



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3828

DATE FILMED 3-20-95 CAMERA NO. 2

CAMERAMAN JMH

25043631477

OGC 0246

October 17, 1993

General Counsel
Federal Election Commission
999 E Street, NW.
Washington, DC 20463

MUR 3828

RECEIVED
FEDERAL ELECTION COMMISSION
93 OCT 26 PM 3:49

Dear General Counsel;

Pursuant to 2 U.S.C. 437g(a)(1) and 11 CFR 111.4 I am filing with you a written complaint. My full name and address is:

W.R. Morris
6535 Linden
Houston, Texas 77087

It is my belief that the Respondent (Authorized Committee / Ben Reyes for Congress / FEC I.D. # C00257790) engaged in numerous violations of federal election statutes and regulations under 2 U.S.C. Sec. 431 et seq. and Title 11 of the Code of Federal Regulations.

I have carefully reviewed each Report of Receipts and Disbursements filed by the Reyes for Congress Committee pursuant to obligations under 2 U.S.C. 434(a) and 11 CFR 104.1. Those reports are as follows:

Date filed	Covering period	Report #
Feb. 26, 1992	01/01/92 to 02/19/92	1
	02/20/92 to 03/25/92	2
Apr. 15, 1992	03/26/92 to 03/31/92	3
July 15, 1992	04/01/92 to 07/08/92	4
Oct. 15, 1992	07/09/92 to 09/30/92	5
Jan. 28, 1993	10/01/92 to 12/31/92	6
July 30, 1993	01/01/93 to 06/30/93	7

257436314/8

These reports are the source of my belief that numerous violations were committed by the Reyes campaign. For efficiency's sake I will refer to the reports by their number.

Attached is a list of items which make up the contents of my complaint. Each item will note the violation, cite the report in which the violation appears, and cite the statute and regulation violated.

It is my belief that the violations are serious. They involve: unreported contributions of television time made to Reyes for Congress with the approval of the candidate; illegal payments made from Reyes for Congress funds; serious campaign reporting violations; commingling of large payments made to Reyes' election contest with campaign contributions; and failure to account for a large amount of commingled funds.

I believe that the items in the following complaint should be investigated with diligence and wrongdoing should be punished. Anything less than the above sanctions and encourages non-compliance with the law of the land and puts those who choose to play by the rules at a major disadvantage in the federal electoral process.

The attached list of items is not intended to be an exhaustive one. I reserve the opportunity to add to the items herein by supplementing this complaint or filing additional complaints.

Respectfully,

William R. Morris

W.R. Morris

25743631479

Item # 1

In Report # 4 under Schedule B (Itemized Disbursements) the Reyes campaign reported two disbursements of \$ 2,000. each to Petty Cash. (page 14 of 33 and page 17 of 33).

2 U.S.C. 432(h)(2) and 11 CFR 102.11 limits expenditures from a petty cash fund to \$ 100. This section also requires the campaign treasurer to keep and maintain a journal of all disbursements.

Item # 2

On March 5, 1992 one Cesar Rodriguez signed agreement forms at KXLN-TV (Channel 45) in Houston for T.V. spots to air Mar. 6th to Mar. 9th for Reyes for Congress and other candidates. The forms stated that payment would be made by " Los Amigos de Ben Reyes, et al ". Station records show that two cash payments of \$ 1160. were received from " Los Amigos " on 3/5/92. A receipt for one of the \$ 1160. payments was issued to one Memo Villareal on 3/5/92. The source of this information is the public file at Channel 45.

A purchase of T.V. ads for the purpose of influencing an election for federal office is a " contribution ". (2 U.S.C. 431(8) and 11 CFR 100.7). All contributions must be reported in a report of Receipts and Disbursements. (2 U.S.C. 434(b) and 11 CFR 104.3) There is no contribution on March 5 in any amount from Cesar Rodriguez or Memo Villareal or " Los Amigos " listed in any Reyes campaign report.

These contributions cannot be defended as independent expenditures. Candidate Reyes personally appeared in the ad ; acting in concert with the individuals who purchased the T.V. time. (2 U.S.C. 431(7) and 11 CFR 100.16).

Under 2 U.S.C. 431 (4),(5),(6) and 11 CFR 100.5 " Los Amigos " is a " political committee ." As such it is subject to the Registration, Organization, and Recordkeeping requirements of 2 U.S.C 433 and 11 CFR 102.

25743631430

Item # 3

On April 3, 1992 Memo Villareal bought 19 spots at KXLN-TV (Channel 45) in Houston to air 4/10 to 4/14 for \$ 1160. The spots were for Reyes for Congress and other candidates. Payment was by Villareal's check # 2085 for \$ 1160. dated April 8. The source of this information is the public file at Channel 45.

A purchase of T.V. ads for the purpose of influencing a federal election is a " contribution ." (2 U.S.C. 431(8) and 11 CFR 100.7) All contributions must be reported in a Report of Receipts and Disbursements. (2 U.S.C. 434(b) and 11 CFR 104.3) There is no contribution on April 3rd or 8th by Memo Villareal for \$ 1160. or any other amount listed in any Reyes for Congress report.

This contribution cannot be defended as an "independent expenditure ". Candidate Reyes personally appeared in the ads; acting in concert with the individual who purchased the T.V. time. (2 U.S.C. 431 (7) and 11 CFR 100.16).

Item # 4

On April 3rd or April 9th, 1992 Cesar Rodriguez bought 19 spots at KXLN-TV (Channel 45) in Houston for \$ 1,160. The spots were for Reyes for Congress and other candidates. Payment was by cash by Cesar Rodriguez on April 9th. The source of this information is the public file at Channel 45.

A purchase of T.V. ads for the purpose of influencing an election for federal office is a " contribution ". (2 U.S.C. 431(8) and 11 CFR 100.7). All contributions must be reported in a report of Receipts and Disbursements. (2 U.S.C. 434(b) and 11 CFR 104.3). There is no contribution on April 3rd or 9th in any amount from Cesar Rodriguez listed in any Reyes campaign report.

This contribution cannot be defended as an independent expenditure. Candidate Reyes personally appeared in the ad; acting in concert with the individual who purchased the T.V. time. (2 U.S.C. 431(7) and 11 CFR 100.16).

25743631481

Item # 5

On April 8 Memo Villareal and Cesar Rodriguez on behalf of the " Memo Villareal and Cesar Rodriguez " committee bought 36 spots at KTMD-TV (Channel 48) in Houston at a cost of \$ 1,685. The spots ran April 9th to April 13th and were in support of Reyes for Congress and other candidates. Payment was by Villareal's check # 2089 dated 4/8/92. The source of this information is the public file at Channel 48 in Houston.

A purchase of T.V. ads for the purpose of influencing an election for federal office is a " contribution ". (2 U.S.C. 431(8) and 11 CFR 100.7). All contributions must be reported in a report of Receipts and Disbursements (2 U.S.C. 434(b) and 11 CFR 104.3). There is no contribution on April 8th in any amount from Villareal or Rodriguez or the " Villareal and Rodriguez " Committee listed in any Reyes campaign report.

This contribution cannot be defended as an independent expenditure. Candidate Reyes personally appeared in the ads; acting in concert with the individual who purchased the T.V. time. (2 U.S.C. 431(7) and 11 CFR 100.16).

Under 2 U.S.C. 431 (4), (5), (6) and 11 CFR 100.5 the " Memo Villareal and Cesar Rodriguez Committee " is a " political committee ". As such it is subject to the registration, organization, and recordkeeping requirements of 2 U.S.C. 433 and 11 CFR 102.

Item # 6

In Reyes for Congress Report # 4 there is a disbursement shown to Emory and Young political consultants on April 8, 1992. (Schedule B ; page 8 of 33). The amount column, however, contains the notation " ***** ". 2 U.S.C. 434(b) and 11 CFR 104.3 requires an amount for this expenditure.

