FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 3928

DATE FILMED 6-22-94 CAMERA NO. 2

CAMERAMAN JMH

9404354502 2

RECEIVED
F.E.C.
SECRETARIAT

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

91 SEP 20 PM 3:28

September 20, 1991

MEMORANDUM

SENSITIVE

TO: The Commission

FROM: Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

SUBJECT: Pre-MUR 250

The Los Angeles Times published an article on Sunday, September 15, 1991, that discussed the $25,000 annual contribution limitation of 2 U.S.C. § 441a(a)(3). See Attachment. This article listed individuals who had apparently exceeded the $25,000 limitation, based on a review of contributor information in the Commission's database. It lists 62 individuals who exceeded the limitation in either 1990 or 1989 or both.

This Office is presently looking into the information in the article and has made it a Pre-MUR with the designation Pre-MUR.

9 4 0 4 3 5 4 5 0 2 3

Los Angeles Times

SUNDAY, SEPTEMBER 15, 1991
COPYRIGHT 1991 / THE TIMES MIRROR COMPANY

Federal Campaign Donors' Limits Not Being Enforced

■ **Politics:** More than 60 contributors exceeded the $25,000 mark, but FEC took no action against them.

By SARA FRITZ
and DWIGHT MORRIS
TIMES STAFF WRITERS

WASHINGTON—More than 60 wealthy donors exceeded the $25,000 annual limit on campaign contributions in the last election, and the Federal Election Commission did not enforce the law in these cases, according to the agency's own records.

A Times review of FEC campaign finance files found that enforcement of the annual limit on individual donations—a cornerstone of the election reforms after the Watergate scandal of the 1970s—has been so lax that at least 10 contributors appear to have exceeded it with impunity in both 1989 and 1990, and at least three persons gave more than double the allowable sum without any repercussions.

The biggest contributor last year was Michael L. Keiser, president of Recycled Paper Products of Chicago, Ill., the nation's fourth-largest greeting-card manufacturer. FEC records show that Keiser made a total of $85,750 in campaign contributions last year—almost four times the federal limit. There is no record that the FEC ever asked him to explain his actions. Efforts by The Times to reach Keiser for comment were unsuccessful.

Not all the contributors whose names appear in FEC files as having given more than $25,000 would necessarily be found guilty of violating federal elections laws. Some of them are likely to be victims of reporting errors and other commonplace glitches in the complex campaign finance disclosure system.

But critics contend that by failing to investigate any such cases, the FEC is sending a signal to rich campaign contributors that there is no reason to worry about violating the law.

"The fact that the FEC refuses to act in these cases is a disservice to the system," said Ellen Miller, executive director of the Center for Responsive Politics, a think tank devoted to campaign finance reform. "It means there is no deterrent at all."

FEC Commissioner Joan R. Aikens asked why violators of the $25,000 limit are almost never brought to justice, said her agency, which has a budget of nearly $19 million for the current fiscal year, does not have the personnel to monitor contributions by individuals.

"There are parts of the law that we consider more serious," Aikens said. "We have to focus our resources on the violations of the law that we consider more egregious . . . . We do monitor [individual campaign contributions] to a certain extent. But we have found that it is not as widespread a violation as others."

Aikens said the FEC depends primarily upon public disclosure of contributions to act as a deterrent to would-be lawbreakers. She noted that some news organizations have publicized the names of violators over the last year, prompting several public interest groups to file FEC complaints against them. The Times last year named nine persons who had exceeded the limits in 1988, and the citizens lobbying group Common Cause asked the FEC to investigate many of these cases.

But there is no evidence that the FEC has ever fined any of the people named in these complaints, and FEC officials refuse to discuss specific cases. "These cases have disappeared into the deep, dark recesses of the FEC," said Miller, whose organization has filed complaints against 15 contributors who appear to have exceeded the limit.

Even contributors of more than $25,000 who come to the attention of the FEC have little or nothing to worry about. Not only are the penalties relatively mild, but most people escape punishment by agreeing to "reallocate" their contributions—assigning them to other years—or by requesting a refund from the recipient of the contribution long after the election is over.

Under the federal campaign laws, the FEC is empowered to negotiate civil fines of up to $5,000 for unwitting violations and up to $10,000 for willful violations. But few contributors have ever been fined for exceeding the $25,000 limit, and the penalties in the rare cases where this provision of the law is invoked are never more than a few hundred dollars.

Ironically, the FEC's super-secretive approach to these cases and its lax enforcement also deprive innocent contributors of an opportunity to clear their names after widely publicized complaints have proved to be unfounded.

For example, after the Center for Responsive Politics filed a complaint last June against five persons, including Joseph J. Bogdanovich of Rolling Hills, Calif., chairman of Starkist Foods Inc., attorneys for Bogdanovich persuaded the agency that he had been the victim of an "accounting error" by the Democratic Senatorial Campaign Committee.

The FEC did not investigate the matter, according to David Lawson, spokesman for Bogdanovich. Nor did the agency make any public statement clearing Bogdanovich.

Of the more than 60 contributors whose reported annual donations add up to more than $25,000 in the last election, The Times found that they generally fall into one of two categories.

—Elderly persons—usually Republicans—with little grasp of the federal campaign laws, who are extremely vulnerable to persistent, high-pressure money appeals from aggressive fund-raising organizations. Virtually all of these elderly donors made numerous, multiple contributions to the National Republican Senatorial Committee.

Although elderly donors make up no more than a quarter of this group, Aikens said the FEC is reluctant to enforce the $25,000 limit because the commissioners do not want to penalize such people. "I don't want to send these people to jail," she joked.

According to sources, the Republican Party has strongly urged the FEC to ignore these violators because they are such loyal supporters of the GOP.

—Successful business people who are seeking access to influential members of Congress, sometimes with the objective of influencing legislation that would affect their business interests. Unlike the elderly contributors, these donors usually have the benefit of expert legal advice on the intricacies of federal election laws.

These wealthy business executives are the very campaign contributors that Congress had in mind when it rewrote the federal campaign laws in 1974, in the midst of the Watergate scandal, in order to restrict the giving by individuals to $25,000 a year. Indeed, the law was intended to limit contributors' ability to influence the political process.

Included in this group of contributors during the last election, according to FEC records, were William Lerach, a San Diego attorney; Marvin Schwan, chief executive of a Minnesota food manufacturing and distribution company; Richard M. DeVos of Grand Rapids, Mich., president of the Amway Corp.; Frederick W. Field of Los Angeles,

ATTACHMENT

(1)

9 4 0 4 3 5 4 5 0 2 4

POLITICS: Campaign Donor Limits Not Being Enforced

film producer and heir to the Marshall Field fortune, and John P. Camp, a Washington lawyer and lobbyist.

When contacted by The Times, many of these big contributors said they were either unaware of the $25,000 limit on campaign contributions or had failed to keep track of the checks they were writing to congressional candidates. None of them said they were ever contacted by officials of the FEC regarding their contributions.

"I haven't been paying enough attention to that," conceded Camp, whose law firm of Camp, Barsh, Bates & Tate represents such corporate clients as Exxon, Arco, Citgo, Shell, Texaco, K mart and Southland. "We clearly have an inadvertent violation. We didn't have the slightest intention to violate the rules. . . . This means that you can give a good deal less to candidates than most of us appreciated."

Lerach has a similar explanation: "I just started to give money in the 1989-90 election cycle," he said. "I'm a little confused about these cycles. . . . Obviously, if you put all the numbers together, they appear to be over the limit."

Others, such as DeVos and Schwan, said that all of their contributions were intended to be made jointly with their wives. Under the law, every individual must give separately, or joint checks must be signed by both spouses. Each spouse may give up to $25,000.

John Bode, a spokesman for Schwan, said the Minnesota executive's contribution checks were co-signed by his wife, but he cannot explain why all of these gifts were reported to the FEC as having come solely from Schwan.

