THIS IS THE **BEGINNING** OF MUR # 3968

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RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION

MAY 2 10 05 AM '94

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

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COMMISSION
OFFICE OF GENERAL
COUNSEL

MAY 2 3 09 PM '94

Consider this letter a formal complaint against Steven Carroll who is running for the U.S. Senate in Missouri.

I am, like many Americans, sick of politicians who try to run our lives but who don't abide by the rules themselves. It is that kind of double standard that has left Americans cynical about their government.

According to an Associated Press story in the Kansas City Star, Mr. Carroll has failed to file an official statement of candidacy as required under federal law. You my consider that a technical violation, but, I believe Mr. Carroll is flouting the law.

In addition, I am filing a formal complaint challenging the source of two "loans" totalling $116,000 Mr. Carroll gave his campaign. According to the Associated Press story, Mr. Carroll does not have enough money to make such loans. If the money came from someone else, it exceeds the $1,000 limit and is a flagrant violation and obvious attempt to circumvent federal law.

I would appreciate your quick attention to this matter. Thank you in advance for your consideration.

Sincerely,

Todd Ransom

Todd Ransom

Philip Alan Reicher

"NOTARY SEAL"
Philip Alan Reicher, Notary Public
Jackson County, State of Missouri
My Commission Expires 8/7/97

9604372286 2

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

May 3, 1994

Todd Ransom
521 W. 11th Apt. 102
Kansas City, MO 64105

Dear Mr. Ransom:

We have received your letter on May 2, 1994, regarding the possibility of a violation of the Federal Election Campaign Act of 1971, as amended ("the Act").

The 1976 amendments to the Act and Federal Election Commission regulations require that a complaint meet certain specific requirements. Your letter does not meet these requirements. Consequently, the Commission can take no action at this time unless the allegations are refiled meeting the requirements for a properly filed complaint.

However, if you desire the Commission to look into the matter discussed in your letter to determine if the Act has been violated, a formal complaint as described in 2 U.S.C. § 437g(a)(1) must be filed. Requirements of this section of the law, and Commission regulations at 11 C.F.R. § 111.4, which are a prerequisite to Commission action, are detailed below:

(1) A complaint must be in writing. (2 U.S.C. § 437g(a)(1)).

(2) Its contents must be sworn to and signed in the presence of a notary public and shall be notarized. (2 U.S.C. § 437g(a)(1)).

(3) A formal complaint must contain the full name and address of the person making the complaint. (11 C.F.R. § 111.4).

(4) A formal complaint should clearly identify as a respondent each person or entity who is alleged to have committed a violation. (11 C.F.R. § 111.4).

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(5) A formal complaint should identify the source of information upon which the complaint is based. (11 C.F.R. § 111.4).

(6) A formal complaint should contain a clear and concise recitation of the facts describing the violation of a statute or law over which the Commission has jurisdiction. (11 C.F.R. § 111.4).

(7) A formal complaint should be accompanied by supporting documentation if known and available to the person making the complaint. (11 C.F.R. § 111.4).

Finally, please include your telephone number, as well as the full names and addresses of all respondents.

Enclosed is a Commission brochure entitled "Filing a Complaint." I hope this material will be helpful to you should you wish to file a legally sufficient complaint with the Commission.

If we can be of any further assistance, please do not hesitate to contact me at (202) 219-3690.

Sincerely,

Retha Dixon

Retha Dixon
Docket Chief

Enclosure

cc: Steven Carroll
Missourians for Carroll

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

MAY 16 10 00 AM '94

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ADMINISTRATIVE DIVISION

MAY 16 9 27 AM '94

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

MUR 3968

Consider this letter a formal complaint against Steven Carroll, who is running for the U.S. Senate in Missouri.

I am, like many Americans, sick of politicians who try to run our lives but who don't abide by the rules themselves. It is that kind of double standard that has left Americans cynical about their government.

According to an Associated Press story in the Kansas City Star, Mr. Carroll has failed to file an official statement of candidacy as required under federal law. You my consider that a technical violation, but, I believe Mr. Carroll is flouting the law.

In addition, I am filing a formal complaint challenging the source of two "loans" totalling $116,000 Mr. Carroll gave his campaign. According to the Associated Press story, Mr. Carroll does not have enough money to make such loans. If the money came from someone else, it exceeds the $1,000 limit and is a flagrant violation and obvious attempt to circumvent federal law.

I would appreciate your quick attention to this matter. Thank you in advance for your consideration.

Sincerely,

Todd Spencer Ransom

Todd Spencer Ransom
521 W. 11th Apt. 102
Kansas City, MO 64105
816/471-7503

Subscribed and sworn to before me, a notary public, this 11 day of May, 1994

Lyn Handley
Notary Public

My Commission Expires:

LYN HANDLEY
Notary Public - State of Missouri
Commissioned in Jackson County
My Commission Expires Dec. 23, 1998

9604372286 5

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 23, 1994

Todd Spencer Ransom
521 W. 11th Apt. 102
Kansas City, MO 64105

RE: MUR 3968

Dear Mr. Ransom:

This letter acknowledges receipt on May 16, 1994, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) 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 3968. 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

9604372286 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 23, 1994

Steven Carroll
1 Riverpoiny Road
Hannibal, MO 63401

RE: MUR 3968

Dear Mr. Carroll:

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 3968. 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.

9604372286 7

If you have any questions, please contact Joan McEnery at (202) 219-3400. 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

9604372268

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 23, 1994

John E. Bardgett, Sr., Treasurer
Missourians for Carroll
109 E. High, Suite B
Jefferson City, MO 65102

RE: MUR 3968

Dear Mr. Bardgett:

The Federal Election Commission received a complaint which indicates that Missourians for Carroll ("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 3968. 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.

9604372869

If you have any questions, please contact Joan McEnery at (202) 219-3400. 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

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RECEIVED
FEDERAL ELECTION
COMMISSION
ADMINISTRATIVE DIVISION
Jun 13 11 31 PM '94

June 4, 1994

General Council's Office
c\o Mary Taksar
Central Enforcement Docket
Federal Elections Commission
Washington, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Jun 13 2 53 PM '94

RE: MUR 3968

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Dear Ms. Taksar:

I received your letter dated May 23, 1994 in regards to the complaint filed by Mr. Todd Ransom against Missourians for Carroll.

First, Mr. Ransom is incorrect in his formal complaint. There have been three loans totaling $166,000 that I have personally loaned to Missourians for Carroll. In essence, Mr. Ransom has sworn to a false statement of fact as required under C.F.R. § 11.4. Two loans were made to the campaign before the end of 1993 totalling $16,000. The third loan was made on January 29, 1994 for $150,000. Mr. Ransom filed a complaint for $116,000.

I do have the assets to make these loans, as shown on my financial disclosure report filed March 18, 1994. My family is involved in estate planning at the present time and bequests have been made. As I understand, this is allowed by law as an exclusion and I indicated this on page 4 of my financial disclosure report. I do not believe under the law my family must disclose their estate planning process in regards to my Senate race. However, if you have information or guidelines that can explain this in more detail, please send it to me immediately.

I also am asking whether Mr. Ransom followed the law under 11 C.F.R. § 111.4 by supporting his complaint with documentation that is clear and concise. I am sure you know that politics at this level gets dirty and negative and I am wondering what his true motivation is in filing this complaint. Nonetheless, I will be most happy to present more information to you if it is needed to comply with the law.

Campaign Headquarters Missourians for Carroll
P.O. Box 1694 • Jefferson City, Missouri 65102 • (314) 761-5994
St. Louis (314) 367-1994 • Kansas City (816) 556-8181
Paid For by Missourians For Carroll, John "Jack" Bardgett, Treasurer

I am an attorney and will represent myself in this matter as far as receiving notifications and other communications from the Commission. My campaign treasurer, former Missouri Chief Justice of the Supreme Court, John Bardgett, Sr. also may assist with this matter if time requires, since I am the candidate and need to spend time campaigning.

Thank you for your time and I look forward to working with you in this matter.