25743631482

Item # 7

In Reyes for Congress Report # 4 there is a disbursement shown to H & C Political Media on April 9, 1992. (Schedule B; page 9 of 33). The amount column contains the notation "*****". 2 U.S.C. 434 (b) and 11 CFR 104.3 requires an amount for this expenditure.

Item # 8

On April 9, 1992 H & C Political Media bought \$ 9,180. worth of television time at KHOU-TV (Channel 11) in Houston for the Reyes for Congress campaign. Payment was by H & C check # 176 dated April 9, 1992. On April 13, 1992 H & C bought \$ 12,070. worth of television time at KTRK-TV (Channel 13) in Houston for the Reyes for Congress campaign. Payment was by H & C check # 174 dated April 13, 1992. The source of this information is the public file at Channel 11 and Channel 13.

The only disbursement to H & C Media from the Reyes for Congress campaign showing date, amount and purpose is found in Report # 4. (Schedule B; page 9 of 33). This is a disbursement of \$ 3500. for production. There are no other disbursements entered in any of the six other reports.

A purchase of T.V. ads for the purpose of influencing an election for federal office is a " contribution ". (2 U.S.C. 431(8) and 11 CFR 100.7). All contributions must be reported in a report of Receipts and Disbursements (2 U.S.C. 434(b) and 11 CFR 104.3). There are no contributions from H & C Political Media listed on any of the seven Reyes for Congress campaign reports.

Additionally, contributions by persons to the Reyes for Congress committee are limited to \$ 1,000. per election. (2 U.S.C. 441a(a)(1) and 11 CFR 110.1(b)(1)).

Also, if H & C is a corporation, it is prohibited from making a contribution to the Reyes for Congress campaign. (11 CFR 114.2 (b)).

25043631433

Item # 9

On April 30, 1992 John Moores gave Ben Reyes \$ 50,000. On June 9, 1992 Moores gave Reyes \$ 15,000. Presumably these payments were for Reyes election contest and not considered " contributions ". However, the Reyes campaign reported the payments in campaign report # 4. The Reyes campaign reported the payments in the category of " Other Receipts ". (Report # 4; Schedule A / Other Receipts; page 4 of 7).

These payments should not have been reported in Reyes' campaign reports because they could not be legally received by the Reyes campaign.

In the Detailed Summary Page of Report # 4 the total (\$ 81,715.) of " Other Receipts " on line 15 is added to Total Contributions (\$ 145,527.) on line 11(e). That sum is added to line 14 (Off-sets to Operating Expenditures) to arrive at the figure (\$ 227, 536.62) entered on line 24 in the Cash Summary. In the Cash Summary, Line 26 (Total Disbursements this Period) is subtracted from Line 24 (Total Receipts this Period) to arrive at the figure \$ 11,032.22. \$ 11,032.22 is then added to line 23 (Cash on hand at Beginning of Reporting Period / \$ 4,806.84) to arrive at the figure entered on line 27 (Cash on Hand at Close of Reporting Period / \$ 15,839.06). This figure (\$ 15, 839.06) is the figure entered on line 23 (Cash on Hand at Beginning of Reporting Period) of the Detailed Summary Page of Report # 5.

In their reports the Reyes for Congress committee has commingled funds which are not " contributions " (because they were ostensibly raised for an election contest) with legitimate contributions.

" All funds of a political committee shall be segregated from, and may not be commingled with the personal funds of any other individual." (2 U.S.C. 432(a)(3) and 11 CFR 102.15).

25047631494

Item # 10

On October 29, 1992 John Moores gave Ben Reyes \$ 30,000. This gift is again reported in the " Other Receipts " category. (Report # 6; Schedule A / Other Receipts; page 1 of 1).

The Cash Summary on the Detailed Summary Page of Report # 6 shows cash on hand at close of reporting period as \$ 33,798.64 . (line 27). This figure again reflects a commingling of the Moores payment and campaign contributions.

" All funds of a political committee shall be segregated from, and may not be commingled with the personal funds of any other individual." (2 U.S.C. 432(a)(3) and 11 CFR 102.15)

The last of seven reports filed by Reyes for Congress covers the period Jan.1, 1993 to June 30, 1993. (Report # 7). Report # 7 lists the cash on hand to begin the reporting period as \$ 411.11 . (Report # 7; Detailed Summary Page; line 23).

The Reyes for Congress committee filed a total of seven Reports of Receipts and Disbursements in 1992 and 1993. Report # 7 was the only report in which the cash on hand to begin the reporting period (\$ 411.11) did not match the ending cash balance (\$ 33,798.64) on the preceding report.

25043631435

"I swear and affirm that the contents of the foregoing complaint are true and accurate to the best of my knowledge."

Before me, the undersigned authority, on this day personally appeared William R. Morris, who, is being by me duly sworn, on oath said that the above statement was true and correct.

Witness my hand and seal of office, this 21st day of October, 1993.

Tony Campes
NOTARY PUBLIC IN AND FOR HARRIS COUNTY, TEXAS.

My commission expires March 18, 1997.

25943631486



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 3, 1993

William R. Morris
6535 Linden
Houston, TX 77087

RE: MUR 3828

Dear Mr. Morris:

This letter acknowledges receipt on October 26, 1993, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Ben Reyes, the Ben Reyes for Congress Committee and Vidal G. Martinez, as treasurer, Cesar Rodriguez, the Memo Villareal and Cesar Rodriguez Committee and its treasurer, Memo Villareal, Los Amigos de Ben Reyes, et al and its treasurer, John Moores, and H and C Political Media. 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 3828. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

25043631487



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 3, 1993

Ben Reyes
c/o Ben Reyes for Congress Committee
333 Clay Avenue, Suite 800
Houston, TX 77002

RE: MUR 3828

Dear Mr. Reyes:

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 3828. 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.

25043631458

Ben Reyes
Page 2

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25043631489



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 3, 1993

Vidal G. Martinez, Treasurer
Ben Reyes for Congress Committee
333 Clay Avenue, Suite 800
Houston, TX 77002

RE: MUR 3828

Dear Mr. Martinez:

The Federal Election Commission received a complaint which indicates that the Ben Reyes for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3828. 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.

25943631490

Vidal G. Martinez, Treasurer
Ben Reyes for Congress Committee
Page 2

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

2504331491



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 3, 1993

Cesar Rodriguez
2836 Fulton
Houston, TX 77009

RE: MUR 3828

Dear Mr. Rodriguez:

The Federal Election Commission received a complaint which indicates that Los Amigos de Ben Reyes, et al ("Los Amigos") and its treasurer, the Memo Villareal and Cesar Rodriguez Committee and its treasurer, and 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 3828. 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 Los Amigos, the Memo Villareal and Cesar Rodriguez Committee and 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.

25043631492

Cesar Rodriguez
Page 2

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25743631493



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

NOVEMBER 3, 1993

Memo Villareal
703 75th Street
Houston, TX 77011

RE: MUR 3828

Dear Mr. Villareal:

The Federal Election Commission received a complaint which indicates that Los Amigos de Ben Reyes, et al ("Los Amigos") and its treasurer, the Memo Villareal and Cesar Rodriguez Committee and its treasurer, and 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 3828. 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 Los Amigos, the Memo Villareal and Cesar Rodriguez Committee and 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.

25943631494

Memo Villareal
Page 2

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25743631495



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 3, 1993

John Moores
P.O. Box 1146
Sugar Land, TX 77487-1146

RE: MUR 3828

Dear Mr. Moores:

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 3828. 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.

25043631496

John Moores
Page 2

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25043631497



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

NOVEMBER 3, 1993

President
H and C Political Media
208 West 4th Street
Austin, TX 78701

RE: MUR 3828

Dear Sir or Madam:

The Federal Election Commission received a complaint which indicates that H and C Political Media 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 3828. 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 H and C Political Media 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.