A spokesman for DeVos acknowledged that his boss failed to comply with the letter of the law. "Mr. DeVos thought as long as they were on a joint checking account, they would be split evenly," he said.

In almost every case, these big contributors vowed to take steps to remedy these apparent violations. DeVos said he already has contacted the FEC in response to a complaint filed against him by the Center for Responsive Politics. Camp said he will ask some of the recipients of his donations to allocate them to future years, then notify the FEC.

Stanley Hirsh, a Studio City garment manufacturer, told The Times after consulting his accountant that he could easily prove to federal officials that "we're completely clean."

Roy H. Cullen, owner of Quintana Petroleum of Houston, has written a letter to the Republican Party asking that half his contributions be credited to his wife.

Some donors accuse the recipients of their money of erroneously reporting some of their contributions to the FEC. Lerach, for example, said the Democratic Senatorial Campaign Committee inaccurately reported to the FEC a $20,000 contribution that he had made to the group's "soft money" fund.

Soft money is the term commonly used to describe contributions that escape federal restrictions because they are funneled through state party committees for such things as voter registration campaigns. Reformers have been trying for several years to persuade Congress to close this loophole in the law, arguing that soft-money contributions undermine the federal limits on campaign contributions.

Unlike those business executives who were anxious to correct FEC records, most elderly contributors who were contacted by The Times seemed unperturbed by their excess campaign contributions. The wife of one such contributor confided that her husband "is not always aware of what he is doing—sometimes he forgets."

Typical of the elderly contributors was Polly M. Stone, 93, a Republican and widow of the late Stanley Stone, owner of the Boston Store chain in Milwaukee, Wis. Her political contributions during 1990 included 23 checks, ranging from $250 to $2,880, to the National Republican Senatorial Committee and the Republican Senatorial Inner Circle.

Her lawyer, Dudley Godfrey, said Stone is "perfectly capable of making her own decisions about political contributions. "She's able to write a check, she's not incompetent," Godfrey said.

Officials of the National Republican Senatorial Committee say they cannot explain why so many elderly Republicans such as Stone have been writing so many checks to the group, sometimes two in one day. Committee sources say contributors are often bombarded with repeated direct-mail appeals for money, but an NRSC spokeswoman, Wendy Burnley, insisted that these big donors seldom receive more than two letters a year.

Most party committees make little or no effort to inform contributors about the limits on campaign donations, and Aikens said the law does not require that they do so.

Aikens said that in response to pressure from Common Cause, the Center for Responsive Politics and other groups, the FEC commissioners recently discussed the possibility of beefing up their enforcement of the $25,000 limit, and the staff was directed to conduct a study to determine how much it would cost. But Aikens sees "very little likelihood that this will be entered into the budget."

9 4 0 4 3 5 4 5 0 2 5

Excessive Campaign Contributions

Contributors exceeding $25,000 federal limit, according to FEC:

NAME	CITY	1990	1989
Michael L. Keiser	Chicago	$95,750	$24,000
William Lerach	San Diego	$58,000	$16,000
Marvin Schwan	Marshall, Minn.	$51,655	$23,650
Mrs. Stanley Stone	Milwaukee	$49,220	$17,555
Roy H. Cullen	Houston	$42,000	$26,065
Elsie H. Hillman	Pittsburgh, Pa.	$39,820	$19,250
Arthur B. Belfer	New York	$36,880	$39,615
Satins Kolokotronis	Sacramento, Calif.	$39,500	$ 2,000
Stephen Schutz	La Jolla, Calif.	$39,500	$20,000
Joseph J. Bogdanovich	Long Beach, Calif.	$38,950	$31,000
Susan Schutz	La Jolla, Calif.	$38,500	$20,000
Charles Hamington	Wilmington, Del.	$38,280	$20,126
Stanley Hirsh	Studio City, Calif.	$38,100	$30,000
Kuei Yu	Kings Park, N.Y.	$21,990	$38,050
Henry J. Casey	Portland, Ore.	$37,725	$25,250
Bennett Lebow	New York	$37,500	$20,000
Norman V. Kinsey	Shreveport, La.	$37,350	$24,250
John P. Chase	Boston	$30,340	$37,330
John C. Camp	Washington, D.C.	$36,328	$ 8,998
Henry H. Slack	Peapack, N.J.	$21,500	$36,000
Mary C. Bingham	Glenview, Ky.	$35,900	$15,750
Elinor Goodspeed	Washington, D.C.	$35,830	$10,350
Mrs. Wesley West	Houston	$34,525	$20,335
Maura Morey	Tiburon, Calif.	$34,500	$26,600
A. D. Hulings	Bayport, Minn.	$34,300	$18,000
Roger Milliken	Spartanburg, S.C.	$33,400	$13,000
Frederick W. Field	Los Angeles	$32,750	$13,825
James R. Houghton	Corning, N.Y.	$32,500	$13,750
Morton Mandel	Shaker Heights, Ohio.	$ 5,500	$32,500
Henry J. Evertt	New York	$32,200	$22,000
Robert N. Rose	New York	$ 5,000	$32,000
Steven Grossman	Chestnut Hill, Mass.	$31,000	$26,450
Richard Devos Sr.	Grand Rapids, Mich.	$30,750	$24,340
Cloud L. Cray, Jr.	Atchison, Kan.	$30,240	$23,740
Edith Everett	New York	$30,000	$ 5,250
Vonnie M. Davidson	Los Angeles	$29,840	$ 0
John C. Whitehead	New York	$29,500	$ 5,000
Mrs. Julius E. Pierce	Miami	$19,500	$29,275
Geraldine Lebow	New York	$29,250	$20,000
Lewis Rudin	New York	$29,140	$28,000
Robert Morey	Tiburon, Calif.	$28,000	$20,250
John Torheisen	Princeton, N.J.	$28,000	$20,000
James F. Keenan	Allen, S.C.	$ 4,500	$28,000
Susie Field	Los Angeles	$27,750	$21,000
Joseph C. Canizaro	New Orleans	$27,750	$10,000
John Kluge	New York	$27,750	$ 1,000
Yong C. Kim	Fremont, Calif.	$13,000	$27,575
Monty Hundley	New York	$ 1,000	$27,500
Harvey Friedman	Miami	$27,450	$ 7,265
Mark B. Dayton	Wayzata, Minn.	$22,750	$27,100
Richard J. Dennis	Chicago	$22,000	$27,000
Phillip B. Rooney	Hinsdale, Ill.	$26,975	$25,000
Hamlet T. O'Hanlon	Los Angeles	$21,455	$26,769
John Mascotte	New York	$26,750	$20,000
Mrs. R. H. Hargrove	Shreveport, La.	$26,567	$11,320
Albert J. Dwoskin	Fairfax, Va.	$26,100	$18,500
Paul Tudor Jones	New York	$26,000	$24,000
Jerome Kohlberg, Jr.	New York	$26,000	0
Ernest Hubbell	Kansas City	$25,895	$20,970
Robert Rubin	New York	$25,750	$21,000
Diane T. Macarthur	Bethesda, Md.	$25,475	$19,000
Ellen St. John Garwood	Austin, Tex.	$25,417	$18,650

Source: Los Angeles Times computer study of Federal Election Commission records

9 4 0 4 3 5 4 5 0 2 6

3

RECEIVED
FEC
SECRETARIAT
94 FEB -1 PM 4:57

SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

Pre-MUR 250
STAFF MEMBER: Noriega E. James

SOURCE: **INTERNALLY GENERATED**

RESPONDENT:

Roy H. Cullen

RELEVANT STATUTES: 2 U.S.C. § 441a(a)(3)
2 U.S.C. § 441a(a)(1)(A)

INTERNAL REPORTS CHECKED: Disclosure reports; FEC indexes

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

On January 11, 1994, the Commission directed the Office of the General Counsel to submit recommendations with regard to an article in the September 15, 1991, edition of the Los Angeles Times, This Office has reviewed the Commission's records and indexes for the contributors as set forth later in this report.