Sincerely,

STEVEN R. CARROLL

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SENSITIVE

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

FIRST GENERAL COUNSEL'S REPORT

MUR 3968
DATE COMPLAINT FILED: May 16, 1994
DATE OF NOTIFICATION: May 23, 1994
DATE ACTIVATED: October 21, 1994
STAFF MEMBER: Elizabeth Stein

COMPLAINANT: Todd Spencer Ransom

RESPONDENTS: Missourians for Carroll and
John E. Bardgett Sr., as treasurer,
Steven R. Carroll

RELEVANT STATUTE(S): 2 U.S.C. § 431(2)
2 U.S.C. § 431(8)(a)
2 U.S.C. § 432(e)
2 U.S.C. § 434(b)
2 U.S.C. § 441a(a)(1)(A)
2 U.S.C. § 441a(f)
11 C.F.R. § 100.7
11 C.F.R. § 101.1
11 C.F.R. § 101.2
11 C.F.R. § 101.3
11 C.F.R. § 102.2
11 C.F.R. § 104.3(a)(3)(vii)
11 C.F.R. § 110.10

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

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I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission ("Commission"). The basis for the complaint is the alleged failure of the Missourians for Carroll Committee and John E. Bardgett, as treasurer, and Steven R. Carroll ("Respondents") to timely file a Statement of Candidacy and the failure to accurately report the source of loans received. Steven R. Carroll, a Missouri state representative, ran for United States Senate in the 1994 Missouri Primary. He withdrew from the

race more than one month prior to the August 2, 1994 primary, on June 28, 1994 and does not currently hold an elected office.

II. FACTUAL AND LEGAL ANALYSIS

The complaint alleges that Steven Carroll failed to timely file the required Statement of Candidacy and that Mr. Carroll has insufficient resources to make the reported loans to the Committee from his personal funds. A news story which was not attached to the complaint is referred to as the source of these allegations.[1]

A. Filing of Statement of Candidacy

Pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"), a person becomes a candidate for federal office when they receive contributions or make expenditures in excess of $5,000. 2 U.S.C. § 431(2). Within fifteen (15) days of becoming a candidate, an individual must designate a principal campaign committee by filing either a Statement of Candidacy or a letter which identifies the name, address, and party affiliation of the candidate, the office sought, and the name and address of the principal campaign committee. 2 U.S.C. § 432(e)(1), 11 C.F.R. § 101.1. Within ten days after it has been designated by the candidate, the principal campaign committee must file a Statement of Organization containing, inter alia, the names and addresses of the committee, treasurer, and custodian of records, and naming any other affiliated committees. If the committee is authorized by a candidate, the candidate's name, party

1. The complaint references an Associated Press wire story in the Kansas City Star. This Office conducted a search of the Data Times and Dialog databases for the Associated Press, the Kansas City Star, and all other Missouri newspapers but was unable to locate the article.

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affiliation, an address where they can be contacted, and the office sought must also be included in the Statement of Organization. 11 C.F.R. § 102.2. Funds raised or expended for "testing the waters" prior to making a decision to seek federal office are not considered contributions or expenditures. 11 C.F.R. §§ 100.7(b)(1), 100.8(b)(1). However, if the individual subsequently becomes a candidate, funds raised for testing the waters purposes become contributions subject to the contribution limitations and prohibitions of the Act, and both funds raised and expenditures made during the testing the waters period must be reported. 11 C.F.R. § 101.3.

Missourians for Carroll filed its first required disclosure report, the 1993 Year-End Report, on January 31, 1994, covering the period of November 4, 1993 to December 31, 1993. The report disclosed $38,316 in receipts, including two initial candidate loans, totaling $16,000, received by the Committee from the candidate's personal funds. The November 2, 1993 loans were the Committee's earliest reported receipts and were not reported as testing the waters expenses. Since the loans were in excess of $5,000, Steven Carroll became a candidate subject to the Act on November 2, 1993. As such, he was required to file a Statement of Candidacy or letter of designation within fifteen days, by November 17, 1993.

While the Missourians for Carroll filed a Statement of Organization on November 23, 1993, twenty-one days after Mr. Carroll became a candidate, including virtually all of the information which should have been filed by the candidate in a Statement of Candidacy, no Statement of Candidacy was filed by

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Mr. Carroll until April 21, 1994, 155 days late. Mr. Carroll does not address the untimely filing of his Statement of Candidacy in his response. Since he failed to comply with the requirements for timely filing of the Statement of Candidacy for the 1994 election cycle, this Office recommends that the Commission find reason to believe that Steven R. Carroll violated 2 U.S.C. § 432(e)(1).

B. Candidate Loans

A candidate for federal office may make unlimited expenditures and loans from personal funds so long as the loans and expenditures are reported. 2 U.S.C. § 434(b)(2)(H), 11 C.F.R. §§ 104.3(a)(3)(vii) and 110.10(a). Personal funds are defined as any assets which, under the applicable state law, the candidate had a legal right of access or control over, coupled with either legal and rightful title, or an equitable interest, at the time he or she become a candidate. 11 C.F.R. § 110.10(b)(1). Personal funds also includes any funds a candidate receives by bequest or as income from trusts established prior to candidacy. 11 C.F.R. § 110.10(b)(2). Gifts to a candidate, on the other hand, are contributions and thus, are subject to the limitations and prohibitions of the Act, unless similar gifts had been customarily received prior to candidacy. 2 U.S.C. § 431(8)(A), 11 C.F.R. § 110.10(b)(2). It is unlawful for any person to make a contribution to a candidate for federal office or to his or her campaign committee in excess of $1,000 per election. 2 U.S.C. § 441a(a)(1)(A). "This limitation applies to the spouse or family member of a candidate . . . ." Advisory Opinion 1991-10. Candidates and political committees are prohibited from knowingly accepting any contribution in violation of the

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provisions of 2 U.S.C. § 441a. 2 U.S.C. § 441a(f).

Loans obtained by a candidate in connection with a campaign are not considered personal funds, but are deemed to have been received by the candidate as an agent of the campaign. 2 U.S.C. § 432(e)(2), 11 C.F.R. § 101.2. If a loan is made to, or guaranteed by, a candidate as an agent of a campaign committee, the committee is required to report the name of the original lender or guarantor as well as the date the loan was made, and the amount and value of the loan. 2 U.S.C. § 434(b)(3)(E).

Respondents reported a total of $166,000 in loans from Steven R. Carroll between November 1993 and January 1994.[2] On April 19, 1994, a Request for Additional Information was sent to the Committee asking them to specify the source of the loans made by the candidate, and to provide the name of the lender and other required information if the loan contributions were derived from bank loans. On May 27, 1994, Respondents submitted an amended Schedule C and enclosed correspondence which stated that all loans from Mr. Carroll to the Committee were from personal funds and were not the proceeds of bank loans.

On April 20, 1994, in connection with his position as a state representative, Mr. Carroll filed a Personal Financial Disclosure Statement for 1993 with the Missouri Ethics Commission. See Attachment 3. On April 4, 1994, Mr. Carroll also filed a Public Financial Disclosure Report for United States Senate candidates with the Secretary of the U.S. Senate. See

2. Three separate loans were made to the Committee by the candidate: $6,000 on November 2, 1993, $10,000 on November 2, 1993, and $150,000 on January 25, 1994.

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Attachment 4. The Senate report lists Mr. Carroll as having earned income of $27,500 from combined employment as an attorney (of counsel) for a law firm in Hannibal, Missouri, as a Missouri state representative, and as an employee of Carroll Seed Farm.[3] Id. The report from the Missouri Ethics Commission lists the same three entities as employers but does not require disclosure of amount of income. See Attachment 3 at 2. The Missouri Ethics Commission report also lists Mr. Carroll as a partner of the Carroll Seed Farm with his father, Kenneth Carroll. Id. In contrast, the Senate report does not indicate that Mr. Carroll holds a partnership interest in the farm but rather lists his assets as including between $50,000 and $100,000 in bank accounts, between $15,000 and $50,000 each in farm equipment, livestock, and band equipment, and between $1,000 and $5,000 each in office furnishings and feed and grain. See Attachment 4 at 2-4. Based upon these reports, it does not appear that Mr. Carroll had sufficient liquid assets to make $166,000 in loans to his Committee.

Mr. Carroll does not claim to have liquidated any of his assets to make the loan. Instead, in his June 4, 1994 response to the complaint, Mr. Carroll stated that he had sufficient personal funds to make the loans because his family is "involved in estate planning at the present time and bequests have been made." See Attachment 2 at 1. A bequest is defined as a gift or transfer by will. Black's Law Dictionary 160 (6th ed. 1990). The language of Mr. Carroll's response, which stated that the family is "involved

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3. The Senate report also lists a $930 commission received from AMCO Insurance as earned income included within the $27,500.

9604372287 8

in estate planning at the present time," and that he "does not believe his family need disclose their estate planning process" appears to indicate that his family is currently involved in planning as opposed to testamentary administration or distribution, and that the funds he received appear to be inter vivos transfers rather than bequests. See Attachment 2 at 1. If Mr. Carroll's family "estate planning process" included inter vivos gifts or transfers rather than testamentary transfers, the funds would not be personal funds but would appear to be contributions subject to the limitations of the Act.[4] Finally, Mr. Carroll states that he did not disclose the funds for the loans on his U.S. Senate disclosure report because the report excludes bequests and other forms of inheritance from disclosure. While Mr. Carroll is correct that bequests need not be disclosed, in the applicable section of the report, rather than stating that he received a bequest, Mr. Carroll states that "[g]ifts have been received but fall under the exclusions above."