25043631498

H and C Political Media
Page 2

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25743631499

OGC 0433

P O L I T I **H & C** M E D I A

November 9, 1993

General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

RE: MUR 3828

Dear General Counsel:

I am writing in regard to your letter dated November 3, 1993 stating you received a complaint (MUR 3828) indicating that H & C Political Media may have violated the Federal Election Campaign Act of 1971, as amended ("the Act").

We are taking the opportunity to demonstrate in writing that no action should be taken against H & C Political Media in this matter. We are submitting the attached exhibits to prove that, in addition to a \$3,500 check we received from the Ben Reyes campaign for production, we received a check in the amount of \$25,000 to purchase media time.

The exhibits are as follows:

- Exhibit 1:** Bank deposit slip dated April 10, 1992 which indicates "Ben Reyes 577 Media" as the second entry. The "577" was the check number and "Media" indicates that it was to buy media rather than production.
- Exhibit 2:** Bank deposit receipt verifying date, H & C's commercial account number, and the amount of deposit.
- Exhibit 3:** H & C bank statement which documents the deposit of \$30,500 made on 4/10/92.

The \$25,000 check was paid to us to purchase time on Houston television stations for Reyes for Congress campaign commercials. This amount reflects the disbursements by H & C which are referred to in Item #8 listed in the complaint dated October 17, 1993, submitted by a Mr. W.R. Morris.

RECEIVED
FEDERAL ELECTION COMMISSION
93 NOV 15 PM 3:16

RECEIVED
FEDERAL ELECTION COMMISSION
ADMINISTRATIVE DIVISION
Nov 15 12 48 PM '93

208 WEST FOURTH STREET SUITE 304
AUSTIN TEXAS 78701
TEL 512 476 3377
FAX 512 476 3383

25743631500

General Counsel
Page Two
November 9, 1993

The checks are as follows:

Check #176 paid to KHOU-TV (Channel 11)
in Houston on April 9, 1992 for the Reyes for
Congress Campaign. \$ 9,180.00

Check #174 paid to KTRK-TV (Channel 13)
in Houston on April 13, 1992 for the Reyes for
Congress Campaign. \$12,070.00

Total amount of checks written for media: \$21,250.00

When you add to this total our standard agency commission of 15 percent which comes to \$3,750, you will arrive at a gross amount of \$25,000. This is the amount indicated in the attached exhibits.

I believe this documentation will stand as proof that H & C Political Media has violated no election laws.

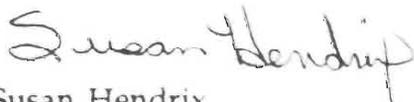
Respectfully submitted,



Susan Hendrix
President

November 9, 1993

Under penalties of perjury, I declare that the facts presented in my written response, which are set out in the accompanying statement of facts and other documents are, to the best of my knowledge and belief, true, correct, and complete.



Susan Hendrix
President

25743631591

DEPOSIT TICKET

Date April 10 1992

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.

HORIZON SAVINGS
P.O. BOX 9600 • AUSTIN, TX 78766

H & C POLITICAL MEDIA
208 WEST 4TH
AUSTIN, TX 78701



CURRENCY		DOLLARS	CENTS
COIN			
CHECKS LIST SEPARATELY	<u>Quincy Stewart</u>	<u>2000</u>	<u>00</u>
	<u>Ben Liso 577</u>	<u>25,000</u>	<u>00</u>
	<u>Melvin</u>	<u>31,500</u>	<u>00</u>
	<u>Ben Reese 570</u>		
	<u>Production</u>		
TOTAL FROM REVERSE SIDE			
TOTAL DEPOSIT		<u>30500</u>	<u>00</u>

USE OTHER SIDE FOR ADDITIONAL LISTING
0000 *30500.00

⑆314974479⑆

⑈0015007633⑈

⑆31⑈0003050000⑆

RECORD OF CHECKS FOR DEPOSIT

REVERSE CARBON BEFORE LISTING		DOLLARS	CENTS
CHECKS LIST SEPARATELY			
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
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27			
28			
29			
30			
TOTAL THIS SIDE			
ENTER THE TOTAL IN THE SPACE PROVIDED ON FRONT			
CASH COUNT - FOR OFFICE USE ONLY			
X 100			
X 50			
X 20			
X 10			
X 5			
X 2			
X 1			
TOTAL	\$		
000000015007633 01 03			
HORIZON SAVINGS, AUSTIN			

25947631502

**MONEY YOU WANT
WHEN
YOU WANT IT**



See Us For All Your Loan Needs!

- AUTO LOANS
 - HOME IMPROVEMENT LOANS
 - IRA / COMMERCIAL LOANS
 - HOME LOANS
 - STUDENT LOANS
 - PERSONAL LOANS
- STOP BY TODAY TO DISCUSS ALL YOUR LENDING NEEDS

HORIZON SAVINGS

YOU CAN BANK ON US



04.1992
0012009533 AN
* 5000000

THE DEPOSIT WHICH THIS RECEIPT IS ISSUED
IS SUBJECT TO VERIFICATION, COLLECTION,
AND CONDITIONS NOTED ON SIGNATURE CARDS

25043631503



HORIZON SAVINGS
P.O. BOX 9600
AUSTIN, TX 78766
(512) 338-4300

Relationship Statement

54

H C POLITICAL MEDIA
208 WEST 4TH
AUSTIN TEXAS 78701-0000

CUSTOMER NUMBER
15007633 00

STATEMENT PERIOD
03/31/92 TO 04/30/92

***** SUMMARY OF ALL ACCOUNT ACTIVITY *****

ACCOUNT NUMBER	PREVIOUS BALANCE NO.	TOTAL DEBITS- AMOUNT NO.	TOTAL CREDITS AMOUNT	CLOSING BALANCE
CKG 15007633		8,750.14 45	45,138.84 9 41,222.81	4,834.11

***** CHECKING ACCOUNT ACTIVITY *****

CKG 15007633

PREVIOUS BALANCE-- 8,750.14

----- DEPOSITS AND OTHER CREDITS -----

DATE	NUMBER	DESCRIPTION	AMOUNT
04/02		DEPOSIT	429.25
04/02		DEPOSIT	3,153.38
04/06		DEPOSIT	99.10
04/06		DEPOSIT	19.93
04/10		DEPOSIT	50,500.00
04/13		DEPOSIT	258.40
04/16		DEPOSIT	1,000.00
04/21		DEPOSIT	7854.25
04/29		DEPOSIT	308.50

HORIZON SAVINGS

----- CHECKS -----

DATE	NUMBER	AMOUNT	DATE	NUMBER	AMOUNT
04/02	156	181.46	04/13	177	736.00
04/09	164*	400.00	04/17	178	667.00
04/02	165	250.00	04/15	179	27.00
04/09	166	519.92	04/23	181*	84.72
04/14	167	160.56	04/16	182	1,533.06
04/07	168	1,650.00	04/16	183	138.24
04/06	169	328.50	04/17	184	632.85
04/07	170	69.12	04/16	185	161.77
04/07	171	100.00	04/22	186	62.50
04/02	172	11.60	04/17	187	1,188.25
04/15	173	75.00	04/17	188	204.05
04/14	174	12,070.00	04/15	189	51.96
04/14	176*	9,180.00	04/29	190	339.56

TYPE OF ACCOUNT

- CKG Checking Account
- SAV Savings Account
- GS Golden Savings
- CD Certificate of Deposit
- IL Installment Loan
- CLB Christmas Club