---

1. The article listed 62 individuals who allegedly exceeded the $25,000 annual aggregate limit for the 1989 or 1990 or both calendar years.

9404354502 7

II. FACTUAL AND LEGAL ANALYSIS

2 U.S.C. § 441a(a)(3) limits total contributions by an individual in any calendar year to $25,000. Under this section, any contribution to a candidate or authorized committee with respect to a particular election made in a non-election year shall be considered to be made during the calendar year in which such election is held.

III. DISCUSSION

9404354502 8

NOTICE

PAGES 3 THROUGH 7 REFLECT INFORMATION WHICH IS NOT RELEVANT

TO RESPONDENT ROY H. CULLEN

9404354502 9

Roy H. Cullen

The article alleges that Roy H. Cullen exceeded the $25,000 annual aggregate limit on contributions, by $1,055 and $17,800, with respect to the 1989 and 1990 calendar years, respectively. A preliminary review of the Commission's records and indexes discloses that Roy H. Cullen made the following contributions which are attributable to the 1989 and 1990 calendar years:

1989			
04/06/1989	20000	P	REPUBLICAN NATIONAL COMMITTEE - CONTR
05/23/1989	1500	P	NATIONAL REPUBLICAN SENATORIAL COMM
05/23/1989	1500	P	NATIONAL REPUBLICAN CONGRESSIONAL COMM
09/05/1989	2000	P	NATIONAL REPUBLICAN SENATORIAL COMM
09/15/1989	500	S	FRIENDS OF ANTHONY HALL FOR CONGRESS
10/20/1989	305	P	HOUSTON REG MOBILITY ASSOCIATION PA
12/05/1989	250	R	CRAIG WASHINGTON FOR CONGRESS
Total:	$26,055		
1990			
04/13/1987	1000	P	OKLAHOMANS FOR BOREN
04/26/1988	1000	P	FRIENDS OF PHIL GRAMM
07/26/1988	500	P	HELMS FOR SENATE
08/05/1988	1000	G	FRIENDS OF PHIL GRAMM
12/07/1988	500	P	HUGH PARMER STATE SENATE ACCOUNT
04/11/1989	1000	P	PEOPLE FOR PETE DOMENICI (1990)
04/26/1989	500	P	SENATOR HUGH PARMER COMMITTEE
05/10/1989	500	P	BOB MATSUI FOR CONGRESS
06/16/1989	250	P	MARTIN FROST CAMPAIGN COMMITTEE
06/28/1989	500	P	MCCONNELL SENATE COMMITTEE '90
07/21/1989	500	P	FIELDS FOR CONGRESS
01/22/1990	20000	P	REPUBLICAN NATIONAL COMMITTEE - CONTR
01/29/1990	1000	P	FRIENDS OF HOWELL HEFLIN COMMITTEE
03/07/1990	300	P	LYNN MARTIN FOR SENATE
04/02/1990	1000	P	NATIONAL REPUBLICAN SENATORIAL COMM
04/10/1990	5000	P	NATIONAL REPUBLICAN CONGRESSIONAL COMM
05/11/1990	500	P	FRIENDS OF MAX BAUCUS (1990 CAMPAIGN)
05/25/1990	1000	G	COMMITTEE TO RE-ELECT JACK BROOKS
06/05/1990	500	G	DICK WATERFIELD FOR CONGRESS
06/13/1990	1000	G	FRIENDS OF SENATOR ROCKEFELLER
06/26/1990	1000	G	FRIENDS OF JOE DIAL COMMITTEE
07/05/1990	1000	G	WILSON COMMITTEE
10/15/1990	1000	G	JIM CHAPMAN FOR CONGRESS COMMITTEE
10/16/1990	1000	G	FRIENDS OF JOE DIAL COMMITTEE
10/25/1990	750	P	NATIONAL REPUBLICAN SENATORIAL COMM
10/26/1990	500	G	REELECT THURMOND COMMITTEE
Total:	$42,800		

It appears that Roy H. Cullen made contributions totaling

9404354503 0

$26,055 or $1,055 in excess of the $25,000 annual contribution limit for the 1989 calendar year and, he made contributions totaling $42,800 or $17,800 in excess of the $25,000 annual contribution limit for the 1990 calendar year. Additionally, it appears that he exceeded, by $1,000, the per election limit on contributions to a candidate by making $2,000 in general election contributions to the Friends of Joe Dial Committee. Accordingly, this Office recommends that the Commission find reason to believe that Roy H. Cullen violated 2 U.S.C. §§ 441a(a)(3) and 441a(a)(1)(A).

9404354503 1

9 4 0 4 3 5 4 5 0 3 2

IV. DISCUSSION OF CONCILIATION AGREEMENTS AND CIVIL PENALTIES

9404354503 3

9 4 0 4 3 5 4 5 0 3 4

III. **RECOMMENDATIONS**

1. Open MURs with respect to the following respondents:

   Roy H. Cullen

2. Find reason to believe the following respondents violated 2 U.S.C. § 441a(a)(3):

   Roy H. Cullen

3. Find reason to believe the following respondents violated 2 U.S.C. § 441a(a)(1)(A):

   Roy H. Cullen

4.

5. Offer to enter into conciliation with the following respondents prior to findings of probable cause to believe:

Roy H. Cullen

6. Approve the appropriate letters, Factual and Legal Analyses and the proposed conciliation agreements.

Lawrence M. Noble
General Counsel

2-1-94
Date

BY: Lois G. Lerner
Associate General Counsel

9404354503 5

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Michael L. Keiser;	)	
Marvin Schwan;	)	Pre-MUR 250 (MUR 3928)
Mrs. Stanley Stone;	)	
Roy H. Cullen;	)	
Elsie H. Hillman.	)	

CERTIFICATION

I, Delores Hardy, recording secretary for the Federal Election Commission executive session on February 8, 1994, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in Pre-MUR 250:

1. Open MURs with respect to the following respondents:

   Roy H. Cullen

2. Find reason to believe the following respondents violated 2 U.S.C. § 441a(a)(3):

   Roy H. Cullen

(continued)

9404354503 6

3. Find reason to believe the following respondents violated 2 U.S.C. § 441a(a)(1)(A):

Roy H. Cullen

4.

5. Offer to enter into conciliation with the following respondents prior to findings of probable cause to believe:

Roy H. Cullen

6. Approve the appropriate letters, Factual and Legal Analyses and the proposed conciliation agreements, as recommended in the General Counsel's Report dated February 1, 1994.

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

Attest:

February 9, 1994
Date

Delores Hardy
Delores Hardy
Administrative Assistant

9404355037

FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

FEBRUARY 14, 1994

Mr. Roy H. Cullen
601 Jefferson, 40th Floor
Houston, TX 77002

RE: MUR 3928
Roy H. Cullen

Dear Mr. Cullen:

On February 8, 1994, the Federal Election Commission found that there is reason to believe you violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

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

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

9404354503 8

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

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

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

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Tamara Kapper, the staff member assigned to this matter, at (202) 219-3690.

For the Commission,

Trevor Potter
Chairman

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

9404354503 9

FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Roy H. Cullen **MUR:** 3928

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

The Federal Election Campaign Act of 1971, as amended ("the Act"), limits total contributions by an individual in any calendar year to $25,000. 2 U.S.C. § 441a(a)(3). Under this section, any contribution to a candidate or authorized committee with respect to a particular election made in a non-election year shall be considered to be made during the calendar year in which such election is held.

