805 ) 251-2257

93040993213

OGC 8052

SIMMONS & MCANDREWS

ATTORNEYS AND COUNSELORS AT LAW

1441 FOURTH STREET

SANTA MONICA, CALIFORNIA 90401

(310) 458-1405

FAX (310) 394-4028

COLLEEN CONWAY MCANDREWS  
JERRY MARGARET SIMMONS

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIN COPY ROOM

DEC 24 11 59 AM '92

December 23, 1992

Helen Kim  
Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

Re: MUR 3720

Dear Ms. Kim:

This office is counsel to Howard P. "Buck" McKeon and the Buck McKeon for Congress Committee. As we discussed on the telephone yesterday, Congressman Elect McKeon has been in Washington and only recently received your letter dated December 8, 1992. While I mentioned the possibility of requesting an extension of time in which to answer your letter of December 8th, it now appears that additional time will not be needed and the following information can be provided in response to your inquiry. Under separate cover, Congressman Elect McKeon is forwarding the Statement of Designation of Counsel naming this office.

Mr. McKeon emphatically denies that he was given a \$1,000 donation by Caesar's World PAC with the payee blank. A copy of the check as received by Mr. McKeon and deposited in the campaign account on March 31, 1992 is attached. It clearly shows the payee as Buck McKeon for Congress.

The contribution was solicited by Mr. Norman Gray. No transmittal correspondence can be located indicating whether the contribution came directly from the treasurer of Caesar's World PAC located in California or through another agent of Caesar's World PAC.

Congressman Elect McKeon's public statement concerning the note attached to the check was merely a recitation from memory of a comment in the transmittal letter to the effect, "He must be a good man if you say so." This statement by Mr. McKeon was in response to an attack by his opponents during a debate that he

93040993214

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
92 DEC 24 AM 11:55

Ms. Helen Kim  
December 23, 1992  
Page 2

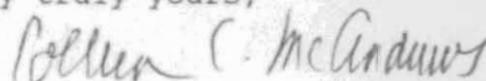
had personally solicited gambling money when, in fact, the contribution had been legally solicited not by Mr. McKeon but by a member of the Finance Steering Committee, Mr. Norman Gray. It appears to have no relevancy to any legal issues.

Mr. Norman Gray was an individual expressly authorized by the candidate to engage in fundraising. He occupied a significant position within the candidate's campaign organization as one of fifteen members of the Finance Steering Committee, each committed to raising substantial funds for Congressman McKeon's campaign. Mr. Gray acted in his individual capacity exercising his first amendment association rights to promote Mr. McKeon's candidacy for Congress. Under 11 CFR Section 110.6(b)(2)(i)(E), the contributions raised by Mr. Gray are not required to be designated as "earmarked."

Lastly, the complaint asserts that Mr. McKeon "specifically directed" the filing of the complaint. Please refer to the newspaper article attachments to the complaint. His retort during a debate, "If you think there is a problem, file a complaint," was not related in any way to the Caesar's World PAC contribution or Mr. Norman Gray's fundraising. It is entirely specious and misleading to connect that statement to the activity which is the subject of the complaint.

Mr. McKeon and his treasurer fully complied with all rules and regulations of the Federal Election Commission and would be happy to provide any further information requested by the Commission.

Very truly yours,



Colleen C. McAndrews  
Counsel for Congressman McKeon  
and the Buck McKeon for  
Congress Committee

CCM:klm  
Enclosure

93040993215

*use 1102*

CAESARS WORLD POLITICAL ACTION COMMITTEE

ID NO. C00219717  
591 REDWOOD HIGHWAY, NO. 4000  
MILL VALLEY, CA 94941

MAR 31 1992

2032

March 23, 1992

11-24/961  
1210

PAY  
TO THE  
ORDER OF

Buck McKeon for Congress

\$ 1,000.00

THE SUM **I 000 DOLS 00 CTS**

DOLLARS

PRIVATE BANKING GROUP

**WELLS FARGO BANK**  
ONE MONTGOMERY STREET, SAN FRANCISCO, CA 94104

FOR Primary 1992

⑈002032⑈ ⑆121000248⑆0961 000825⑈

*12/16/92*  
*no letter arrived w/ check per 92*

9  
3  
0  
4  
0  
9  
9  
3  
2  
1  
6

92 DEC 24 AM 11:54

FEDERAL RESERVE SYSTEM



OGC 8244

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
MAIN COPY ROOM

JAN 15 11 25 AM '93

LAW OFFICES OF  
**LEARY & CRANE**

4100 WEST ALAMEDA AVENUE, THIRD FLOOR  
BURBANK, CALIFORNIA 91505  
(818) 566-6399  
FAX (818) 566-7078

GARY L. LEARY  
DONALD H. CRANE

WRITER'S DIRECT DIAL NO.