See Reverse Side
For Other Important
Information

RECEIVED
FEDERAL ELECTION COMMISSION
93 NOV 19 PM 12:15

STATEMENT OF DESIGNATION OF COUNSEL

MUR 1828

NAME OF COUNSEL:	<u>Russell W. Sullivan</u>	<u>John S. Watson</u>
ADDRESSES:	<u>Vinson & Elkins L.L.P.</u>	<u>Vinson & Elkins L.L.P.</u>
	<u>1455 Pennsylvania Ave., N.W.</u>	<u>2500 First City Tower</u>
	<u>Suite 700</u>	<u>1001 Fannin</u>
	<u>Washington, D.C. 20004</u>	<u>Houston, TX 77002</u>
TELEPHONE:	<u>(202) 639-6578</u>	<u>(713) 788-2556</u>

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

Nov 19, 1993
Date

John Moores
Signature

RESPONDENT'S NAME: John Moores

ADDRESS: P.O. Box 1146
Sugar Land, TX 77482-1146

HOME PHONE: _____

BUSINESS PHONE: (713) 491-1500

25043631505



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

NOVEMBER 22, 1993

William R. Morris
6535 Linden
Houston, TX 77087

RE: MUR 3828

Dear Mr. Morris:

On November 3, 1993, the Federal Election Commission acknowledged receipt of your letter and the attached complaint. The acknowledgment letter indicated that you would be notified when the Commission takes final action on your complaint. Upon review of your complaint, it has been determined that your complaint does not meet the specific requirements of The Federal Election Campaign Act of 1971, as amended ("the Act") and Commission Regulations.

One of these requirements is that a complaint be sworn to and signed in the presence of a notary public and notarized. It is unclear that your complaint was signed in the presence of a notary because your signature does not appear in the jurat section.

In order to file a legally sufficient complaint, you must subscribe and swear before a notary that the contents of your complaint are true to the best of your knowledge and the notary must represent as part of the jurat that such swearing occurred. The preferred form is "Subscribed and sworn to before me on this ___ day of ___, 19__." A statement by the notary that the complaint was sworn to and subscribed before him also will be sufficient.

We are sorry for the inconvenience that these requirements may cause you, but we are not statutorily empowered to proceed with the handling of a compliance action unless all the statutory requirements are fulfilled. See 2 U.S.C. § 437g.

25043631506

William R. Morris
Page 2

If you have any questions concerning this matter, please
contact me at (202) 219-3410.

Sincerely,



Retha Dixon
Docket Chief

Enclosure

cc: Respondents

25043631507

OGC 0594
RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

Dec 10 2 10 PM '93

December 3, 1993

RE: MUR 3828

Ms. Retha Dixon
Docket Chief
Federal Election Commission
Washington, D. C. 20463

RECEIVED
FEDERAL ELECTION COMMISSION
93 DEC 10 PM 4: 14

Dear Ms. Dixon:

Pursuant to your letter dated November 22, 1993, attached please find my corrected sworn notarized statement. I believe this statement is legally sufficient to comply with the requirements of 2 U.S.C. 437g.

Sincerely



W.R. Morris

6535 Linden
Houston, Texas 77087

25743631508

AFFIDAVIT

State of Texas, County of Harris

Before me, the undersigned authority, on this day personally appeared WILLIAM R. MORRIS who being known by me here and now duly sworn, upon oath says: " I swear or affirm that the contents of my complaint to the Federal Election Commission dated October 17, 1993 are true to the best of my knowledge."

William R. Morris
Signature of affiant

Sworn to and subscribed before me, by the said WILLIAM R. MORRIS, this 3rd day of December, 1993, to certify which, witness my hand and seal of office.

Tony Campos
Signature of officer administering oath

Tony Campos
Name of officer administering oath

Tony Campos
Notary Public
State of Texas
My Commission Expires
3 - 18 - 97

Title of officer administering oath

25043631509



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

DECEMBER 23, 1993

William R. Morris
6535 Linden
Houston, TX 77087

RE: MUR 3828

Dear Mr. Morris:

This letter acknowledges receipt on December 10, 1993, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Ben Reyes, Ben Reyes for Congress Committee and Vidal G. Martinez, as treasurer, Cesar Rodriguez, the Memo Villareal and Cesar Rodriguez Committee and its treasurer, Memo Villareal, Los Amigos de Ben Reyes, et al and its treasurer, John Moores, and H and C Political Media. 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 3828. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary Taksar GB

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosure
Procedures

25043631510



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20461

DECEMBER 23, 1993

Ben Reyes
c/o Ben Reyes for Congress Committee
333 Clay Avenue, Suite 800
Houston, TX 77002

RE: MUR 3828

Dear Mr. Reyes:

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 3828. 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.

25043631511

Ben Reyes
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary L. Taksar 93

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25043631512



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20541

DECEMBER 23, 1993

Vidal G. Martinez, Treasurer
Ben Reyes for Congress Committee
333 Clay Avenue, Suite 800
Houston, TX 77002

RE: MUR 3828

Dear Mr. Martinez:

The Federal Election Commission received a complaint which indicates that the Ben Reyes for Congress Committee ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3828. 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.

25743631513

Vidal G. Martinez, Treasurer
Ben Reyes for Congress Committee
Page 2

If you have any questions, please contact Joan McEnery at
(202) 219-3690. For your information, we have enclosed a brief
description of the Commission's procedures for handling
complaints.

Sincerely,

Mary Taksar JB

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25043631514



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

DECEMBER 23, 1993

Cesar Rodriguez
2836 Fulton
Houston, TX 77009

RE: MUR 3828

Dear Mr. Rodriguez:

The Federal Election Commission received a complaint which indicates that Los Amigos de Ben Reyes, et al ("Los Amigos") and its treasurer, the Memo Villareal and Cesar Rodriguez Committee and its treasurer, and 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 3828. 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 Los Amigos, the Memo Villareal and Cesar Rodriguez Committee and 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.

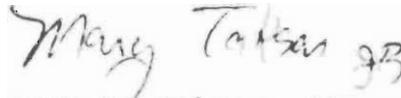
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed 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.

25043631515

Cesar Rodriguez
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25043631516



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

DECEMBER 23, 1993

Memo Villareal
703 75th Street
Houston, TX 77011

RE: MUR 3828

Dear Mr. Villareal:

The Federal Election Commission received a complaint which indicates that Los Amigos de Ben Reyes, et al ("Los Amigos") and its treasurer, the Memo Villareal and Cesar Rodriguez Committee and its treasurer, and 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 3828. 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 Los Amigos, the Memo Villareal and Cesar Rodriguez Committee and 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.

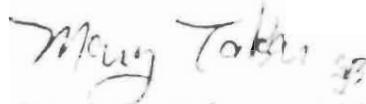
This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed 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.

25943631517

Memo Villareal
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25043631518



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

DECEMBER 23, 1993

John S. Watson
Vinson & Elkins L.L.P.
2500 First City Tower
1001 Fannin
Houston, TX 77002

RE: MUR 3828

Dear Mr. Watson:

The Federal Election Commission received a complaint which indicates that your client, John Moores, 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 3828. 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 your client 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.

25043631519

John S. Watson
Page 2

If you have any questions, please contact Joan McEnergy at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary Taksar JB

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures

25043631520



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

DECEMBER 23, 1993

Susan Hendrix, President
H and C Political Media
208 West 4th Street
Austin, TX 78701

RE: MUR 3828

Dear Ms. Hendrix:

The Federal Election Commission received a complaint which indicates that H and C Political Media 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 3828. 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 H and C Political Media 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.