The Act also limits contributions by an individual to a federal candidate to $1,000 per election. 2 U.S.C. § 441a(a)(1)(A)

A preliminary review of the Commission's records and indexes discloses that Roy H. Cullen made the following contributions which are attributable to the 1989 and 1990 calendar years:

1989			
04/06/1989	20000	P	REPUBLICAN NATIONAL COMMITTEE - CONTR
05/23/1989	1500	P	NATIONAL REPUBLICAN SENATORIAL COMM
05/23/1989	1500	P	NATIONAL REPUBLICAN CONGRESSIONAL COMM
09/05/1989	2000	P	NATIONAL REPUBLICAN SENATORIAL COMM
09/15/1989	500	S	FRIENDS OF ANTHONY HALL FOR CONGRESS
10/20/1989	305	P	HOUSTON REG MOBILITY ASSOCIATION PA
12/05/1989	250	R	CRAIG WASHINGTON FOR CONGRESS
Total:	$26,055		

9404354504 0

1990			
04/13/1987	1000	P	OKLAHOMANS FOR BOREN
04/26/1988	1000	P	FRIENDS OF PHIL GRAMM
07/26/1988	500	P	HELMS FOR SENATE
08/05/1988	1000	G	FRIENDS OF PHIL GRAMM
12/07/1988	500	P	HUGH PARMER STATE SENATE ACCOUNT
04/11/1989	1000	P	PEOPLE FOR PETE DOMENICI (1990)
04/26/1989	500	P	SENATOR HUGH PARMER COMMITTEE
05/10/1989	500	P	BOB MATSUI FOR CONGRESS
06/16/1989	250	P	MARTIN FROST CAMPAIGN COMMITTEE
06/28/1989	500	P	MCCONNELL SENATE COMMITTEE '90
07/21/1989	500	P	FIELDS FOR CONGRESS
01/22/1990	20000	P	REPUBLICAN NATIONAL COMMITTEE - CONTR
01/29/1990	1000	P	FRIENDS OF HOWELL HEFLIN COMMITTEE
03/07/1990	300	P	LYNN MARTIN FOR SENATE
04/02/1990	1000	P	NATIONAL REPUBLICAN SENATORIAL COMM
04/10/1990	5000	P	NATIONAL REPUBLICAN CONGRESSIONAL COMM
05/11/1990	500	P	FRIENDS OF MAX BAUCUS (1990 CAMPAIGN)
05/25/1990	1000	G	COMMITTEE TO RE-ELECT JACK BROOKS
06/05/1990	500	G	DICK WATERFIELD FOR CONGRESS
06/13/1990	1000	G	FRIENDS OF SENATOR ROCKEFELLER
06/26/1990	1000	G	FRIENDS OF JOE DIAL COMMITTEE
07/05/1990	1000	G	WILSON COMMITTEE
10/15/1990	1000	G	JIM CHAPMAN FOR CONGRESS COMMITTEE
10/16/1990	1000	G	FRIENDS OF JOE DIAL COMMITTEE
10/25/1990	750	P	NATIONAL REPUBLICAN SENATORIAL COMM
10/26/1990	500	G	REELECT THURMOND COMMITTEE
Total:	$42,800		

It appears that Roy H. Cullen made contributions totaling $26,055 or $1,055 in excess of the $25,000 annual contribution limit for the 1989 calendar year and, he made contributions totaling $42,800 or $17,800 in excess of the $25,000 annual contribution limit for the 1990 calendar year. Additionally, it appears that he exceeded, by $1,000, the per election limit on contributions to a Federal candidate by making $2,000 in general election contributions to the Friends of Joe Dial Committee. Therefore, there is reason to believe that Roy H. Cullen violated 2 U.S.C. §§ 441a(a)(3) and 441a(a)(1)(A).

9404354504 1

OGC 248

VINSON & ELKINS L.L.P.
(REGISTERED LIMITED LIABILITY PARTNERSHIP)
ATTORNEYS AT LAW

2500 FIRST CITY TOWER
1001 FANNIN
HOUSTON, TEXAS 77002-6760
TELEPHONE (713) 758-2222
FAX (713) 758-2346

HUNGARIAN EXPORT BUILDING
UL. POVARSKAYA (FORMERLY VOROVSKOGO), 21
121069 MOSCOW, RUSSIAN FEDERATION
TELEPHONE 011 (70-95) 202-8416
FAX 011 (70-95) 202-0295

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

WRITER'S DIRECT DIAL
(202) 639-6578

3700 TRAMMELL CROW CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2975
TELEPHONE (214) 220-7700
FAX (214) 220-7716

ONE AMERICAN CENTER
600 CONGRESS AVENUE
AUSTIN, TEXAS 78701-3200
TELEPHONE (512) 495-8400
FAX (512) 495-8612

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

February 25, 1994

94 FEB 25 AM 9:58
RECEIVED

9404355042

By Messenger

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

Re: MUR 3928

Dear Ms. Kapper:

Attached is Mr. Cullen's Statement of Designation of Counsel for purposes of MUR 3928. I will contact you later today regarding this matter.

Sincerely,

Russell W. Sullivan

Russell W. Sullivan

Enclosure

cc: Roy H. Cullen

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3928

NAME OF COUNSEL:	RUSSELL W. SULLIVAN	JOE B. ALLEN
ADDRESS:	VINSON & ELKINS, L.L.P.	VINSON & ELKINS, L.L.P.
	1455 PENNSYLVANIA AVENUE, N.W.	1101 FANNIN, STE 2700
	WASHINGTON, D.C. 20004	HOUSTON, TX 77002
TELEPHONE:	(202) 639-6578	(713) 758-2674

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.

Feb 24 '94
Date

Roy H. Cullen
Signature

RECEIVED
FEDERAL ELECTION COMMISSION
94 FEB 25 AM 9:58

RESPONDENT'S NAME:	ROY H. CULLEN
ADDRESS:	3508 INWOOD DRIVE
	HOUSTON, TX 77019
HOME PHONE:	
BUSINESS PHONE:	(713) 651-8820

9404355450 43

OGC 376

VINSON & ELKINS L.L.P.
(REGISTERED LIMITED LIABILITY PARTNERSHIP)
ATTORNEYS AT LAW

2500 FIRST CITY TOWER
1001 FANNIN
HOUSTON, TEXAS 77002-6760
TELEPHONE (713) 758-2222
FAX (713) 758-2346

HUNGARIAN EXPORT BUILDING
UL. POVARSKAYA (FORMERLY VOROVSKOGO), 21
121069 MOSCOW, RUSSIAN FEDERATION
TELEPHONE 011 (70-95) 202-8416
FAX 011 (70-95) 202-0295

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

WRITER'S DIRECT DIAL

(202) 639-6578

3700 TRAMMELL CROW CENTER
2001 ROSS AVENUE
DALLAS, TEXAS 75201-2975
TELEPHONE (214) 220-7700
FAX (214) 220-7716

ONE AMERICAN CENTER
600 CONGRESS AVENUE
AUSTIN, TEXAS 78701-3200
TELEPHONE (512) 495-8400
FAX (512) 495-8612

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

March 4, 1994

94 MAR -4 AM 9:02

9404354504 4

By Messenger

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

Re: MUR 3928

Dear Ms. Kapper:

Reference is hereby made to a letter dated February 14, 1994 ("Notice") notifying Mr. Roy H. Cullen ("Respondent") that the Federal Election Commission ("Commission") has found reason to believe that Respondent violated federal campaign contribution limitations contained in the Federal Election Campaign Act of 1971, as amended (the "Act"). This letter constitutes Mr. Cullen's response for consideration by the Federal Election Commission in this matter.

FACTS

Respondent is an individual residing in Houston, Texas. Respondent and his wife, Mrs. Mary G. Cullen, made contributions to various candidates and political committees in connection with federal campaigns that are attributable to 1989 and 1990 for purposes of the Act. Respondent concurs that each of the checks listed in the Factual and Legal Analysis included in the Notice were written by Respondent and that each check was for the amount set out in the Factual and Legal Analysis.