Based upon Mr. Carroll's financial disclosure reports, it does not appear that he had sufficient personal funds to loan his Committee $166,000. It also appears that the funds for the loans may have been received as a gift in violation of the contribution limitations of the Act rather than as a testamentary bequest. Thus, this Office recommends that the Commission find reason to believe that Steven R. Carroll, Missourians for Carroll, and John

---

4. The Commission has previously distinguished between testamentary bequests and other estate planning procedures such as inter vivos trusts, guardianships, powers of appointment or attorney, or other methods by which gifts may be made to a political committee. See Advisory Opinions 1983-13 and 1986-24.

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E. Bardgett Sr., as treasurer, violated 2 U.S.C. § 441a(f).[5]

III. DISCOVERY

To fully assess the facts and circumstances surrounding the loans discussed above in a timely fashion, this Office also recommends that the Commission approve the attached order to submit written answers and subpoena for documents.

IV. RECOMMENDATIONS

1. Find reason to believe that Steven R. Carroll violated 2 U.S.C. § 432(e).

2. Find reason to believe that Steven R. Carroll, Missourians for Carroll, and John E. Bardgett Sr., as treasurer, violated 2 U.S.C. § 441a(f).

3. Approve the attached Factual and Legal Analysis.

4. Approve the attached Subpoena for the Production of Documents and Answers to Interrogatories to Steven R. Carroll.

Lawrence M. Noble
General Counsel

Date 3/1/95

BY: Lois G. Lerner
Associate General Counsel

Attachments
1. Complaint
2. Response
3. Missouri Ethics Commission Personal Financial Disclosure Statement
4. United States Senate Public Financial Disclosure Report
5. Factual Legal Analysis
6. Subpoena to Produce Documents and Order to Submit Written Answers

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5. Should our investigation confirm that the funds at issue were not the personal funds of the candidate, additional violations would result from the misreporting of the transaction by the Committee and the making of an excessive or prohibited contribution by the original source of the funds. This Office defers making recommendations on these issues pending receipt of Respondents' discovery responses.

9604372280

P.O. BOX 1370
JEFFERSON CITY, MO 65102

MISSOURI ETHICS COMMISSION
PERSONAL FINANCIAL DISCLOSURE STATEMENT

COPY

1. TIME PERIOD COVERED	2. TYPE OF STATEMENT
FROM 01 / 01 / 93 THROUGH 12 / 31 / 93	☐ NEW ☐ AMENDED

3. NAME	4. SPOUSE'S NAME
Steven R. Carroll	None
ADDRESS	**5. DEPENDENT CHILDREN**
1 Riverpoint Road	None
6. DIVISION/AGENCY	**7. TITLE**
MO House of Representatives	State Representative

MISSOURI ETHICS COMMISSION
APR 20 1994

8. If your spouse is required to file a financial interest statement, this statement need not disclose his/her financial information. If your spouse is filing a financial interest statement, please indicate under what name that statement is being filed:

NAME: None

9. Please indicate why you are filing this statement:

☐ A. Supreme court judge, court of appeals judge, circuit judge, associate circuit court judge,
☐ Candidate for one of the above positions, election to be held ____ / ____ / ____
(Successful primary candidates must file an amended statement within 7 days of the general election.)

☒ B. Statewide office, state senate, state representative
☐ Candidate for one of the above positions, election to be held ____ / ____ / ____
(Successful primary candidates must file an amended statement within 7 days of the general election.)

☐ C. State government employee:
☐ principal or deputy assistant serving a statewide officeholder
☐ director, assistant deputy director, general counsel or chief purchasing officer of a department, division or agency
☐ official or employee authorized to promulgate or vote on adoption of rules and regulations

☐ D. Designated decision-making public servant (negotiates contracts, legal authority to adopt or vote on adoption of rules and regulations with force of law, exercises primary supervisory responsibility over purchasing decisions).

☐ E. Member or chief executive officer of an interstate board or commission (created by constitution or interstate compact)

☐ F. Member, chief executive officer or chief purchasing officer of a board or commission which spends state funds

☐ G. Chancellor or president of a college

☐ H. Member of a metropolitan sewer district board

☐ I. Member of a county enforcement board, planning and zoning commission, sports complex authority or convention sports facility, meeting and tourism program

☐ J. Elected official, chief administrative officer, chief purchasing officer, full-time general counsel of a political subdivision with an annual operating budget over $1 million

10. Complete and sign this section: (check one)

☒ I certify that I have disclosed all interests concerning the required financial information.

☐ I certify that I have disclosed all interests concerning the required financial information and further certify that my spouse has refused or failed to provide information concerning his or her financial interest and that I have no knowledge of such interests.

FILER'S SIGNATURE Steve R. Carroll

FILING INFORMATION: This form is to be filed with the Missouri Ethics Commission, between January 1 and May 1. Instructional information and additional disclosure statements are available from the Missouri Ethics Commission office. If additional space is needed, attach additional pages.

MO 300-0652 (2-93)

ATTACHMENT 3
Page 1 of 4

9-6-0-4-3-7-2-2-8-8

11. EMPLOYMENT: List the name and address of each employer from whom you received income of $1,000 or more during the period covered by this statement.

EMPLOYER'S NAME	ADDRESS	WHO RECEIVED INCOME
State of Missouri	State Capitol	Self
Carroll Seed Farms	Monroe City, MO	Self
Carstarphen & Harvey Law Offices	Hannibal, MO	Self

12. SOLE PROPRIETORSHIPS: List each sole proprietorship owned.

NAME OF SOLE PROPRIETORSHIP	ADDRESS

13. GENERAL PARTNERSHIPS, JOINT VENTURES: List each general partnership and joint venture in which you are a partner or participant, and the names of partners or coparticipants unless such names and addresses are filed with the secretary of state.

NAME OF GENERAL PARTNERSHIP OR JOINT VENTURE	ADDRESS	GENERAL NATURE OF BUSINESS	NAME AND ADDRESS OF PARTNERS OR COPARTICIPANT
Carroll Seed Farms	Monroe City, MO	Farming & Seed business	Kenneth Carroll (Father) Monroe City, MO ~~63456~~

14. LIMITED PARTNERSHIPS, CLOSELY-HELD CORPORATIONS: List the name of any closely-held corporation or limited partnership in which you own ten percent (10%) or more of any class of the outstanding stock or units.

NAME OF LIMITED PARTNERSHIP OR CLOSELY-HELD CORPORATION	ADDRESS	GENERAL NATURE OF BUSINESS
None		

15. PUBLICLY TRADED CORPORATION OR LIMITED PARTNERSHIP: List the name of any publicly-traded corporation or limited partnership which is listed on a regulated stock exchange or automated quotation system in which you own two percent (2%) or more of any class of outstanding stock, units or other equity interests.

NAME OF PUBLICLY TRADED CORPORATION OR LIMITED PARTNERSHIP
None

ATTACHMENT 3
Page 2 of 4

16. **MISCELLANEOUS INCOME:** List the name and address of any source of income from which you received $1,000 or more during the period covered by this statement that has not been reported elsewhere. If income is from publicly traded corporations or limited partnerships listed on a regulated stock exchange or automated quotation system, list the name only.

SOURCE OF INCOME	ADDRESS	WHO RECEIVED INCOME

17. **REAL PROPERTY:** List any real property located in Missouri, other than personal residence, having a fair market value of $10,000 or more. Income name and address of parties involved if property was transferred during the year covered by this statement. Tax subclassification includes residential, commercial, agricultural or forest products.

LOCATION - COUNTY	TAX SUB - CLASS.	APPROX. SIZE (Acreage, Square Feet, etc.)	MAJOR IMPROVEMENTS (Buildings, etc.)	USE OF PROPERTY	PARTIES INVOLVED IN SALE OR PURCHASE

18. **STOCKS, BONDS OR OTHER HOLDINGS:** List the name and address of each entity in which you owned stock, bonds, or other equity interest with a value of more than $10,000. If the entity is a corporation listed on a regulated stock exchange, list name only. Members of state or political subdivision boards or commissions, uncompensated except for actual expenses or a per diem allowance, do not have to report interest in publicly traded corporations or limited partnerships listed on a regulated stock exchange or automated quotation system. Interest in the Employees' Retirement Income Security Act is not required to be listed.

ENTITY	ADDRESS
None	

19. **CORPORATIONS:** List the name and address of each corporation for which you served in the capacity of a director, officer or receiver.

NAME OF CORPORATION	ADDRESS	WHO SERVED IN THIS CAPACITY
None		

20. **NOT FOR PROFIT CORPORATIONS:** List the name, address and general description of nature and purpose of each not for profit corporation, association, organization or union where you served as an officer, director, employee or trustee. Do not include church, fraternal, or service organizations where no pay was received.