25043631521

Susan Hendrix
Page 2

If you have any questions, please contact Joan McEnery at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Mary Taksar GB

Mary L. Taksar, Attorney
Central Enforcement Docket

Enclosures

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

25043631522

VINSON & ELKINS
L.L.P.
ATTORNEYS AT LAW

THE WILLARD OFFICE BUILDING
1405 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20004-1008
TELEPHONE (202) 639-8500
FAX (202) 639-8804

HUNGARIAN EXPORT BUILDING
UL. POVARSKAYA (FORMERLY VOROBEKOGO), 21
121000 MOSCOW, RUSSIAN FEDERATION
TELEPHONE 011 (70-05) 202-8416
FAX 011 (70-05) 202-0295

2500 FIRST CITY TOWER
3001 FANNIN
HOUSTON, TEXAS 77002-6780

TELEPHONE (713) 759-2228
FAX (713) 788-2848

WRITER'S DIRECT DIAL

(713) 759-2256

January 4, 1994

6709 TRAMMELL CROW CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2078
TELEPHONE (214) 820-7700
FAX (214) 820-7716

ONE AMERICAN CENTER
500 CONGRESS AVENUE
AUSTIN, TEXAS 78701-3200
TELEPHONE (512) 465-8400
FAX (512) 465-8612

47 CHARLES ST., BERKELEY SQUARE
LONDON W1X 7PS, ENGLAND
TELEPHONE 011 (44-21) 491-7238
FAX 011 (44-71) 499-6820

BY FAX 202/219-3973

**Ms. Joan McEnery
Federal Election Commission
Washington, D.C. 20463**

Re: MUR 3828

Dear Ms. McEnery:

As we discussed on the telephone today, our offices were closed over the Christmas holidays and I was on vacation the week beginning December 27, 1993. When I returned to the office yesterday, January 3, 1994 and went through my mail I noticed the letter dated December 23, 1993 from Mary Tasker to me with respect to the complaint involving John Moores.

Since I only became aware of this letter yesterday and since it is unclear when the letter was actually received at our firm, I would respectfully request an extension of the time to respond until Monday, January 17, 1994.

I would appreciate hearing from you on this request at your earliest convenience.

Sincerely,

John S. Watson

RECEIVED
FEDERAL ELECTION COMMISSION
94 JAN -4 PM 3:44

25743631523



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JANUARY 6, 1994

John S. Watson, Esq.
Vinson & Elkins
2500 First City Tower
1001 Fannin
Houston, TX 77002-6760

RE: MUR 3828

Dear Mr. Watson:

This is in response to your letter dated January 4, 1994, which we received on that same date, requesting an extension until January 17, 1994 to respond to the above referenced matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on January 17, 1994.

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

35043631524

OGC 0720

P O L I T I  M E D I A

December 28, 1993

RECEIVED
FEDERAL ELECTION COMMISSION
94 JAN -6 AM 10:33

Mary L. Taksar, Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

RE: MUR 3828

Dear Ms. Taksar:

I am writing in regard to your letter dated December 23, 1993 stating you received a complaint (MUR 3828) indicating that H & C Political Media may have violated the Federal Election Campaign Act of 1971, as amended ("the Act").

We are taking the opportunity to demonstrate in writing that no action should be taken against H & C Political Media in this matter. We are submitting the attached exhibits to prove that, in addition to a \$3,500 check we received from the Ben Reyes campaign for production, we received a check in the amount of \$25,000 to purchase media time.

The exhibits are as follows:

- Exhibit 1: Bank deposit slip dated April 10, 1992 which indicates "Ben Reyes 577 Media" as the second entry. The "577" was the check number and "Media" indicates that it was to buy media rather than production.
- Exhibit 2: Bank deposit receipt verifying date, H & C's commercial account number, and the amount of deposit.
- Exhibit 3: H & C bank statement which documents the deposit of \$30,500 made on 4/10/92.

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
JUN 6 10 28 AM '94

The \$25,000 check was paid to us to purchase time on Houston television stations for Reyes for Congress campaign commercials. This amount reflects the disbursements by H & C which are referred to in Item #8 listed in the complaint dated October 17, 1993, submitted by a Mr. W.R. Morris.

2504363139210525

Mary L. Taksar
Page Two
December 28, 1993

The checks are as follows:

Check #176 paid to KHOU-TV (Channel 11)
in Houston on April 9, 1992 for the Reyes for
Congress Campaign. \$ 9,180.00

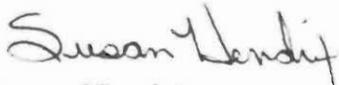
Check #174 paid to KTRK-TV (Channel 13)
in Houston on April 13, 1992 for the Reyes for
Congress Campaign. \$12,070.00

Total amount of checks written for media: \$21,250.00

When you add to this total our standard agency commission of 15 percent which comes to \$3,750, you will arrive at a gross amount of \$25,000. This is the amount indicated in the attached exhibits.

I believe this documentation will stand as proof that H & C Political Media has violated no election laws.

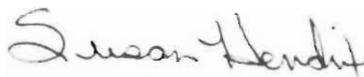
Respectfully submitted,



Susan Hendrix
President

December 28, 1993

Under penalties of perjury, I declare that the facts presented in my written response, which are set out in the accompanying statement of facts and other documents are, to the best of my knowledge and belief, true, correct, and complete.



Susan Hendrix
President

25043631526

Exhibit

DEPOSIT TICKET

Date April 10 1992

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT. DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.



HORIZON SAVINGS
P.O. BOX 9600 • AUSTIN, TX 78766

H & C POLITICAL MEDIA
208 WEST 4TH
AUSTIN, TX 78701



CURRENCY		DOLLARS	CENTS
COIN			
CHECKS LIST SEPARATELY	<u>Austin Sherbiff</u>	<u>2000</u>	<u>00</u>
	<u>12/19</u>		
	<u>Ben Rye 577</u>	<u>25,000</u>	<u>00</u>
	<u>Media</u>		
	<u>Ben Rye 574</u>	<u>2,500</u>	<u>00</u>
	<u>Production</u>		
TOTAL FROM REVERSE SIDE			
TOTAL DEPOSIT		<u>30500</u>	<u>00</u>

USE OTHER SIDE FOR ADDITIONAL LISTING
0000 *30500.00

⑆314974479⑆

⑆0015007633⑆

⑆310003050000⑆

RECORD OF CHECKS FOR DEPOSIT

CHECKS LIST EACH SEPARATELY	REVERSE CARBON BEFORE LISTING	
	DOLLARS	CENTS
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TOTAL THIS SIDE		

ENTER THE TOTAL IN THE SPACE PROVIDED ON FRONT

CASH COUNT - FOR OFFICE USE ONLY

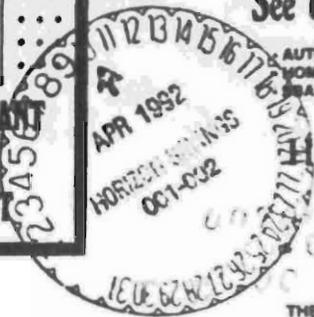
	X 100	
	X 50	
	X 20	
	X 10	
	X 5	
	X 2	
	X 1	
TOTAL		\$

0000000015007633 01 03
HORIZON SAVINGS, AUSTIN, TX

42515398456



**MONEY YOU WANT
WHEN
YOU WANT IT**



See Us For All Your Loan Needs!