Respondent wrote six additional checks to federal candidates that are not reflected in the Commission's list. Information regarding these contributions is enumerated below:

Year	Recipient	Date	Amount
1989	National Republican Senatorial Committee	06/08/89	$ 120
1989	Geren for Congress	08/07/89	$ 100
1990	Johnston Senate Committee	06/08/89	$ 1,000
1990	Friends of Senator Rockefeller	06/29/89	$ 500
1990	National Republican Congressional Committee	09/27/90	$ 100
1990	Helms Debt Fund	04/30/91	$ 500

A complete listing of all federal campaign contributions made by Respondent and Mrs. Cullen that are attributable to 1989 and 1990 are contained in Exhibit A (attached).

With respect to the June 8, 1989 contribution for $120 to the National Republican Senatorial Committee and the April 12, 1988 and July 20, 1988 contributions for $1,000 to the Friends of Phil Gramm, Respondent alone made the contributions. However, with respect to each of the other contributions allocable to 1989 and 1990--both those listed above and those listed in the Commission's Factual and Legal Analysis--Respondent and Mrs. Cullen intended that half of the contribution be attributable to Respondent and half be attributable to Mrs. Cullen (see attached Exhibits B & C).

When Respondent determined that all of the contributions had been attributed solely to him, Respondent immediately contacted the Republican National Committee (the "RNC") and requested a refund of $20,000. This refund was issued to Respondent on September 17, 1991 (see attached Exhibit D). This payment was clearly reflected as a refund in the RNC's October 20, 1991 FEC report (see attached Exhibit E).

In addition, when Respondent learned that both the June 25, 1990 and October 15, 1990 contributions for $1,000 to the Friends of Joe Dial Committee were attributed solely to Respondent, he requested and received a refund in the amount of $1,000 (see attached Exhibit F). This payment was clearly reflected as a refund in the January 31 Year End Report of the Friends of Joe Dial Committee (see attached Exhibit G).

9 4 0 4 3 5 4 5 0 4 5

LAW AND ANALYSIS

The Act permits individuals to contribute up to $25,000 per year to political committees in connection with federal elections. 2 U.S.C. § 441(a)(3) (1988); 11 C.F.R. § 110.5 (1993). Contributions to a federal candidate's primary campaign committee, to the federal account of a state party committee or a national party committee, and to the federal account of any other political committee count toward this aggregate limit. 2 U.S.C. § 441(a)(1) (1988); 11 C.F.R. § 110.1 (1993). In addition to this aggregate limitation, the Act limits an individual's contributions to a candidate for federal office to $1,000 per election. 2 U.S.C. § 441a(a)(1)(A).

Compliance with the $25,000 Aggregate Limitation

The regulations promulgated under the Act permit joint contributions. 11 C.F.R. § 110.1(k). Respondent and Mrs. Mary Cullen intended that each of the checks attributable to 1989 or 1990 be attributed half to Respondent and half to Mrs. Mary Cullen. If the contributions had been attributed in accordance with Mr. and Mrs. Cullen's intent, the records would reflect that each was in compliance with the $25,000 aggregate limitation. Respondent's contributions would have totalled $23,450 for 1990 and $13,198 for 1989. Similarly, Mrs. Cullen's contributions would have totalled $24,475 for 1990 and $13,078 for 1989 (see attached Exhibit A for computations). Each of these totals is well within the $25,000 annual limitation.

Moreover, even assuming that each of the checks were attributable to Respondent, his total 1990 contributions are less than the $25,000 limit. Once Respondent and Mrs. Cullen discovered that the contributions had been attributed entirely to Mr. Cullen, Respondent immediately requested a refund of $20,000 from the RNC and a refund of $1,000 from the Friends of Joe Dial Committee. The RNC granted Respondent's request and issued a check dated September 17, 1991 for $20,000. The Friends of Joe Dial Committee issued a refund check dated October 2, 1991 for $1,000. The request and receipt of the refunds was appropriate and brings Respondent's aggregate 1990 contributions, even with all of the contributions attributed to Respondent, to $23,900 ($44,900 attributed to Respondent per FEC records -- see Exhibit A -- minus $21,000 in refunds), well within the $25,000 aggregate limitation.

9404354504 6

Compliance with the $1,000 Per Election Limitation

Respondent and Mrs. Cullen intended that each of the two $1,000 contributions made to the 1990 general election congressional campaign of Joe Dial be attributed $500 to Respondent and $500 to Mrs. Cullen. If the contributions had been attributed in accordance with their intent, the records would reflect that both Respondent and Mrs. Cullen were in compliance with the $1,000 limitation. Furthermore, when the Cullens discovered that the contributions had been attributed entirely to Mr. Cullen, Respondent immediately requested and received a refund of $1,000 from the Friends of Joe Dial Committee. The request and receipt was appropriate and, even assuming both contributions were attributable entirely to Mr. Cullen, Respondent's contributions to the Joe Dial campaign are in compliance with the $1,000 per election limitation on contributions to congressional candidates because Mr. Cullen sought and received a refund of the misattributed amount.

Respondent's actions also are consistent with the regulatory scheme and the Commission's interpretation of the Act. The Commission has recognized that, where a contribution exceeds the limitations established in the Act, two courses of action are appropriate: reattribution of the excess or refund of the excess. For example, the Regulations provide procedures for reattributing contributions where, in the absence of the reattribution, a contribution would exceed established limitations. See 11 C.F.R. § 110.1(k)(ii)(B). In addition, where a reattribution cannot be made, a refund of the excess is appropriate. Id.; see also Advisory Opinions 1984-52, 1980-37, and 1977-40. When Respondent and Mrs. Cullen discovered that their contributions were not attributed according to their intent and that the misattribution might cause FEC records to indicate that Respondent had exceeded the $25,000 aggregate limitation, Respondent requested and received refunds. Thus, the refunds were an appropriate method of insuring Respondent's compliance with the contribution limitations.

9 4 0 4 3 5 4 5 0 4 7

A

Respectfully submitted,

Russell W. Sullivan

Russell W. Sullivan

Attachments

cc: Mr. Roy H. Cullen

9404354504 8

LIST OF EXHIBITS

Exhibit A	**Listing of all federal campaign contributions by Respondent and Mrs. Cullen attributable to 1989 and 1990**
Exhibit B	Affidavit of Respondent
Exhibit C	Affidavit of Mary G. Cullen
Exhibit D	Copy of refund check from Republican National Committee
Exhibit E	Excerpt from Republican National Committee FEC Report showing refund to Respondent and Mrs. Cullen
Exhibit F	Copy of refund check from Friends of Joe Dial
Exhibit G	Excerpt from Friends of Joe Dial FEC Report showing refund to Respondent

9 4 0 4 3 5 4 5 0 4 9

ROY & MARY CULLEN
ANALYSIS OF POLITICAL CONTRIBUTIONS
1989 AND 1990

PAYEE	DATE OF CONTRIB	FOR THE BENEFIT OF	TOTAL	INTENDED SPLIT RHC	INTENDED SPLIT MGC	SPLIT PER FEC RECORDS RHC	SPLIT PER FEC RECORDS MGC
1989							
Republican National Committe	4/4/89	Republican Nat'l Committee	20,000	10,000	10,000	20,000	
The President's Dinner	5/15/89		3,000				
		Nat'l Republican Senatorial Comm.		750	750	1,500	
		Nat'l Republican Congressional Comm.		750	750	1,500	
Republican Presidential Task Force	6/8/89	Nat'l Republican Senatorial Comm.	120	120		120	
Geren for Congress Committee	8/7/89	Pete Geren - Special election	100	50	50	100	
Republican Senatorial Inner Circle	8/29/89	Nat'l Republican Senatorial Comm.	2,000	1,000	1,000	2,000	
Friends of Anthony Hall for Congress	9/12/89	Anthony Hall	500	250	250	500	
Craig Washington for Congress Campaign	11/7/89	Craig Washington	250	125	125	250	
Houston Reg Mobility Association	10/20/89	Houston Reg Mobility Assoc	305	153	153	305	
			26,275	13,198	13,078	26,275	0