ORGANIZATION	ADDRESS	GENERAL NATURE/ PURPOSE	WHO SERVED IN THIS CAPACITY
None			

ATTACHMENT 3

Page 3 of 4

21. **GIFTS, HONORARIA:** List the name and address of any source of gifts or honoraria valued at $200 or more received during the period covered by this statement. Do not include a gift from your spouse, child, parent, grandparent, great grandparent, brother, sister, aunt, uncle, grandchild or great grandchild.

SOURCE OF GIFT/HONORARIA	ADDRESS
Scott Fisher	RR 1, Monroe City, MO 63456

22. **LODGING AND TRAVEL:** List lodging and travel expenses paid by a third person for expenses incurred outside Missouri whether by gift or in relation to the duties of office. Do not include expenses paid in the ordinary course of businesses described in items 11, 12, and 13; expenses reimbursed by law, expenses paid by persons related by third degree of consanguinity or affinity, expenses reported under chapter 130, RSMo, or expenses for purely personal purposes not related to official duties and not paid for by a lobbyist, lobbyist principal, or officer, director of any association or entity which employes a lobbyist.

EXPENSES PAID BY (NAME AND ADDRESS)	DATE EXPENSES INCURRED	AMOUNT INCURRED	LOCATION OF TRAVEL	REASON FOR TRAVEL
None				

23. **TRUST ASSETS:** List assets in any revocable trust which would have been reported elsewhere if they had not been in the trust.

None

24. **RELATIVES:** List spouse and children who were employed by the state of Missouri, a political subdivision or special district, are lobbyists, or who are fee agents of the department of revenue.

NAME	RELATIONSHIP	POSITION/POLITICAL SUBDIVISION
None		

9604772284

FOR NEW EMPLOYEE AND CANDIDATE REPORT

	First Name and Middle Initial	Date of Employment	Office / Agency in which Employed
Carroll	Steven R.	New Employee Report	RECEIVED. SECRETARY OF THE SENATE 94 APR -4 AM 8:40
Address (Number, Street, City, State, and ZIP Code)	Telephone No. (Include Area Code)	Commencement of Candidacy	State
1 Riverpoint Rd. Hannibal, Mo. 63401	314-221-4777 314-761-5994	Candidate Report U. S. Senate	HAND DELIVERED ☐ Missouri

ATTACHMENT Page 1 of 5

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS

Did you or your spouse have "earned" income (e.g., salaries or fees) of more than $200 from any source in the reporting period? If yes, Complete and Attach PART II.	YES ☒ NO ☐	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES ☐ NO ☒
Did you, your spouse, or dependent child receive "unearned" income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES ☒ NO ☐	Did you have any reportable agreement or arrangement with an outside entity on the filing date? If yes, Complete and Attach PART IX.	YES ☐ NO ☒
Did you, your spouse, or dependent child have any reportable liability (more than $10,000) at the close of the reporting period? If yes, Complete and Attach PART VII.	YES ☐ NO ☒	NEW EMPLOYEES ONLY Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and Attach PART X.	YES ☐ NO ☒

Each question must be answered and the appropriate PART attached for each "Yes" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104 and 18 U.S.C 1001.)

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Steven R. Carroll	3/18/94
For Official Use Only - Do Not Write Below This Line		
It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date (Month, Day, Year)

$200 Penalty for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 penalty fee.

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R. Carroll

Source (name and address), type, and amount of earned income to you from any source (other than employment by the U.S. Government) aggregat- or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregates $1000 or during the reporting period. No amount needs to be specified for your spouse.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Examples:	JP Computers	Wash., D.C.	Salary	$15,000
	MCI (Spouse)	Arlington, VA	Salary	Over $1,000
1	State of Missouri	House of Reps, Jefferson City, Mo.	Salary	$23,176.80
2	Carroll Seed Farms	Monroe City, Mo.	Farm	$1953.20
3	AMCO Ins. Co.	Des Moines, Ia.	Commission	$930.65
4	Carstarphen & Harvey	Hannibal, Mo. (Of Counsel)	Lawyer fees	$1250.50
5				
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ATTACHMENT Page 2 of 2

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BLOCK A

...ublicly Traded Assets and ...al Income Sources

..., address (city, state), and descrip- ...rest held by you, your spouse, or ...nt child for the production of income or in... in a non-public trade or business which:

1) ... a value exceeding $1,000 at the close of the reporting period; and/or
2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B

Valuation of Assets at close of reporting period. If none, or less than $1001, check the 1st column.

BLOCK C

Type and amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	Valuation of Assets: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Business Income Net Profit	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	Actual Amount Only if "Other" Specified
Block A Example:	JP Computers, Wash., D.C. (Computer Sales)			x						x									x								
	Undeveloped land in Dubuque, Iowa					x												x									
1	Commerce Bank Accounts				x							x								x							
2	MCM Savings Bank	x	x									x						x									
3	Machinery, Tools, Equipment Carroll Seeds Farms			x													None										
4	Stored Grain Carroll Seeds Farms		x														None										
5	Livestock Carroll Seed Farms			x													None										
6	Office Equipment and Furnishings		x																	x							
7	Band and Music Equipment			x							x								x								

EXEMPTION TEST: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

Reporting Individual's Name: Steven R. Carroll

PART V. GIFTS

Report the source, brief description (including dates of travel and a brief itinerary related to travel gifts) and value of all gifts aggregating $250 or more in value received by you, your spouse, or your dependent child, from each source. Gifts with a value of $100 or less need not be aggregated towards the $250 disclosure threshold. "Gift" is defined in the instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Suitable mementos of a function honoring the reporting individual; (3) Political campaign contributions; (4) Communications to your offices including subscriptions to newspapers and periodicals; (5) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (6) Gifts received prior to your Federal employment; (7) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (8) Gifts from relatives; (9) Personal hospitality of any individual (see instructions); (10) Meals and beverages unless consumed in connection with a gift of overnight lodging; and (11) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by the U.S. Government, D.C., or a State or local government.

	Name of Source	Address of Source	Dates and Brief Description	Value of gift
Example:	Mr. John Q. Smith	Anytown, VA	August 12, 198X, Silver platter-Ethics Committee waiver granted	$400
1	Gifts have been received but fall under the exclusions listed above.			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				

Note: Most gifts in excess of $250 are prohibited by the Senate Gifts Rule.

BLOCK A

Publicly Traded Assets and Earned Income Sources

Name, address (city, state), and description of the interest held by you, your spouse, or your dependent child for the production of income or investment in a non public trade or business which:

1) had a value exceeding $1,000 at the close of the reporting period; and/or

2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B

Valuation of Assets

at close of reporting period. If none, or less than $1001, check the 1st column.

BLOCK C

Type and amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	Actual Amount Only if "Other" Specified
Examples	JP Computers, Wash., D.C. (Computer Sales)			x						x									x								
	Undeveloped land in Dubuque, Iowa					x												x									
1	Commerce Bank Accounts				x							x								x							
2	MCM Savings Bank	x	x									x						x									
3	Machinery, Tools, Equipment Carroll Seeds Farms			x													None										
4	Stored Grain Carroll Seeds Farms		x														None										
5	Livestock Carroll Seed Farms			x													None										
6	Office Equipment and Furnishings		x													1)	None		1)								
7	Band and Music Equipment			x							x								x								

EXEMPTION TEST: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

Previous Editions Cannot Be Used

Per tel. conv. w/ Mr. Halsey (of Mr. Carroll's staff). 8/17/94. REF

Revised 1/9

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/LISA R. DAVIS L.R.D.
COMMISSION SECRETARY

DATE: MARCH 7, 1995

SUBJECT: MUR 3968 - FIRST GENERAL COUNSEL'S REPORT DATED MARCH 1, 1995.

The above-captioned document was circulated to the Commission on THURSDAY, MARCH 2, 1995 at 4:00 p.m.

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

Commissioner Aikens _____

Commissioner Elliott _____

Commissioner McDonald _____

Commissioner McGarry _____

Commissioner Potter XXX

Commissioner Thomas _____

This matter will be placed on the meeting agenda for TUESDAY, MARCH 21, 1995 at 10:00 a.m.

Please notify us who will represent your Division before the Commission on this matter.

9604372890

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3968
Missourians for Carroll and	)	
John E. Bardgett Sr., as treasurer;	)	
Steven R. Carroll	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on March 21, 1995, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 3968:

1. Find reason to believe that Steven R. Carroll violated 2 U.S.C. § 432(e).

2. Find reason to believe that Steven R. Carroll, Missourians for Carroll, and John E. Bardgett Sr., as treasurer, violated 2 U.S.C. § 441a(f).