- AUTO LOANS
 - HOME IMPROVEMENT LOANS
 - IRA / COMMERCIAL LOANS
 - HOME LOANS
 - STUDENT LOANS
 - PERSONAL LOANS
- STOP BY TODAY TO DISCUSS ALL
YOUR LENDING NEEDS

HORIZON SAVINGS
YOU CAN BANK ON US

0012 * 04.1092
00100076.33 AN
* 30500.00 D

THE DEPOSIT WHICH THIS RECEIPT IS ISSUED
IS SUBJECT TO VERIFICATION, COLLECTION
AND CONDITIONS NOTED ON SIGNATURE CARDS

25743631528



HORIZON SAVINGS

P.O. BOX 9600
AUSTIN, TX 78766
(512) 338-4300

Relationship Statement

54

H C POLITICAL MEDIA
208 WEST 4TH
AUSTIN TEXAS 78701-0000

CUSTOMER NUMBER
15007633 00

STATEMENT PERIOD
03/31/92 TO 04/30/92

SUMMARY OF ALL ACCOUNT ACTIVITY

ACCOUNT NUMBER	-TOTAL DEBITS-	-TOTAL CREDITS	CLOSING
PREVIOUS BALANCE NO.	AMOUNT NO.	AMOUNT	BALANCE
CKG 15007633	8,750.14	45 45,138.84	9 41,222.81
			4,834.11

CHECKING ACCOUNT ACTIVITY

CKG 15007633

PREVIOUS BALANCE-- 8,750.14

DEPOSITS AND OTHER CREDITS

DATE	NUMBER	DESCRIPTION	AMOUNT
04/02		DEPOSIT	429.25
04/02		DEPOSIT	3,153.38
04/06		DEPOSIT	99.10
04/06		DEPOSIT	619.93
04/10		DEPOSIT	50,500.00
04/13		DEPOSIT	253.40
04/16		DEPOSIT	1,000.00
04/21		DEPOSIT	4,854.25
04/29		DEPOSIT	308.50

CHECKS

DATE	NUMBER	AMOUNT	DATE	NUMBER	AMOUNT
04/02	156	181.46	04/13	177	736.00
04/09	164*	400.00	04/17	178	67.00
04/02	165	250.00	04/15	179	27.00
04/09	166	519.92	04/23	181*	84.72
04/14	167	160.56	04/16	182	1,533.06
04/07	168	1,650.00	04/16	183	138.24
04/06	169	328.50	04/17	184	632.85
04/07	170	69.12	04/16	185	161.77
04/07	171	100.00	04/22	186	62.50
04/02	172	11.60	04/17	187	188.25
04/15	173	75.00	04/17	188	204.05
04/14	174	12,070.00	04/15	189	51.96
04/14	176*	9,180.00	04/29	190	339.56

TYPE OF ACCOUNT

CKG Checking Account	CD Certificate of Deposit
SA Savings Account	IL Installment Loan



See Reverse Side For Other Important Information

05043631529



OGC 0745

VINSON & ELKINS
L.L.P.
ATTORNEYS AT LAW

THE WILLARD OFFICE BUILDING
1455 PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20004-1008
TELEPHONE (202) 639-6500
FAX (202) 639-6604

HUNGARIAN EXPORT BUILDING
UL. VOROVSKOGO, 21
121069 MOSCOW, RUSSIAN FEDERATION
TELEPHONE 011 (70-95) 202-8418
FAX 011 (70-95) 200-4216

47 CHARLES ST., BERKELEY SQUARE
LONDON W1X 7PB, ENGLAND
TELEPHONE 011 (44-71) 491-7236
FAX 011 (44-71) 499-5320

2500 FIRST CITY TOWER
1001 FANNIN
HOUSTON, TEXAS 77002-6760

TELEPHONE (713) 758-2222
FAX (713) 758-2346

WRITER'S DIRECT DIAL

(202) 639-6578

January 14, 1994

FIRST CITY CENTRE
816 CONGRESS AVENUE
AUSTIN, TEXAS 78701-2496
TELEPHONE (512) 495-8400
FAX (512) 495-8612

3700 TRAMMELL CROW CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2916
TELEPHONE (214) 220-7700
FAX (214) 220-7716

BAGATELA 12
00-585 WARSAW, POLAND
TELEPHONE 011 (48-2) 625-33-33
FAX 011 (48-2) 625-22-45

By Messenger

Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
Attn: Ms. Mary Taksar

Re: MUR 3828

Dear Ms. Taksar:

Reference is hereby made to Complaint MUR 3828, filed by W.R. Morris against the Ben Reyes for Congress committee ("Reyes Committee") and Mr. John Moores. This letter constitutes Mr. Moores' response for consideration by the Federal Election Commission ("Commission") in determining whether there exists reason to believe that the complaint sets forth a possible violation of the Federal Election Campaign Act of 1971, as amended ("the Act").

Facts

In the April 14, 1992 Democratic primary run-off election in Texas' 29th congressional district, the official results showed a 180-vote victory by Gene Green over Ben Reyes. Mr. Reyes contested the election and the state district court overturned the results and ordered a new election, which was held on July 28, 1992.

Mr. John Moores, a self-employed individual and United States citizen residing in Sugar Land, Texas made three payments totalling \$85,000 for the purpose of defraying the cost of contesting that April 14, 1992 run-off election between Ben Reyes and Gene Green.

25043631530

94 JAN 14 PM 4:16

From Received

The relevant information regarding Mr. Moores' payments is outlined below:

<u>Date of Payment</u>	<u>Amount</u>	<u>Payee</u>	<u>Date Reported Per FEC Report</u>
April 24, 1992	\$ 40,000 ^{1/}	Susman & Godfrey	April 30, 1992
June 1, 1992	15,000	Ben Reyes Election Contest Account	June 9, 1992
September 9, 1992	<u>30,000</u>	Ben Reyes Election Contest Account	October 29, 1992

Total: \$ 85,000

Each of the three payments was made by a check drawn on the personal account of Mr. Moores. Copies of these checks are attached at Exhibit A.

The Reyes Committee reported the payments consistent with Mr. Moores' intent. The April and June payments were reported by the Reyes Committee to the Commission as "other receipts" (i.e., separate from contributions) on its July 15 pre-election report (see Exhibit B). Similarly, the Reyes Committee reported the September payment to the Commission as an "other receipt" (see Exhibit C). Each of the entries contained in the Reyes Committee's reports filed with the Commission specifies that the receipt was designated for the election contest.

Other than the three payments specified above, Mr. Moores made no payments to the Ben Reyes Election Contest Account. In addition, Mr. Moores did not make any contributions to the Reyes Committee or any other entity in connection with Ben Reyes' campaign for the 29th congressional district seat.

Law and Analysis

The Act permits individuals to make contributions of up to \$1,000 per election to a candidate for Federal office. 2 U.S.C. §441a(a)(1)(A). The Act defines a "contribution" as

- (i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

^{1/} The Reyes Committee erroneously reported the amount of this payment as \$50,000.

- (ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

2 U.S.C. §431(8)(A).

The regulations provide, however, that "a gift, subscription, loan, advance, or deposit of money or anything of value *made with respect to a recount of the results of a Federal election, or an election contest* concerning a Federal election, is not a contribution except that the prohibitions of 11 CFR §110.4(a) and part 114 apply." 11 C.F.R. §100.7(b)(20) (emphasis added).

Each of Mr. Moores' payments falls squarely within the election contest exclusion contained in the regulations. Mr. Moores made the payments with the clear intent that they be used to challenge the results of the Democratic primary run-off election between Ben Reyes and Gene Green. The April payment was made directly to Susman & Godfrey, a law firm that represented the Reyes Committee in the election contest. The June and September payments were made to the Ben Reyes Election Contest Account.

In addition, the prohibitions contained in 11 C.F.R. §110.4(a) and part 114 are inapplicable to Mr. Moores. The first provision precludes a foreign national from making contributions or expenditures in connection with a Federal election. Part 114 of the Federal election regulations generally prohibits corporations, national banks and labor organizations from making contributions and expenditures in connection with Federal elections. Since Mr. Moores is an individual who is a United States citizen, neither of these provisions prevent the application of the election contest exclusion contained at 11 C.F.R. §100.7(b)(20).

Accordingly, Mr. Moores' payments do not constitute a contribution in connection with a Federal election. Rather, the payments constitute proper donations to help finance Ben Reyes' challenge of the election results.

The Act places no limitation on the amount an individual may contribute towards financing an election contest. In fact, with the exception of 11 C.F.R. §100.7(b)(20), neither the Act nor the regulations address payments to fund election contests. The Commission has concluded not only that payments to fund election contests are not limited in amount, but also that, where a separate organizational entity is established to receive such payments, no reporting obligation exists. Advisory Opinion 1978-92 (November 22, 1978).