9 4 0 4 3 5 4 5 0 5 0

ROY & MARY CULLEN
ANALYSIS OF POLITICAL CONTRIBUTIONS
1989 AND 1990

PAYEE	DATE OF CONTRIB	FOR THE BENEFIT OF	TOTAL	INTENDED SPLIT RHC	INTENDED SPLIT MGC	SPLIT PER FEC RECORDS RHC	SPLIT PER FEC RECORDS MGC
1990							
Boren Campaign Committee	3/19/87	David Boren	1,000	500	500	1,000	
Friends of Phil Gramm	4/12/88	Phil Gramm	1,000	1,000		1,000	
Helms for Senate	7/20/88	Jesse Helms	500	250	250	500	
Gramm Senate Club	7/20/88	Phil Gramm	1,000	1,000		1,000	
Hugh Parmer Senate Account	12/2/88	Hugh Parmer	500	250	250	500	
People for Pete Domenici	3/23/89	Pete Domenici	1,000	500	500	1,000	
Senator Hugh Parmer	4/20/89	Hugh Parmer	500	250	250	500	
Matsui for Congress Comm.	4/20/89	Bob Matsui	500	250	250	500	
Martin Frost Campaign Comm.	4/21/89	Martin Frost	250	125	125	250	
McConnell Senate Comm. '90	6/8/89	Mitch McConnell	500	250	250	500	
Johnston Senate Committee	6/8/89	J. Bennett Johnston	1,000	500	500	1,000	
Friends of Phil Gramm	6/23/89	Phil Gramm	1,000		1,000		1,000
Friends of Senator Rockefeller	6/29/89	John D. Rockefeller, IV	500	250	250	500	
Fields for Congress	7/17/89	Jack Fields	500	250	250	500	
Friends of Phil Gramm	12/7/89	Phil Gramm	1,000		1,000		1,000
Republican Presidential Task Force	1/5/90	Nat'l Republican Senatorial Comm.	25	0	25		25

9 4 0 4 3 5 4 5 0 5 1

ROY & MARY CULLEN
ANALYSIS OF POLITICAL CONTRIBUTIONS
1989 AND 1990

PAYEE	DATE OF CONTRIB	FOR THE BENEFIT OF	TOTAL	INTENDED SPLIT RHC	INTENDED SPLIT MGC	SPLIT PER FEC RECORDS RHC	SPLIT PER FEC RECORDS MGC
1990 (cont'd)							
Republican Eagles (2)	1/16/90	Republican National Committee	20,000	10,000	10,000	20,000	
Friends of Howell Heflin Committee	1/29/90	Howell Heflin	1,000	500	500	1,000	
Lynn Martin for Senate	2/21/90	Lynn Martin	300	150	150	300	
Republican Senatorial Inner Circle	3/27/90	Nat'l Republican Senatorial Comm.	1,000	500	500	1,000	
Republican Congressional Leadership Co.	4/3/90	Nat'l Republican Congressional Com	5,000	2,500	2,500	5,000	
Friends of Max Baucus	2/27/90	Max Baucus	500	250	250	500	
Comm to re-elect Jack Brooks	5/25/90	Jack Brooks	1,000	500	500	1,000	
Waterfield for Congress	5/30/90	Dick Waterfield	500	250	250	500	
Friends of Senator Rockefeller	6/13/90	John D. Rockefeller, IV	1,000	500	500	1,000	
Friends of Joe Dial Comm.	6/25/90	Joe Dial	1,000	500	500	1,000	
Wilson Committee	6/25/90	Charles Wilson	1,000	500	500	1,000	
National Republican Congressional Committee	9/27/90	Nat'l Republican Congressional Com	100	50	50	100	
Jim Chapman Campaign	10/15/90	Jim Chapman	1,000	500	500	1,000	
Joe Dial Campaign (1)	10/15/90	Joe Dial	1,000	500	500	1,000	

9 4 0 4 3 5 4 5 0 5 2

ROY & MARY CULLEN
ANALYSIS OF POLITICAL CONTRIBUTIONS
1989 AND 1990

PAYEE	DATE OF CONTRIB	FOR THE BENEFIT OF	TOTAL	INTENDED SPLIT RHC	INTENDED SPLIT MGC	SPLIT PER FEC RECORDS RHC	SPLIT PER FEC RECORDS MGC
1990 (cont'd)							
Republican Senatorial Inner Circle	10/23/90	Nat'l Republican Senatorial Comm.	750	375	375	750	
Re-elect Thurmond	10/23/90	Strom Thurmond	500	250	250	500	
Helms Debt fund (1990)	4/30/91	Jesse Helms	500	250	250	500	
Friends of Joe Dial (1990 debt)	10/15/91	Joe Dial	1,000		1,000		1,000
			47,925	23,450	24,475	44,900	3,025

NOTE: Contributions that are underlined were not included on the initial Notice from the FEC dated 2/14/94.

(1) A refund of $1,000.00 was requested and received during October, 1991, when we received information that the two contributions of $1,000 were both attributed to Mr. Cullen.

(2) A refund of $20,000 was requested and received during September, 1991, when we received information that the full $20,000.00 contribution for 1990 was attributed to Mr. Cullen.

A $2,000.00 check dated November 27, 1989, to "The Texas Presidential Gala" from Mrs. Roy H. Cullen was returned by Phil Gramm's re-election committee since both Mr. and Mrs. Cullen had contributed their limit for the 1990 election.

9 4 0 4 3 5 4 5 0 5 3

B

AFFIDAVIT OF ROY H. CULLEN

STATE OF TEXAS)
) ss:
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared ROY H. CULLEN who, being by me duly sworn, on oath states as follows:

1. My name is Roy H. Cullen.

2. I am over 21 years of age and am competent to testify to the matters set forth in this affidavit. I have personal knowledge of the matters set forth herein.

3. On behalf of my wife, Mary G. Cullen, and myself, I signed checks to make political contributions attributable to 1989 and 1990 as set forth below:

1989

04/04/89	Republican National Committee	$20,000
05/15/89	National Republican Senatorial Committee	1,500
05/15/89	National Republican Congressional Committee	1,500
08/07/89	Geren for Congress Committee	100
08/29/89	National Republican Senatorial Committee	2,000
09/12/89	Friends of Anthony Hall for Congress	500
10/20/89	Houston Reg Mobility Association	305
11/07/89	Craig Washington for Congress	250

1990

03/19/87	Boren Campaign Committee	$1,000
07/20/88	Helms for Senate	500
12/02/88	Hugh Parmer Senate Account	500
03/23/89	People for Pete Domenici	1,000
04/20/89	Senator Hugh Parmer	500
04/20/89	Matsui for Congress Committee	500
04/21/89	Martin Frost Campaign Committee	250
06/08/89	McConnell Senate Committee '90	500

9404354505 4

06/08/89	Johnston Senate Campaign	1000
06/29/89	Friends of Senator Rockefeller	500
07/17/89	Fields for Congress	500
01/16/90	Republican National Committee	20,000
01/29/90	Friends of Howell Heflin Committee	1,000
02/21/90	Lynn Martin for Senate	300
03/27/90	National Republican Senatorial Committee	1,000
04/03/90	National Republican Congressional Committee	5,000
02/27/90	Friends of Max Baucus	500
05/25/90	Committee to Re-Elect Jack Brooks	1,000
05/30/90	Waterfield for Congress	500
06/13/90	Friends of Senator Rockefeller	1,000
06/25/90	Friends Joe Dial Committee	1,000
06/25/90	Wilson Committee	1,000
09/27/90	National Republican Congressional Committee	100
10/15/90	Jim Chapman Campaign	1,000
10/15/90	Joe Dial Campaign	1,000
10/23/90	National Republican Senatorial Committee	750
10/23/90	Re-Elect Thurmond	500
04/30/91	Helms Debt Fund	500

It was our intention that each of these contributions would be half from me and half from my wife.