3. Approve the Factual and Legal Analysis recommended in the General Counsel's March 1, 1995 report.

4. Approve the Subpoenas for the Production of Documents and Answers to Interrogatories to Steven R. Carroll, as recommended in the General Counsel's March 1, 1995 report

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

Attest:

3-23-95
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1995

Steven R. Carroll
1 Riverpoint Rd.
Hannibal, MO 63401

RE: MUR 3968

Dear Mr. Carroll:

On May 23, 1994, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on March 21, 1995, found that there is reason to believe you violated 2 U.S.C. §§ 432(e) and 441a(f), provisions of 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. Statements should be submitted under oath. All responses to the enclosed Order to Answer Interrogatories and Subpoena to Produce Documents must be submitted to the General Counsel's Office within 30 days of your receipt of this letter. Any additional materials or statements you wish to submit should accompany the response to the order and subpoena. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

You may consult with an attorney and have an attorney assist you in the preparation of your responses to this order and subpoena. If you intend to be represented by counsel, 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending

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declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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.

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 have any questions, please contact Elizabeth Stein, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Danny L. McDonald

Danny L. McDonald
Chairman

Enclosures
Order and Subpoena
Designation of Counsel Form
Factual & Legal Analysis

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of) MUR 3968

SUBPOENA TO PRODUCE DOCUMENTS
ORDER TO SUBMIT WRITTEN ANSWERS

TO: Steven R. Carroll
1 Riverpoint Rd.
Hannibal, MO 63401

Pursuant to 2 U.S.C. § 437d(a)(1) and (3), and in furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby orders you to submit written answers to the questions attached to this Order and subpoenas you to produce the documents requested on the attachment to this Subpoena. Legible copies which, where applicable, show both sides of the documents may be substituted for originals.

Such answers must be submitted under oath and must be forwarded to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463, along with the requested documents within 30 days of receipt of this Order and Subpoena.

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WHEREFORE, the Chairman of the Federal Election Commission has hereunto set his hand in Washington, D.C. on this 24th day of March, 1995.

For the Commission,

Danny L. McDonald
Chairman

ATTEST:

Marjorie W. Emmons
Secretary to the Commission

Attachment
Questions and Document Requests

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INSTRUCTIONS

Each answer is to be given separately and independently, and unless specifically stated in the particular discovery request, no answer shall be given solely by reference either to another answer or to an exhibit attached to your response.

Each answer shall be preceded by the question or interrogatory to which the answer pertains.

In answering these interrogatories and requests for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1992 to present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

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DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" or "your" shall mean the named respondents in this action to whom these discovery requests are addressed, including all officers, employees, agents or attorneys thereof.

"Persons" shall be deemed to include both singular and plural, and shall mean any natural person, partnership, committee, association, corporation, or any other type of organization or entity.

"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"Identify" with respect to a person shall mean state the full name, the most recent business and residence addresses and the telephone numbers, the present occupation or position of such person, the nature of the connection or association that person has to any party in this proceeding. If the person to be identified is not a natural person, provide the legal and trade names, the address and telephone number, and the full names of both the chief executive officer and the agent designated to receive service of process for such person.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and request for the production of documents any documents and materials which may otherwise be construed to be outside their scope.

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BEFORE THE FEDERAL ELECTION COMMISSION

INTERROGATORIES AND REQUESTS FOR DOCUMENTS

1. Please identify the date of receipt and the source(s) of the funds used to make the loans to your campaign committee, Missourians for Carroll, referenced in your June 4, 1994 response to the complaint in this matter.

2. In your June 4, 1994 response, you state that "your family is involved in estate planning at the present time and bequests have been made." Please:

   a. Explain the precise nature of the bequests referenced in your statement, and specify whether you received the "bequest(s)" as the result of the death of a family member, (e.g. by will/probate), or as a transfer of funds from a living person (e.g. gift or proceeds of a living trust).

   b. Please provide a copy of documents reflecting the nature, terms, and amounts of the "bequests" referenced in your statement.

   c. If the funds resulted from a transfer from a living person, state whether you had previously received similar transfers.

   d. State whether you had made the decision to seek a United States Senate seat, or were considering a candidacy for United States Senate, at the time you received the funds.

3. Please specify if the funds loaned to your Committee resulted from the sale of assets or other business interests in which you hold a legal or equitable interest. If so, please identify the asset or interest sold, and provide documents evidencing the sale.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Missourians for Carroll, John E. Bardgett Sr., as treasurer, Steven R. Carroll

MUR: 3968

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission ("Commission") by Todd Spencer Ransom. See 2 U.S.C. § 437g(a)(2). The basis for the complaint is the alleged failure of the Missourians for Carroll Committee and John E. Bardgett Sr., as treasurer, and Steven R. Carroll ("Respondents") to timely file a Statement of Candidacy and the failure to accurately report the source of loans received. Steven R. Carroll, a Missouri state representative, ran for United States Senate in the 1994 Missouri Primary. He withdrew from the race more than one month prior to the August 2, 1994 primary, on June 28, 1994 and does not currently hold an elected office.

II. FACTUAL AND LEGAL ANALYSIS

A. Filing of Statement of Candidacy

Pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"), a person becomes a candidate for federal office when they receive contributions or make expenditures in excess of $5,000. 2 U.S.C. § 431(2). Within fifteen (15) days of becoming a candidate, an individual must designate a principal campaign committee by filing either a Statement of Candidacy or a letter which identifies the name, address, and party affiliation of the candidate, the office sought, and the name and address of

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the principal campaign committee. 2 U.S.C. § 432(e)(1), 11 C.F.R. § 101.1. Within ten days after it has been designated by the candidate, the principal campaign committee must file a Statement of Organization containing inter alia, the names and addresses of the committee, treasurer, and custodian of records, and naming any other affiliated committees. If the committee is authorized by a candidate, the candidate's name, party affiliation, an address where they can be contacted, and the office sought must also be included in the Statement of Organization. 11 C.F.R. § 102.2. Funds raised or expended for "testing the waters" prior to making a decision to seek federal office are not considered contributions or expenditures. 11 C.F.R. §§ 100.7(b)(1), 100.8(b)(1). However, if the individual subsequently becomes a candidate, funds raised for testing the waters purposes become contributions subject to the contribution limitations and prohibitions of the Act, and both funds raised and expenditures made during the testing the waters period must be reported. 11 C.F.R. § 101.3.

Missourians for Carroll filed its first required disclosure report, the 1993 Year-End Report, on January 31, 1994, covering the period of November 4, 1993 to December 31, 1993. The report disclosed $38,316 in receipts, including two initial candidate loans, totaling $16,000, received by the Committee from the candidate's personal funds. The November 2, 1993 loans were the Committee's earliest reported receipts and were not reported as testing the waters expenses. Since the loans were in excess of $5,000, Steven Carroll became a candidate subject to the Act on

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November 2, 1993. As such, he was required to file a Statement of Candidacy or letter of designation within fifteen days, by November 17, 1993.

While the Missourians for Carroll filed a Statement of Organization on November 23, 1993, twenty-one days after Mr. Carroll became a candidate, including virtually all of the information which should have been filed by the candidate in a Statement of Candidacy, no Statement of Candidacy was filed by Mr. Carroll until April 21, 1994, 155 days late. Since he failed to comply with the requirements for timely filing of the Statement of Candidacy for the 1994 election cycle, the Commission finds reason to believe that Steven R. Carroll violated 2 U.S.C. § 432(e)(1).

B. Candidate Loans

A candidate for federal office may make unlimited expenditures and loans from personal funds so long as the loans and expenditures are reported. 2 U.S.C. § 434(b)(2)(H), 11 C.F.R. §§ 104.3(a)(3)(vii) and 110.10(a). Personal funds are defined as any assets which, under the applicable state law, the candidate had a legal right of access or control over, coupled with either legal and rightful title, or an equitable interest at the time he or she become a candidate. 11 C.F.R. § 110.10(b)(1). Personal funds also includes any funds a candidate receives by bequest or as income from trusts established prior to candidacy. 11 C.F.R. § 110.10(b)(2). Gifts to a candidate, on the other hand, are contributions and thus, are subject to the limitations and prohibitions of the Act, unless similar gifts had been customarily received prior to candidacy. 2 U.S.C. § 431(8)(A),

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11 C.F.R. § 110.10(b)(2). It is unlawful for any person to make a contribution to a candidate for federal office or to his or her campaign committee in excess of $1,000 per election. 2 U.S.C. § 441a(a)(1)(A). "This limitation applies to the spouse or family member of a candidate . . . ." Advisory Opinion 1991-10. Candidates and political committees are prohibited from knowingly accepting any contribution in violation of the provisions of 2 U.S.C. § 441a. 2 U.S.C. § 441a(f).