The treatment of the payments by the Reyes Committee, as reflected in its disclosures to the Commission, confirms both that the payments were not contributions and

25743631532

Office of General Counsel
Federal Election Commission
January 14, 1994
Page 4

that the payments constitute proper donations to fund an election contest. The Reyes Committee did not treat the payments as contributions. Instead, the Reyes Committee reported the payments as "other receipts" and specified that the payments were designated to defray the costs of the election contest.

Accordingly, there is no reason to believe that Mr. Moores has committed or is about to commit a violation of the Act or the regulations. If you have any questions regarding this matter or need any additional documentation, please contact one of the undersigned.

Respectfully submitted,



John S. Watson



Russell W. Sullivan

Attachments

cc: Mr. John Moores

75043631533

25043631534

JOHN OR REBECCA MOORES
P.O. BOX 1146
SUGAR LAND, TEXAS 77487-1146

1694

4/24 1992 88-728/1131

PAY TO THE
ORDER OF

Susman Godfrey

\$ 40,000.00

Forty thousand

DOLLARS

Sugar Creek National Bank
One Sugar Creek Center Boulevard • Sugar Land, Texas 77478

Cost Deposit on Page ~~and~~

John Moore

25043631

AP '92 28

113001064

APR 28 1992

NATIONAL BANK
MORTGAGE DEPARTMENT
113001064

113001064

SUSMAN GODFREY
FOR DEPOSIT ONLY
FIRST INTERSTATE BANK

AP '92 29

113001064

113001064

113001064

JOHN OR REBECCA MOORES

P.O. BOX 1148
SUGAR LAND, TEXAS 77487-1148

1744

June 1 19 92 88-728/1131

PAY TO THE ORDER OF ---BEN REYES ELECTION CONTEST ACCOUNT--- \$ 15,000.00---

---FIFTEEN THOUSAND DOLLARS AND NO/100's--- DOLLARS

Sugar Creek National Bank
One Sugar Creek Center Boulevard • Sugar Land, Texas 77479

Beth Jones

25043631536

FRB HOUSTON
06/10/92 -9- ROPC
113000049
02239519

09 09

10 26 JE

841001180

101547881 807809708

06-10-92

113001180
113001180

0032 96341

FOR DEPOSIT ONLY
BEN REYES FOR CONGRESS - CONTEST ACCT
#00101424399

John or Rebecca Moores
P. O. Box 1148
Sugar Land, Texas 77487-1148

Sugar Creek National Bank
One Sugar Creek Center Boulevard
Sugar Land, Texas 77478

113107285

DATE	CONTROL NO.	AMOUNT
09/09/92	20537	\$*****30,000.00

*****30,000 DOLLARS AND 00 CENTS

PAY
TO THE
ORDER OF

B.Reyes For Congress-Cont.Acct

Beth Jones



25043631537

FRB HOUSTON
9/9/92 - 9 ROC
113000049
01205213

OT '92 29

111001150

OT '92 30

OT '92

111001150
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111001150

U 1 5 7 5 4 11

For Deposit Only
BEN REYES FOR CONGRESS
00101424399

01201880

01201880

25043631538

SCHEDULE A

ITEMIZED RECEIPTS

Indicate amount of each category of the Detailed Summary Page

Page 4 of 9
FOR LINE 11

Other receipts

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

NAME OF COMMITTEE (in full)
Ben Reyes for Congress C00257790

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt (do not include)
Miller, Charles 1000 Louisiana, Suite 6000 Houston TX 77002	not available	6/30/92	250.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Occupation	Aggregate Year-to-Date > 0	250.00
Moore, John P.O. Box 1146 Sugar Land TX 77487-1146	self-employed	4/30/92 6/09/92	50,000.00 15,000.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Investor	Aggregate Year-to-Date > 0	65,000.00
Magersa, Sylvia 6729 Harrisburg Blvd. Houston TX 77011	YWCA	8/30/92	5.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Youth coordinator	Aggregate Year-to-Date > 0	5.00
O'Leary, Blanca Utesa 4607 Ivanhoe Houston TX 77027	self-employed	8/30/92	100.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Attorney	Aggregate Year-to-Date > 0	100.00
Ortega-Medrano, Noelia 12935 Golden Rainbow Cypress TX 77429	Don's Medical	8/30/92	50.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Engineer	Aggregate Year-to-Date > 0	50.00
Pedero, Maria D.C. 7550 Azalea Houston TX 77023	Western WEAR	8/30/92	15.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Owner	Aggregate Year-to-Date > 0	15.00
Perez, Margarita 947 Hoffman Houston TX 77020	World Commerce Forwarding	8/30/92	15.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Freight handler	Aggregate Year-to-Date > 0	15.00

TOTAL of Receipts This Page (optional)

TOTAL This Period (list page and line number only)

2507376315302/53

25043631540

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules for each category of the Detailed Summary Page

PAGE 1 OF 1
FOR LINE NUMBER 15

Other receipts

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)

Ben Reyes for Congress C00257790

A. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Moores, John P. O. Box 1146 Sugar Land TX 77487-1146	Self-employed	10/29/77	30,000.00
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input checked="" type="checkbox"/> Other (specify): Contest	Occupation Investor	Aggregate Year-to-Date > \$ 95,000.00	
B. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
C. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
D. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
E. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
F. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	
G. Full Name, Mailing Address and ZIP Code	Name of Employer	Date (month, day, year)	Amount of Each Receipt this Period
Receipt For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):	Occupation	Aggregate Year-to-Date > \$	

SUBTOTAL of Receipts This Page (optional) _____

TOTAL This Period (last page this line number only) 30,000.00

00111042

SEWELL & RIGGS
A PROFESSIONAL CORPORATION
333 CLAY AVENUE
SUITE 800
HOUSTON, TEXAS 77002-4086

VIDAL G. MARTINEZ
(713) 682-8822

January 18, 1994

TELEPHONE (713) 682-8700
TELECOMEX (713) 682-8808
TELEX 77-8884

Ms. Mary Taksar
Federal Election Commission
999 E. Street, NW
Washington, D. C. 20463

Re: MUR 3828

Dear Ms. Taksar:

We are in receipt of your letter of December 23, 1993 and the complaint regarding the Ben Reyes for Congress Committee filed with your office by Mr. W. R. Morris. There is some confusion as to the response deadline, however, we are presuming that today is the earliest date for an answer.

Although Mr. Morris is personally aware that alleged violations are covered in timely filings, nevertheless, his complaint addresses 10 different items. While we are certain that the campaign is in compliance, we respectfully request an additional two weeks time in order to complete our research and thoroughly answer all of Mr. Morris's allegations and questions.

We await your reply and thank you in advance for your assistance in this matter.

Sincerely,

Vidal G. Martinez
(by DF)

Vidal G. Martinez
Treasurer, Ben Reyes for Congress Committee
FEC ID. #COO257790

VGM/df



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20461

JANUARY 26, 1994

Vidal G. Martinez
Sewell & Riggs
333 Clay Avenue, Suite 800
Houston, TX 77002

RE: MUR 3828
Ben Reyes for Congress
Committee and Vidal G.
Martinez, as treasurer

Dear Mr. Martinez:

This is in response to your letter dated January 18, 1994, requesting an extension of two weeks to respond to the complaint filed in the above-noted matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on January 31, 1994.

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

Sincerely,

Mary L. Taksar

Mary L. Taksar, Attorney
Central Enforcement Docket

25043631543

RECEIVED
FEDERAL ELECTION
COMMISSION

BEFORE THE FEDERAL ELECTION COMMISSION, APRIL 1985

SENSITIVE

In the Matter of

)
) Enforcement Priority
)

GENERAL COUNSEL'S MONTHLY REPORT

I. INTRODUCTION

This report is the General Counsel's Monthly Report to recommend that the Commission no longer pursue the identified lower priority and stale cases under the Enforcement Priority System.