4. On behalf of myself, and not on behalf of my wife, I made the following political contributions attributable to 1989 and 1990:

1989

06/08/89	National Republican Senatorial Committee	$120

1990

04/12/88	Friends of Phil Gramm	$1,000
07/20/88	Gramm Senate Club	1,000

It was my intention that each of these contributions would be attributed solely to me.

9 4 0 4 3 5 4 5 0 5 5

5. I declare under penalties of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Further Affiant saith not.

Roy H. Cullen

ROY H. CULLEN

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, on this the 3rd day of March, 1994, to certify which witness my hand and seal of office.

DELORES A. KLOVENSKI
Notary Public, State of Texas
My Commission Expires Dec. 8, 1996

Delores A. Klovenski

Notary Public in and for the
State of Texas

My commission expires: 12/08/96

9404354505 6

C

AFFIDAVIT OF MARY G. CULLEN

STATE OF TEXAS)
) ss:
COUNTY OF HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared MARY G. CULLEN who, being by me duly sworn, on oath states as follows:

1. My name is Mary G. Cullen.

2. I am over 21 years of age and am competent to testify to the matters set forth in this affidavit. I have personal knowledge of the matters set forth herein.

3. My husband, Roy H. Cullen, with my permission on behalf of both of us, signed checks to make political contributions during 1989 and 1990 as set forth below:

1989

04/04/89	Republican National Committee	$20,000
05/15/89	National Republican Senatorial Committee	1,500
05/15/89	National Republican Congressional Committee	1,500
08/07/89	Geren for Congress Committee	100
08/29/89	National Republican Senatorial Committee	2,000
09/12/89	Friends of Anthony Hall for Congress	500
10/20/89	Houston Reg Mobility Association	305
11/07/89	Craig Washington for Congress	250

1990

03/19/87	Boren Campaign Committee	$1,000
07/20/88	Helms for Senate	500
12/02/88	Hugh Parmer Senate Account	500
03/23/89	People for Pete Domenici	1,000
04/20/89	Senator Hugh Parmer	500
04/20/89	Matsui for Congress Committee	500
04/21/89	Martin Frost Campaign Committee	250
06/08/89	McConnell Senate Committee '90	500

9404354505 7

06/08/89	Johnston Senate Campaign	1000
06/29/89	Friends of Senator Rockefeller	500
07/17/89	Fields for Congress	500
01/16/90	Republican National Committee	20,000
01/29/90	Friends of Howell Heflin Committee	1,000
02/21/90	Lynn Martin for Senate	300
03/27/90	National Republican Senatorial Committee	1,000
04/03/90	National Republican Congressional Committee	5,000
02/27/90	Friends of Max Baucus	500
05/25/90	Committee to Re-Elect Jack Brooks	1,000
05/30/90	Waterfield for Congress	500
06/13/90	Friends of Senator Rockefeller	1,000
06/25/90	Friends Joe Dial Committee	1,000
06/25/90	Wilson Committee	1,000
09/27/90	National Republican Congressional Committee	100
10/15/90	Jim Chapman Campaign	1,000
10/15/90	Joe Dial Campaign	1,000
10/23/90	National Republican Senatorial Committee	750
10/23/90	Re-Elect Thurmond	500
04/30/91	Helms Debt Fund	500

It was our intention that each of these contributions would be half from me and half from my husband.

4. On behalf of myself, I made the following political contributions attributable to 1990:

1990

06/23/89	Friends of Phil Gramm	$1,000
12/07/89	Friends of Phil Gramm	1,000
01/05/90	National Republican Senatorial Committee	25
10/15/91	Friends of Joe Dial	1,000

It was my intention that each of these contributions would be attributed solely to me.

9 4 0 4 3 5 4 5 0 5 8

5. I declare under penalties of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Further Affiant saith not.

Mary G. Cullen
MARY G. CULLEN

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, on this the 3rd day of March, 1994, to certify which witness my hand and seal of office.

DELORES A. KLOVENSKI
Notary Public, State of Texas
My Commission Expires Dec. 8, 1996

Delores A. Klovenski
Notary Public in and for the
State of Texas

My commission expires: 12/08/96

9404354505 9

D

REPUBLICAN NATIONAL FINANCE COMMITTEE
310 FIRST STREET, SE.
WASHINGTON, D.C. 20003

2578

SEPTEMBER 17 19 91

PAY TO THE ORDER OF MR. & MRS. ROY H. CULLEN $ 20,000.00***

TWENTY THOUSAND AND 00/100 DOLLARS

Bank of Virginia
1755 South Jefferson Davis Highway
Arlington, Virginia 22202

FOR refund 1990

⑈00002578⑈ ⑆056004089⑆ 651⑈7220643⑈

9404354506 0

REPUBLICAN NATIONAL COMMITTEE

SCHEDULE A — ITEMIZED DISBURSEMENTS

LINE 026(a)

NAME	PURPOSE	DATE	AMOUNT DISBURSED
Dr Morris I Vilkin 9618 Sepulveda Blvd Suite 330 Los Angeles, Ca 90045	Refund	9/11/91	25.00
Mrs Mary L Collins 1317 Dale Street Longview, Texas 75601	Refund	9/11/91	92.00
Mr & Mrs W Smith 1971 Angleers Drive Palm Bay, Fl 32905	Refund	9/11/91	50.00
Mr & Mrs Roy H Cullen 601 Jefferson Bldg Houston, Tx 77002	Refund 1990 contribution	9/17/91	20,000.00
Mr & Mrs Roy H Cullen 601 Jefferson Bldg Houston, Tx 77002	Refund 1991 contribution	9/17/91	10,000.00
	TOTAL		30,167.00

0 4 5 - 4 0

F

FRIENDS OF JOE DIAL [redacted] 0880

10-2-1991 88-256/1131

PAY TO THE ORDER OF Roy H. Cullen $ 1,000.00

One thousand and no/xx hundredths DOLLARS

2-89

Victoria National Bank
Victoria, Texas 77901

FOR _____ Joe Dial

⑈000880⑈ ⑆113102552⑆ ⑈03 14404⑈

9404354506 2

SCHEDULE B **ITEMIZED DISBURSEMENTS**

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

PAGE 5 OF

FOR LINE NUMBER 20(a)

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)

FRIENDS OF JOE DIAL

	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
A. Full Name, Mailing Address and ZIP Code ROY H. CULLEN 601 JEFFERSON, STE 4000 HOUSTON, TX 77002	CONTRIBUTION REFUND Disbursement for: ☐ Primary ☒ General ☐ Other (specify)	10/2/91	1,000.00
B. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
C. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
D. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
E. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
F. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
G. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
H. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
I. Full Name, Mailing Address and ZIP Code	Purpose of Disbursement Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	Date (month, day, year)	Amount of Each Disbursement This Period
SUBTOTAL of Disbursements This Page (optional)			
TOTAL This Period (last page only) (enter the number only)			1,000.00

2,402,435,45,036,3

OGC 1002

VINSON & ELKINS L.L.P.
(REGISTERED LIMITED LIABILITY PARTNERSHIP)
ATTORNEYS AT LAW

2500 FIRST CITY TOWER
1001 FANNIN
HOUSTON, TEXAS 77002-6760
TELEPHONE (713) 758-2222
FAX (713) 758-2346

HUNGARIAN EXPORT BUILDING
UL. POVARSKAYA (FORMERLY VOROVSKOGO), 21
121069 MOSCOW, RUSSIAN FEDERATION
TELEPHONE 011(70-95) 202-8416
FAX 011 (70-95) 202-0295

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

WRITER'S DIRECT DIAL

(202) 639-6578

2001 ROSS AVENUE
DALLAS, TEXAS 75201-2975
TELEPHONE (214) 220-7700
FAX (214) 220-7716

ONE AMERICAN CENTER
600 CONGRESS AVENUE
AUSTIN, TEXAS 78701-3200
TELEPHONE (512) 495-6400
FAX (512) 495-6612

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

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 18 3 05 PM '94

April 18, 1994

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 19 2 48 PM '94

9404354506 4

By Messenger

Ms. Tamara Kapper
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 3928 -- Mr. Roy H. Cullen

Dear Ms. Kapper:

Enclosed is an executed conciliation agreement for consideration by the Commission in MUR 3928. Also included is a check in the amount of $9,000 drawn on Mr. Cullen's account in accordance with section VII. of the conciliation agreement.