Loans obtained by a candidate in connection with a campaign are not considered personal funds, but are deemed to have been received by the candidate as an agent of the campaign. 2 U.S.C. § 432(e)(2), 11 C.F.R. § 101.2. If a loan is made to, or guaranteed by, a candidate as an agent of a campaign committee, the committee is required to report the name of the original lender or guarantor as well as the date the loan was made, and the amount and value of the loan. 2 U.S.C. § 434(b)(3)(E).

Respondents reported a total of $166,000 in loans from Steven R. Carroll between November 1993 and January 1994.[1] On April 19, 1994, a Request for Additional Information was sent to the Committee asking them to specify the source of the loans made by the candidate, and to provide the name of the lender and other required information if the loan contributions were derived from bank loans. On May 27, 1994, Respondents submitted an amended Schedule C and enclosed correspondence which stated that all loans

1. Three separate loans were made to the Committee by the candidate: $6,000 on November 2, 1993, $10,000 on November 2, 1993, and $150,000 on January 25, 1994.

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from Mr. Carroll to the Committee were from personal funds and were not the proceeds of bank loans.

On April 20, 1994, in connection with his position as a state representative, Mr. Carroll filed a Personal Financial Disclosure Statement for 1993 with the Missouri Ethics Commission. On April 4, 1994, Mr. Carroll also filed a Public Financial Disclosure Report for United States Senate candidates with the Secretary of the U.S. Senate. The Senate report lists Mr. Carroll as having earned income of $27,500 from combined employment as an attorney (of counsel) for a law firm in Hannibal, Missouri, as a Missouri state representative, and as an employee of Carroll Seed Farm.[2] Id. The report from the Missouri State Ethics Commission lists the same three entities as employers but does not require disclosure of amount of income. The Missouri report also lists Mr. Carroll as a partner of the Carroll Seed Farm with his father, Kenneth Carroll. Id. In contrast, the Senate report does not indicate that Mr. Carroll holds a partnership interest in the farm but rather lists his assets as including between $50,000 and $100,000 in bank accounts, between $15,000 and $50,000 each in farm equipment, livestock, and band equipment, and between $1,000 and $5,000 each in office furnishings and feed and grain. Looking to these reports, it does not appear that Mr. Carroll had sufficient liquid assets to make $166,000 in loans to his Committee.

Mr. Carroll does not claim to have liquidated any of his

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2. The Senate report also lists a $930 commission received from AMCO Insurance as earned income included within the $27,500.

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assets to make the loan. Instead, in his June 4, 1994 response to the complaint, Mr. Carroll stated that he had sufficient personal funds to make the loans because his family is "involved in estate planning at the present time and bequests have been made." A bequest is defined as a gift or transfer by will. Black's Law Dictionary 160 (6th ed. 1990). The language of Mr. Carroll's response, which stated that the family is "involved in estate planning at the present time," and that he "does not believe his family need disclose their estate planning process" appears to ind his family is currently involved in planning as opposed to testamentary administration or distribution, and that the funds he received appear to be inter vivos transfers rather than bequests. If Mr. Carroll's family "estate planning process" included inter vivos gifts or transfers rather than testamentary transfers, the funds would not be personal funds but would appear to be contributions subject to the limitations of the Act.[3] Finally, Mr. Carroll states that he did not disclose the funds for the loans on his U.S. Senate disclosure report because the report excludes bequests and other forms of inheritance from disclosure. While Mr. Carroll is correct that bequests need not be disclosed, in the applicable section of the report, rather than stating that he received a bequest, Mr. Carroll states that "[g]ifts have been received but fall under the exclusions above."

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3. The Commission has previously distinguished between testamentary bequests and other estate planning procedures such as inter vivos trusts, guardianships, powers of appointment or attorney, or other methods by which gifts may be made to a political committee. See Advisory Opinions 1983-13 and 1986-24.

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Based upon Mr. Carroll's financial disclosure reports, it does not appear that he had sufficient personal funds to loan his Committee $166,000. It also appears that the funds for the loans may have been received as a gift in violation of the contribution limitations of the Act rather than as a testamentary bequest. Thus, the Commission finds reason to believe that Steven R. Carroll, Missourians for Carroll, and John E. Bardgett Sr., as treasurer, violated 2 U.S.C. § 441a(f).

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 24, 1995

John E. Bardgett Sr., Treasrer
Missourians for Carroll
109 E. High St., Suite B
Jefferson City, MO 65102

RE: MUR 3968

Dear Mr. Bardgett:

On May 23, 1994, the Federal Election Commission notified Missourians for Carroll ("Committee") and you, as treasurer, of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint, and information supplied by Mr. Carroll, the Commission, on March 21, 1995, found that there is reason to believe the Committee and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of 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 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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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 matter to be made public.

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

Sincerely,

Danny L. McDonald

Danny L. McDonald
Chairman

Enclosures
Designation of Counsel Form
Factual & Legal Analysis

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Missourians for Carroll, John E. Bardgett Sr., as treasurer, Steven R. Carroll

MUR: 3968

I. GENERATION OF MATTER

This matter was generated by a complaint filed with the Federal Election Commission ("Commission") by Todd Spencer Ransom. See 2 U.S.C. § 437g(a)(2). The basis for the complaint is the alleged failure of the Missourians for Carroll Committee and John E. Bardgett Sr., as treasurer, and Steven R. Carroll ("Respondents") to timely file a Statement of Candidacy and the failure to accurately report the source of loans received. Steven R. Carroll, a Missouri state representative, ran for United States Senate in the 1994 Missouri Primary. He withdrew from the race more than one month prior to the August 2, 1994 primary, on June 28, 1994 and does not currently hold an elected office.

II. FACTUAL AND LEGAL ANALYSIS

A. Filing of Statement of Candidacy

Pursuant to the Federal Election Campaign Act of 1971, as amended ("the Act"), a person becomes a candidate for federal office when they receive contributions or make expenditures in excess of $5,000. 2 U.S.C. § 431(2). Within fifteen (15) days of becoming a candidate, an individual must designate a principal campaign committee by filing either a Statement of Candidacy or a letter which identifies the name, address, and party affiliation of the candidate, the office sought, and the name and address of

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the principal campaign committee. 2 U.S.C. § 432(e)(1), 11 C.F.R. § 101.1. Within ten days after it has been designated by the candidate, the principal campaign committee must file a Statement of Organization containing inter alia, the names and addresses of the committee, treasurer, and custodian of records, and naming any other affiliated committees. If the committee is authorized by a candidate, the candidate's name, party affiliation, an address where they can be contacted, and the office sought must also be included in the Statement of Organization. 11 C.F.R. § 102.2. Funds raised or expended for "testing the waters" prior to making a decision to seek federal office are not considered contributions or expenditures. 11 C.F.R. §§ 100.7(b)(1), 100.8(b)(1). However, if the individual subsequently becomes a candidate, funds raised for testing the waters purposes become contributions subject to the contribution limitations and prohibitions of the Act, and both funds raised and expenditures made during the testing the waters period must be reported. 11 C.F.R. § 101.3.

Missourians for Carroll filed its first required disclosure report, the 1993 Year-End Report, on January 31, 1994, covering the period of November 4, 1993 to December 31, 1993. The report disclosed $38,316 in receipts, including two initial candidate loans, totaling $16,000, received by the Committee from the candidate's personal funds. The November 2, 1993 loans were the Committee's earliest reported receipts and were not reported as testing the waters expenses. Since the loans were in excess of $5,000, Steven Carroll became a candidate subject to the Act on

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November 2, 1993. As such, he was required to file a Statement of Candidacy or letter of designation within fifteen days, by November 17, 1993.

While the Missourians for Carroll filed a Statement of Organization on November 23, 1993, twenty-one days after Mr. Carroll became a candidate, including virtually all of the information which should have been filed by the candidate in a Statement of Candidacy, no Statement of Candidacy was filed by Mr. Carroll until April 21, 1994, 155 days late. Since he failed to comply with the requirements for timely filing of the Statement of Candidacy for the 1994 election cycle, the Commission finds reason to believe that Steven R. Carroll violated 2 U.S.C. § 432(e)(1).

B. Candidate Loans

A candidate for federal office may make unlimited expenditures and loans from personal funds so long as the loans and expenditures are reported. 2 U.S.C. § 434(b)(2)(H), 11 C.F.R. §§ 104.3(a)(3)(vii) and 110.10(a). Personal funds are defined as any assets which, under the applicable state law, the candidate had a legal right of access or control over, coupled with either legal and rightful title, or an equitable interest at the time he or she become a candidate. 11 C.F.R. § 110.10(b)(1). Personal funds also includes any funds a candidate receives by bequest or as income from trusts established prior to candidacy. 11 C.F.R. § 110.10(b)(2). Gifts to a candidate, on the other hand, are contributions and thus, are subject to the limitations and prohibitions of the Act, unless similar gifts had been customarily received prior to candidacy. 2 U.S.C. § 431(8)(A),

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11 C.F.R. § 110.10(b)(2). It is unlawful for any person to make a contribution to a candidate for federal office or to his or her campaign committee in excess of $1,000 per election. 2 U.S.C. § 441a(a)(1)(A). "This limitation applies to the spouse or family member of a candidate . . . ." Advisory Opinion 1991-10. Candidates and political committees are prohibited from knowingly accepting any contribution in violation of the provisions of 2 U.S.C. § 441a. 2 U.S.C. § 441a(f).