December 23, 1992

Helen Kim, Esq.  
Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, D.C. 20463

Re: MUR 3720  
New-Val Ford, Inc. dba Magic Ford

Dear Ms. Kim:

This firm represents Norman J. Gray and New-Val Ford, Inc. dba Magic Ford in connection with the above-referenced matter. Enclosed please find your form entitled Statement of Designation of Counsel completed by our client and evidencing our authorization.

Your letter of December 8, 1992 addressed to our client along with the Complaint filed by the Committee to Elect James H. Gilmartin dated October 23, 1992 (the "Complaint") has been forwarded to the undersigned for a response. The allegations of the Complaint are categorically denied and are predicated on an erroneous statement of facts.

The allegation of the Complaint that Norman Gray relayed a Ceasars World Political Action Committee check payable to "no name" is flatly incorrect. The \$1,000.00 contribution in question made by the Ceasars World PAC was made by way of a check dated March 23, 1992 and expressly made payable to "Buck McKeon for Congress". Enclosed please find a photocopy of that check.

You should also be advised that Mr. Gray was a member of Mr. McKeon's Financing Steering Committee, was fully authorized by Mr. McKeon to engage in fund raising, and clearly occupied a significant position within Mr. McKeon's campaign organization. As a result, Mr. Gray was not and is not a conduit or intermediary within the meaning of 11 CFR Section 110.6(b)(2)(i)(E). Accordingly, the contributions raised by my client are not "earmarked contributions" and no violation of Section 110.6 occurred.

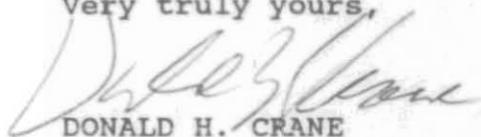
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COMMISSION  
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Helen Kim, Esq.  
December 23, 1992  
Page Two

Given the foregoing, we believe it should be apparent that there were no violations of the Federal Election Campaign Act and that your office should take no further action on the Complaint. In the event that you have any questions or comments or need any additional information, please contact me directly and we will be happy to cooperate.

Very truly yours,



DONALD H. CRANE

DHC/kt  
Enclosures

cc: Norman J. Gray

93040993219

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3720

NAME OF COUNSEL: Donald H. Crane

ADDRESS: Leary & Crane  
4100 West Alameda Avenue, Third Floor  
Burbank, CA 91505

TELEPHONE: (818) 566-6399

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.

12/24/92  
Date

[Signature]  
Signature

RESPONDENT'S NAME: Norman J. Gray

ADDRESS: Magic Ford  
23920 Creekside Road  
Valencia, CA 91355

TELEPHONE: HOME (818) 362-1511

BUSINESS (805) 255-6600

93040993220

*Line 11C*

**CAESARS WORLD POLITICAL ACTION COMMITTEE**

ID NO. C06219717

591 REDWOOD HIGHWAY, NO. 4000  
MILL VALLEY, CA 94541

**MAR 31 1992**

2032

March 23, 1992

11-24/901  
1276

PAY  
TO THE  
ORDER OF

Buck McKeon for Congress

\$ **1,000.00**

**THE SUM 1000 DOLS 00 CTS**

DOLLARS

PRIVATE BANKING GROUP

**WELLS FARGO BANK**

ONE MONTGOMERY STREET, SAN FRANCISCO, CA 94104

FOR Primary 1992

*[Signature]*

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*12/16/92*

*no letter arrived w/ chkd. pls*

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MUR # 3720

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

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FEDERAL ELECTION COMMISSION  
WASHINGTON, DC 20461

THIS IS THE End of MUR# 3720

DATE FILMED 10/29/93 CAMERA NO. 2

CAMERAMAN MC

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FEDERAL ELECTION COMMISSION  
WASHINGTON DC 20463

Microfilm  
 Public Records  
 Press

THE FOLLOWING DOCUMENTATION IS ADDED TO

THE PUBLIC RECORD IN CLOSED MUR 3720.