Please contact me once the Commission has made a decision regarding this matter.

Sincerely,

Russell W. Sullivan

Russell W. Sullivan
Counsel for Respondent

Enclosures

cc: Mr. Roy H. Cullen

OGC 1030

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

APR 19 2 48 PM '94

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 19, 1994

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Philomena Brooks
Accounting Technician

SUBJECt: Account Determination for Funds Received

We recently received a check from Roy H. Cullen, check number 11008, dated April 11, 1994, and in the amount of $9,000.00. Attached is a copy of the check and any correspondence that was forwarded. Please indicate below the account into which it should be deposited, and the MUR number and name.

TO: Philomena Brooks
Accounting Technician

FROM: OGC, Docket

In reference to the above check in the amount of $9,000.00, the MUR number is 3928 and in the name of Roy Cullen. The account into which it should be deposited is indicated below:

✓ Budget Clearing Account (OGC), 95F3875.16

__ Civil Penalties Account, 95-1099.160

__ Other: _____

Anita Alexander
Signature

4-19-94
Date

9404354506 5

11008

ROY H. CULLEN
[redacted]

CULLEN BANK
POST OFFICE BOX 1315
HOUSTON, TEXAS 77251
35-294/1130

4/11/94

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION $ 9,000.00

The sum of 9,000 dls 00 cts DOLLARS

ROY H. CULLEN
OPERATING ACCOUNT

Roy H. Cullen

MEMO MUR 3928

[redacted]

ROY H. CULLEN / OPERATING ACCOUNT 11008

9404354506 6

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

APR 19 2 49 PM '94

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

MAY 16 10 40 AM '94

SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3928
Roy H. Cullen	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On February 8, 1994, the Federal Election Commission ("Commission") found reason to believe that Roy H. Cullen violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3) by making an excessive contribution to an authorized committee and making contributions in excess of the annual $25,000 contribution limitation. On that same date, the Commission determined to enter into conciliation prior to a finding of probable cause to believe and approved a proposed conciliation agreement

II. DISCUSSION OF CONCILIATION PROVISIONS AND CIVIL PENALTY

9404354506 7

9 4 0 4 3 5 4 5 0 6 8

9 4 0 4 3 5 4 5 0 6 9

9 4 0 4 3 5 4 5 0 7 0

9 4 0 4 3 5 4 5 0 7 1

Therefore, based upon the foregoing reasons, this Office recommends that the Commission approve the terms of the attached conciliation agreement with Roy H. Cullen and close the file in this matter.

III. **RECOMMENDATIONS**

1. Approve the attached conciliation agreement. Attachment 2.

2. Close the file in this matter.

3. Send the appropriate letter.

Lawrence M. Noble
General Counsel

5/16/94
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments
1. Response dated 3/4/94
2. Proposed Conciliation Agreement dated 4/18/94

Staff Assigned: Tamara Kapper

9404354507 2

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Roy H. Cullen.	)	MUR 3928
	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 19, 1994, the Commission decided by a vote of 6-0 to take the following actions in MUR 3928:

1. Accept the conciliation agreement, as recommended in the General Counsel's Report dated May 16, 1994.

2. Close the file in this matter.

3. Send the appropriate letter, as recommended in the General Counsel's Report dated May 16, 1994.

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

Attest:

5-20-94
Date

for Delores Hardy
Marjorie W. Emmons
Secretary of the Commission

Received in the Secretariat: Mon., May 16, 1994 10:40 a.m.
Circulated to the Commission: Mon., May 16, 1994 4:00 p.m.
Deadline for vote: Thurs., May 19, 1994 4:00 p.m.

bjr

9404354507 3

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 25, 1994

Russell Sullivan, Esquire
Vinson & Elkins, L.L.P.
1455 Pennsylvania Ave., N.W.
Washington D.C. 20004-1008

RE: MUR 3928
Roy H. Cullen

Dear Mr. Sullivan:

On May 19, 1994, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on behalf of your client, Roy H. Cullen, in settlement of a violation of 2 U.S.C. §§ 441a(a)(3) and 441a(a)(1)(A), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

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

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

9404355074

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

Sincerely,

Tamara Kapper

Tamara Kapper
Paralegal

Enclosure
Conciliation Agreement

9404354507 5

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Jan 19 2 49 PM '94

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Roy H. Cullen	)	MUR 3928

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Roy H. Cullen ("Respondent") violated 2 U.S.C. §§ 441a(a)(3) and 441a(a)(1)(A).

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

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

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

III. Respondent enters voluntarily into this agreement with the Commission.

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

1. Respondent, Roy H. Cullen, is an individual contributor.

2. 2 U.S.C. § 441a(a)(3) limits total contributions by an individual in any calendar year to $25,000. Under this section, any contribution to a candidate or authorized committee

9404354507 6

with respect to a particular election made in a non-election year shall be considered to be made during the calendar year in which such election is held.

3. 2 U.S.C. § 441a(a)(1)(A) limits contributions by an individual to a federal candidate to $1,000 per election.

4. Based upon the Commission's records and indexes, and information provided by the Respondent, for the 1989 and 1990 calendar years Respondent made contributions to political committees totaling $26,275 and $44,900, respectively. Commission records also indicate that during 1991, Respondent received a refund of $20,000 from the Republican National Finance Committee. This refund was not made within 60 days of receipt, as required by 11 C.F.R. § 103.3(b)(3).

5. A review of the Commission's records and indexes also indicates that, with respect to the 1990 elections, Respondent made contributions totaling $2,000 to a candidate committee that were designated for the general election. Commission records indicate that during 1991, Respondent received a refund of $1,000 from the Friends of Joe Dial. This refund was not made within 60 days of receipt, as required by 11 C.F.R. § 103.3(b)(3).

V. Respondent made contributions to federal committees which exceeded, by $1,275 and $19,900, for the 1989 and 1990 calendar years, respectively, the limit established by 2 U.S.C. § 441a(a)(3). And, Respondent made contributions to a candidate committee which exceeded by $1,000 the limit established by 2 U.S.C. § 441a(a)(1)(A).

9404354507 7

VI. Respondent contends that he believed that he was in compliance with the limitations established by 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3) for calendar years 1989 and 1990 because Respondent claims that he and his spouse intended that each 1989 and 1990 calendar year contribution be attributed half to Respondent and half to his spouse.

VII. Respondent will pay a civil penalty to the Federal Election Commission in the amount of Nine Thousand Dollars ($9,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

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

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

XI. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral,

9404354507 8

made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: Lois G. Lerner
Associate General Counsel

Date 5-24-94

FOR THE RESPONDENT:

Russell W. Sullivan
(Name)
(Position) COUNSEL FOR RESPONDENT

Date 4-18-94

9404354507 9

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3928

DATE FILMED 6-22-94 CAMERA NO. 2

CAMERAMAN JMH

9404354508 0