Loans obtained by a candidate in connection with a campaign are not considered personal funds, but are deemed to have been received by the candidate as an agent of the campaign. 2 U.S.C. § 432(e)(2), 11 C.F.R. § 101.2. If a loan is made to, or guaranteed by, a candidate as an agent of a campaign committee, the committee is required to report the name of the original lender or guarantor as well as the date the loan was made, and the amount and value of the loan. 2 U.S.C. § 434(b)(3)(E).

Respondents reported a total of $166,000 in loans from Steven R. Carroll between November 1993 and January 1994.[1] On April 19, 1994, a Request for Additional Information was sent to the Committee asking them to specify the source of the loans made by the candidate, and to provide the name of the lender and other required information if the loan contributions were derived from bank loans. On May 27, 1994, Respondents submitted an amended Schedule C and enclosed correspondence which stated that all loans

1. Three separate loans were made to the Committee by the candidate: $6,000 on November 2, 1993, $10,000 on November 2, 1993, and $150,000 on January 25, 1994.

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from Mr. Carroll to the Committee were from personal funds and were not the proceeds of bank loans.

On April 20, 1994, in connection with his position as a state representative, Mr. Carroll filed a Personal Financial Disclosure Statement for 1993 with the Missouri Ethics Commission. On April 4, 1994, Mr. Carroll also filed a Public Financial Disclosure Report for United States Senate candidates with the Secretary of the U.S. Senate. The Senate report lists Mr. Carroll as having earned income of $27,500 from combined employment as an attorney (of counsel) for a law firm in Hannibal, Missouri, as a Missouri state representative, and as an employee of Carroll Seed Farm.[2] Id. The report from the Missouri State Ethics Commission lists the same three entities as employers but does not require disclosure of amount of income. The Missouri report also lists Mr. Carroll as a partner of the Carroll Seed Farm with his father, Kenneth Carroll. Id. In contrast, the Senate report does not indicate that Mr. Carroll holds a partnership interest in the farm but rather lists his assets as including between $50,000 and $100,000 in bank accounts, between $15,000 and $50,000 each in farm equipment, livestock, and band equipment, and between $1,000 and $5,000 each in office furnishings and feed and grain. Looking to these reports, it does not appear that Mr. Carroll had sufficient liquid assets to make $166,000 in loans to his Committee.

Mr. Carroll does not claim to have liquidated any of his

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assets to make the loan. Instead, in his June 4, 1994 response to the complaint, Mr. Carroll stated that he had sufficient personal funds to make the loans because his family is "involved in estate planning at the present time and bequests have been made." A bequest is defined as a gift or transfer by will. Black's Law Dictionary 160 (6th ed. 1990). The language of Mr. Carroll's response, which stated that the family is "involved in estate planning at the present time," and that he "does not believe his family need disclose their estate planning process" appears to ind his family is currently involved in planning as opposed to testamentary administration or distribution, and that the funds he received appear to be inter vivos transfers rather than bequests. If Mr. Carroll's family "estate planning process" included inter vivos gifts or transfers rather than testamentary transfers, the funds would not be personal funds but would appear to be contributions subject to the limitations of the Act.[3] Finally, Mr. Carroll states that he did not disclose the funds for the loans on his U.S. Senate disclosure report because the report excludes bequests and other forms of inheritance from disclosure. While Mr. Carroll is correct that bequests need not be disclosed, in the applicable section of the report, rather than stating that he received a bequest, Mr. Carroll states that "[g]ifts have been received but fall under the exclusions above."

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3. The Commission has previously distinguished between testamentary bequests and other estate planning procedures such as inter vivos trusts, guardianships, powers of appointment or attorney, or other methods by which gifts may be made to a political committee. See Advisory Opinions 1983-13 and 1986-24.

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Based upon Mr. Carroll's financial disclosure reports, it does not appear that he had sufficient personal funds to loan his Committee $166,000. It also appears that the funds for the loans may have been received as a gift in violation of the contribution limitations of the Act rather than as a testamentary bequest. Thus, the Commission finds reason to believe that Steven R. Carroll, Missourians for Carroll, and John E. Bardgett Sr., as treasurer, violated 2 U.S.C. § 441a(f).

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FEDERAL ELECTION
COMMISSION
SECRETARIAT

MAY 2 2 30 PM '95

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AFFIDAVIT
OF
STEVEN R. CARROLL

RE: MVR 3968
Steven R. Carroll

TO: Federal Elections Commission
Mr. Danny L. McDonald, Chairman
Elizabeth Stein, Attorney at Law

COMES NOW, Steven R. Carroll, of Hannibal, Missouri and being first duly sworn upon his oath states:

1. On April 1, 1995, I received from the Federal Elections Commission a letter from Chairman McDonald, order and subpoena, Designation of Counsel form and a Factual and Legal Analysis in regards to the above stated matter.

2. That Interrogatories and Requests for Documents have been requested by questions 1.; 2. (a), (b), (c), (d); and 3 and such questions are answered below accordingly:

Question 1: Please identify the date of receipt and the source(s) of the funds used to make the loans to your campaign committee, Missourians for Carroll, referenced in your June 4, 1994 response to the complaint in this matter.

ANSWER: The date of the receipt from the loan of $150,000.00 was January 25, 1994. The loan that I made to Missourians for Carroll was a gift from my mother and father, Mr. and Mrs. Kenneth Carroll, Box 98, Monroe City, Missouri 63456, dated January 24, 1994, in the amount of $150,000.00. I believed at the time it was allowable under the law and thus I could use what I thought to be my money, and make a loan to my committee. Upon receipt of the gift from my parents, which as I understand is also an advancement on my future inheritance, I deposited said amount in my investment savings account located in the Hannibal Commerce Bank. I then proceeded to write a check from said account into Missourians for Carroll account for $150,000.00 in what was, as I believed, a loan from myself, to the campaign. Missourians for Carroll account is also located in the Hannibal Commerce Bank.

Question 2.a: In your June 4, 1994 response, you state that "your family is involved in estate planning at the present time and bequests have been made." Please explain the precise nature of the bequests referenced in your statement, and specify whether you received the "bequest(s)" as the result of the death of family member, (e.g., by will/probate) or as a transfer of funds from a living person (e.g., gift or proceeds of a living trust).

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ANSWER 2.a: The nature of bequests that is at issue is one that does not involve a death of one of my parents but an inter vivos gift. My family has seen an attorney in regards to their estate planning and I am not privy to their exact personal business in their estate planning. The word "bequest" that is used in my June 4, 1994 response was a correct one in my opinion at the time it was made, as I used the terms "gift" and "bequests" as one in the same. Enclosed is Exhibit A which was my financial disclosure report that I signed March 18, 1994. On Part V exclusions list (1) Bequests and other forms of inheritance; and (8) Gifts from relatives. I believed that I fell under either/or exclusion and used the word "gifts" as I knew that my parents would file a gift tax return. Exhibit B, is a copy of the June 4, 1994 letter I sent to the FEC about the complaint I received. In paragraph 3 I did write that "bequests" have been made. In making the statement, I should have looked at how I stated the exclusion on my financial disclosure report that I signed March 18, 1994, but I did not as I was using the terms again as one in the same. As I have discussed with my parents, the $150,000.00 was an advancement on my future inheritance and thus I believed would fall under "bequests" or even "gift" as they had to file a gift tax return.

Also, I wrote in the June 4, 1994 letter, which was 19 days before I dropped out of the race, that I was correct in my logic on the exclusions, but if I was not, please send me information immediately to correct the problem. I heard nothing about this matter again, to my knowledge, until some nine months later when the complaint was sent to me of which I received April 1, 1995. I have never tried to hide the fact that I received money from my family and always was willing to provide more information if needed to comply with the law.

Question 2.b: Please provide a copy of documents reflecting the nature, terms and amounts of the "bequests" referenced in your statement.

ANSWER 2.b: Enclosed are Exhibits C and D which are copies of my parents 709 Schedule A gift tax return showing the transaction.

Question 2.c: If the funds resulted from a transfer from a living person, state whether you had previously received similar transfers.

ANSWER 2.c: I have received gifts in the past years from my parents, yet not of this amount at one time. Such gifts have always been under the $10,000.00 exclusion for gifts in any one year.