II. CASES RECOMMENDED FOR CLOSING

A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission

A critical component of the Priority System is identifying those pending cases that do not warrant the further expenditure of resources. Each incoming matter is evaluated using Commission-approved criteria and cases that, based on their rating, do not warrant pursuit relative to other pending cases are placed in this category. By closing such cases, the Commission is able to use its limited resources to focus on more important cases.

Having evaluated incoming matters, this Office has identified 22 cases which do not warrant further pursuit relative to the other pending cases.¹ A short description of

1. These matters are: PM 305; MUR 3976; MUR 4023; MUR 4026; MUR 4031; MUR 4032; MUR 4036; MUR 4050; MUR 4051; MUR 4052; MUR 4055; MUR 4056; MUR 4058; MUR 4063; MUR 4068; MUR 4072; MUR 4073; MUR 4075; MUR 4078; MUR 4081; MUR 4082; and MUR 4083.

25043631544

each case and the factors leading to assignment of a relatively low priority and consequent recommendation not to pursue each case is attached to this report. See Attachments 1-22. For the Commission's convenience, the responses to the complaints for the externally-generated matters and the referral for the internally-generated matter are available in the Commission Secretary's office.

B. Stale Cases

Investigations are severely impeded and require relatively more resources when the activity and evidence are old. Consequently, the Office of General Counsel recommends that the Commission focus its efforts on cases involving more recent activity. Such efforts will also generate more impact on the current electoral process and are a more efficient allocation of our limited resources. To this end, this Office has identified 9 cases that have remained inactive and assigned to the Central Enforcement Docket for one year and which it believes do not warrant further investment of significant Commission resources.² Since the recommendation not to pursue the identified cases is based on staleness, this Office has not prepared separate narratives for these cases. However, for the Commission's convenience, the responses to the complaints for the externally-generated matters and the referrals for the internally-generated matters are also available in the

2. These matters are: MUR 3828; MUR 3829; RAD 93L-73; RAD 93L-75; RAD 93L-78; RAD 93L-83; RAD 93L-84; RAD 93L-88; and RAD 93L-91.

25043631545

Commission Secretary's office.

This Office recommends that the Commission exercise its prosecutorial discretion and no longer pursue the cases listed below effective February 21, 1995. By closing the cases effective February 21, 1995, CED and the Legal Review Team will respectively have the additional time necessary for preparing the closing letters and the case files for the public record for these cases.

III. RECOMMENDATIONS

A. Decline to open a MUR and close the file effective February 21, 1995 in the following matters:

- 1) RAD 93L-73
- 2) RAD 93L-75
- 3) RAD 93L-78
- 4) RAD 93L-83
- 5) RAD 93L-84
- 6) RAD 93L-88
- 7) RAD 93L-91

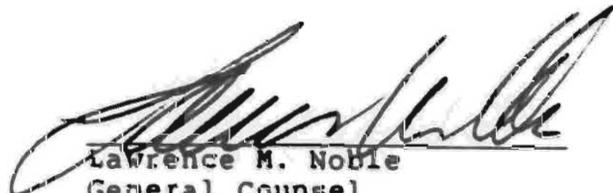
B. Decline to open a MUR, close the file effective February 21, 1995 and approve the appropriate letter in PM 305.

25943631546

C. Take no action, close the file effective February 21, 1995, and approve the appropriate letter in the following matters:

- 1) MUR 3828
- 2) MUR 3829
- 3) MUR 3976
- 4) MUR 4023
- 5) MUR 4026
- 6) MUR 4031
- 7) MUR 4032
- 8) MUR 4036
- 9) MUR 4050
- 10) MUR 4051
- 11) MUR 4052
- 12) MUR 4055
- 13) MUR 4056
- 14) MUR 4058
- 15) MUR 4063
- 16) MUR 4068
- 17) MUR 4072
- 18) MUR 4073
- 19) MUR 4075
- 20) MUR 4078
- 21) MUR 4081
- 22) MUR 4082
- 23) MUR 4083

2/13/95
Date _____


Lawrence M. Noble
General Counsel

25043631547

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
Enforcement Priority) Agenda Document
#X95-14

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on February 28, 1995, do hereby certify that the Commission took the following actions with respect to Agenda Document #X95-14:

1. Decided by votes of 6-0 to
- A. Decline to open a MUR and close the file effective February 28, 1995 in the following matters:
- 1) RAD 93L-75
 - 2) RAD 93L-78
 - 3) RAD 93L-84
- B. Take no action, close the file effective February 28, 1995, and approve appropriate letters in the following matters:
- 1) MUR 3828
 - 2) MUR 4026
 - 3) MUR 4031
 - 4) MUR 4032
 - 5) MUR 4056
 - 6) MUR 4058

(continued)

25043631548

Federal Election Commission
Certification: Enforcement Priority
February 28, 1995

Page 2

- 7) MUR 4068
- 8) MUR 4083

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively on the decision with respect to each of these matters.

2. Decided by a vote of 5-1 to decline to open a MUR and close the file effective February 28, 1995 with respect to RAD #93L-91.

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

Attest:

3-2-95
Date

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

25043631549



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

William R. Morris
6535 Linden
Houston, TX 77087

RE: MUR 3828

Dear Mr. Morris:

On December 10, 1993, 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 exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on February 28, 1995. 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,

Mary L. Taksar (Yes)
Mary L. Taksar, Attorney
Central Enforcement Docket

25043631550



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Ben Reyes
945 Lathrop
Houston, TX 77020

RE: MUR 3828

Dear Mr. Reyes:

On December 23, 1993, the Federal Election Commission notified you 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 exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on February 28, 1995.

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 Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar (HES)

Mary L. Taksar
Attorney

25043631551



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Vidal G. Martinez
Sewlle & Riggs
333 Clay Avenue, Suite 800
Houston, TX 77002

RE: MUR 3828
Ben Reyes for Congress
Committee and Vidal G.
Martinez, Treasurer

Dear Mr. Martinez:

On December 23, 1993, the Federal Election Commission notified the Ben Reyes for Congress Committee ("Committee") and you, as treasurer, 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 exercised its prosecutorial discretion to take no action against the Committee and you, as treasurer. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on February 28, 1995.

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 Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar (#28)
Mary L. Taksar
Attorney

25043631552



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Cesar Rodriguez
2836 Fulton
Houston, TX 77009

RE: MUR 3828

Dear Mr. Rodriguez:

On December 23, 1993, the Federal Election Commission notified you 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 exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on February 28, 1995.

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 Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar (HES)

Mary L. Taksar
Attorney

25043631553



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Memo Villareal
703 75th Street
Houston, TX 77011

RE: MUR 3828

Dear Mr. Villareal:

On December 23, 1993, the Federal Election Commission notified you 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 exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on February 28, 1995.

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 Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar (428)
Mary L. Taksar
Attorney

25043631554



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

John S. Watson
Vinson & Elkins L.L.P.
2500 First City Tower
1001 Fannin
Houston, TX 77002

RE: MUR 3828
John Moores

Dear Mr. Watson:

On December 23, 1993, the Federal Election Commission notified your client, John Moores, 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 exercised its prosecutorial discretion to take no action against your client. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on February 28, 1995.

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 Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar (tes)
Mary L. Taksar
Attorney

25743631555



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1995

Susan Hendrix, President
H and C Political Media
208 West 4th Street
Austin, TX 78701

RE: MUR 3828

Dear Ms. Hendrix:

On December 23, 1993, the Federal Election Commission notified you 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 exercised its prosecutorial discretion to take no action against H and C Political Media. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on February 28, 1995.

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 Alva E. Smith at (202) 219-3400.

Sincerely,

Mary L. Taksar (AES)

Mary L. Taksar
Attorney

25043631556



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

THIS IS THE END OF MUR # 3828

DATE FILMED 3-²⁰~~21~~-95 CAMERA NO. 2

CAMERAMAN JM H

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