12/10/93

23043543658

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

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

23043543659



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Colleen McAndrews  
Simmons & McAndrews  
1441 Fourth Street  
Santa Monica, CA 90401

RE: MUR 3720  
Howard "Buck" McKeon, the Buck McKeon for Congress  
Committee and Daralyn E. Reed, as treasurer

Dear Ms. McAndrews:

On December 8, 1992, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Howard "Buck" McKeon, the Buck McKeon for Congress Committee and Daralyn E. Reed, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter.

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

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

Sincerely,

*Deborah L. Rice*

Deborah L. Rice  
Staff Member

Attachment  
Narrative

Date the Commission voted to close the file: \_\_\_\_\_

DEC 09 1993

23043543660

MUR 3720

Ceasars World PAC, et. al.

This matter was initiated by a complaint filed by Robert L. Funk. The complaint alleges that Ceasars World PAC sent Norm Gray, a fundraiser for Buck McKeon for Congress ("Committee"), a check for \$1,000, but left the payee line blank. The respondents claim that the check was made out to the Committee.

This matter involves no significant issues relative to the other issues pending before the Commission and a limited amount of money. Furthermore, the activity had little or no impact on the process, and there is no indication of any serious intent by Respondents to violate the FECA.

23043543661



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

Donald H. Crane  
Leary & Crane  
4100 West Alameda Avenue  
Third Floor  
Burbank, CA 91505

RE: MUR 3720  
Norman J. Gray and  
New-Val Ford, Inc. dba Magic Ford

Dear Mr. Crane:

On December 8, 1992, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Norman J. Gray and New-Val Ford, Inc. See attached narrative. Accordingly, the Commission closed its file in this matter.

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

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

Sincerely,

Deborah L. Rice  
Staff Member

Attachment  
Narrative

Date the Commission voted to close the file:

DEC 09 1993

23043543662

MUR 3720

Ceasars World PAC, et. al.

This matter was initiated by a complaint filed by Robert L. Funk. The complaint alleges that Ceasars World PAC sent Norm Gray, a fundraiser for Buck McKeon for Congress ("Committee"), a check for \$1,000, but left the payee line blank. The respondents claim that the check was made out to the Committee.

This matter involves no significant issues relative to the other issues pending before the Commission and a limited amount of money. Furthermore, the activity had little or no impact on the process, and there is no indication of any serious intent by Respondents to violate the FECA.

23043543663



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

James R. Sutton  
Nielsen, Merksamer, Parrinello,  
Mueller & Naylor  
591 Redwood Highway, #4000  
Mill Valley, CA 94941

RE: MUR 3720  
Caesar's World PAC and  
Roger Lee, as treasurer

Dear Mr. Sutton:

On December 8, 1992, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Caesar's World PAC and Roger Lee, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter.

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

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

Sincerely,

Deborah L. Rice  
Staff Member

Attachment  
Narrative

Date the Commission voted to close the file: \_\_\_\_\_

DEC 09 1993

23043543664

MUR 3720

Ceasars World PAC, et. al.

This matter was initiated by a complaint filed by Robert L. Funk. The complaint alleges that Ceasars World PAC sent Norm Gray, a fundraiser for Buck McKeon for Congress ("Committee"), a check for \$1,000, but left the payee line blank. The respondents claim that the check was made out to the Committee.

This matter involves no significant issues relative to the other issues pending before the Commission and a limited amount of money. Furthermore, the activity had little or no impact on the process, and there is no indication of any serious intent by Respondents to violate the FECA.

23043543665



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 10 1993

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

Robert L. Funk  
27246 Garza Drive  
Saugus, CA 91350

RE: MUR 3720

Dear Mr. Funk:

On December 1, 1992, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Howard McKeon, the Buck McKeon for Congress Committee and Daralyn E. Reed, as treasurer, Norman J. Gray, New-Val Ford, Inc. d.b.a. Magic Ford, and Caesar's World PAC and Roger Lee, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter. This matter will become part of the public record within 30 days.

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

Sincerely,

Deborah L. Rice  
Staff Member

Attachment  
Narrative

Date the Commission voted to close the file:

DEC 03 1993

73043543666

MUR 3720  
Ceasars World PAC, et. al.

This matter was initiated by a complaint filed by Robert L. Funk. The complaint alleges that Ceasars World PAC sent Norm Gray, a fundraiser for Buck McKeon for Congress ("Committee"), a check for \$1,000, but left the payee line blank. The respondents claim that the check was made out to the Committee.

This matter involves no significant issues relative to the other issues pending before the Commission and a limited amount of money. Furthermore, the activity had little or no impact on the process, and there is no indication of any serious intent by Respondents to violate the FECA.

23043543667