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Question 2.d: State whether you had made the decision to see a United States Senate seat, or were considering a candidacy for United States Senate, at the time you received the funds.

ANSWER 2.d: The answer to this question is a solid "yes."

Question 3: Please specify if the funds loaned to your Committee resulted from the sale of assets or other business interests in which you hold a legal or equitable interest. If so, please identify the asset or interest sold, and provide documents evidencing the sale.

ANSWER 3: The answer to interrogatory number 3 is "NO."

3. In answering your questions above, directly and straight forward, I have tried to clarify this issue as I viewed it during the campaign and now. It is apparent that I misinterpreted the law in this matter. I had been given gifts in the past, used such gifts for political purposes in state elections, which I know is allowable, and I truly believed that I was within the law, in making this loan to my committee for the federal race. When I received your letter dated March 24, 1995, stating that you believed I had violated the law, I was shocked to say the least. It had been many months since I had heard anything from the FEC in relation to 2 U.S.C. § 432(e) and 44a(f) over my loan. When I sent the letter dated June 4, 1994, I asked for information or help in the matter. At that time you had my personal finance disclosure report and if something looked wrong I would have thought the FEC would have inquired of me earlier so that I could have tried to correct such a mistake. I am certainly not trying to blame anyone else for this error, but I do believe I requested additional information and help. As the candidate of the committee I must accept full responsibility for this error in understanding the law.

I was the one who had knowledge of my family business and no one else who was involved in the campaign. In fact, also included is Exhibit F, which is an affidavit from my treasurer, John E. Bardgett, who had no knowledge of the transaction between my parents and myself. He believed, like I, that the money was legally mine to loan to the committee. As the former Chief Justice of the Missouri Supreme Court, he is an honorable and ethical man and I hope the FEC will not hold him responsible for this error. Mr. Bardgett never personally filled out an FEC report.

I am no longer in politics and after this experience I do not believe I will ever run for public office again. I dropped out of the U.S. Senate race in June 1994 and thus I do not believe this error affected the outcome of the race in anyway as I was no longer a candidate.

I paid back to myself a considerable amount of the $150,000.00 loan after dropping out of the U.S. Senate race. I then entered an area race for State Senate upon the death of State Senator Norman Merrell in June 1994. I used the remainder of this loan money to finance my state senate race which is allowable in Missouri. The area race turned out to be a disastrous losing effort as I spent the remainder of the so-called "loan money" at issue, and also went heavily into debt. I am now working in a salaried position at a public relations firm in St. Louis and am no longer an elected official.

4. I am asking, at this time, for pre-probable cause conciliation in an effort to clear up this matter. I am requesting this in writing, at this time, as per Chairman McDonald's enclosure letter dated March 24, 1995, which states I can pursue said conciliation. I want to settle this matter in a reasonable way, after explaining my views on this matter, and hopefully terminate the committee. I have made what I believe to be an honest mistake and am asking for the Commission's consideration to settle this matter in an understanding way.

Further affiant sayeth not.

Steven R. Carroll

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

On this 27 day of April, 1995, personally appeared before me STEVEN R. CARROLL, known to me to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, on the day and year first above written.

Llana Sue Gerard
Notary Public

My Commission Expires:

LLANA SUE GERARD
Notary Public - Notary Seal
STATE OF MISSOURI
Callaway County
My Commission Expires: Jan. 5, 1996

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2604772290 Exhibit A

Reporting Individual's Name: Steven R. Carroll

PART V. GIFTS

Report the source, brief description (including dates of travel and a brief itinerary related to travel gifts) and value of all gifts aggregating $250 or more in value received by you, your spouse, or your dependent child, from each source. Gifts with a value of $100 or less need not be aggregated towards the $250 disclosure threshold. "Gift" is defined in the instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Suitable mementos of a function honoring the reporting individual; (3) Political campaign contributions; (4) Communications to your offices including subscriptions to newspapers and periodicals; (5) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (6) Gifts received prior to your Federal employment; (7) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (8) Gifts from relatives; (9) Personal hospitality of any individual (see instructions); (10) Meals and beverages unless consumed in connection with a gift of overnight lodging; and (11) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by the U.S. Government, D.C., or a State or local government.

	Name of Source	Address of Source	Dates and Brief Description	Value of gift
Example:	Mr. John Q. Smith	Anytown, VA	August 12, 198X, Silver platter-Ethics Committee waiver granted	$[illegible]
1	Gifts have been received but fall under the exclusions listed above.			
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				

Note: Most gifts in excess of $250 are prohibited by the Senate Gifts Rule.

Previous Editions Cannot Be Used

Revised 1/93

Exhibit B

June 4, 1994

General Council's Office
c\o Mary Taksar
Central Enforcement Docket
Federal Elections Commission
Washington, D.C. 20463

RE: MUR 3968

Dear Ms. Taksar:

I received your letter dated May 23, 1994 in regards to the complaint filed by Mr. Todd Ransom against Missourians for Carroll.

First, Mr. Ransom is incorrect in his formal complaint. There have been three loans totaling $166,000 that I have personally loaned to Missourians for Carroll. In essence, Mr. Ransom has sworn to a false statement of fact as required under C.F.R. § 11.4. Two loans were made to the campaign before the end of 1993 totalling $16,000. The third loan was made on January 29, 1994 for $150,000. Mr. Ransom filed a complaint for $116,000.

I do have the assets to make these loans, as shown on my financial disclosure report filed March 18, 1994. My family is involved in estate planning at the present time and bequests have been made. As I understand, this is allowed by law as an exclusion and I indicated this on page 4 of my financial disclosure report. I do not believe under the law my family must disclose their estate planning process in regards to my Senate race. However, if you have information or guidelines that can explain this in more detail, please send it to me immediately.

I also am asking whether Mr. Ransom followed the law under 11 C.F.R. § 111.4 by supporting his complaint with documentation that is clear and concise. I am sure you know that politics at this level gets dirty and negative and I am wondering what his true motivation is in filing this complaint. Nonetheless, I will be most happy to present more information to you if it is needed to comply with the law.

Campaign Headquarters Missourians for Carroll
P.O. Box 1694 • Jefferson City, Missouri 65102 • (314) 761-5994
St. Louis (314) 367-1994 • Kansas City (816) 556-8181
Paid For by Missourians For Carroll, John "Jack" Bardgett, Treasurer

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I am an attorney and will represent myself in this matter as far as receiving notifications and other communications from the Commission. My campaign treasurer, former Missouri Chief Justice of the Supreme Court, John Bardgett, Sr. also may assist with this matter if time requires, since I am the candidate and need to spend time campaigning.

Thank you for your time and I look forward to working with you in this matter.

Sincerely,

STEVEN R. CARROLL

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Exhibit F

JOHN E. BARDGETT
ATTORNEY AT LAW
308 EAST HIGH STREET
SUITE 301
JEFFERSON CITY, MISSOURI 65101
TELEPHONE (314) 634-2500
FACSIMILE (314) 634-3358

April 25, 1995

Mr. Danny L. McDonald, Chairman
Federal Elections Commissions
Washington, D.C. 20463

RE: MUR 3968

Dear Mr. McDonald:

Attached is my affidavit in response to your letter of March 24, 1995, in connection with the Missourians for Carroll Committee, which I received from Mr. Carroll on April 19, 1995. The envelope was postmarked April 3, 1995. If any further information is needed or questions need to be answered I will be happy to do so to the best of my ability.

Mr. Carroll, asked me to be Treasurer of his committee because he believed my name was sufficiently known as to be an asset in his campaign and I agreed to do so as a favor to a friend.

The financial transactions, contributions, expenditures and reports were all done by Mr. Carroll, or Assistant Treasurer Mr. Schmid, or Mr. Steve Halsey, in Hannibal, Missouri.

I have tried to candidly and directly address the issue as I perceive it from your letter and the analysis attached thereto. If I have mis-perceived anything I hope you will re-contact me so that I can adequately respond to the Commission's concerns.

I am furnishing this letter and affidavit to Steve Carroll so that he can forward it, together with his material to you in one package.

Thank you.

Sincerely,

John E. Bardgett, Sr.

JEB:sg

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AFFIDAVIT

OF

JOHN E. BARDGETT, SR.

RE: MUR 3968
Steven R. Carroll

TO: Federal Elections Commission
Mr. Danny L. McDonald, Chairman

Comes now, John E. Bardgett, Sr., of Jefferson City, Missouri, and being first duly sworn upon his oath states:

1. I was designated as Treasurer for the Missourians for Carroll Committee, and subsequently Mr. Brian Schmid, C.P.A., of Hannibal, Missouri, was designated the Assistant Treasurer. The depository for funds was Commerce Bank, Hannibal, Missouri. I was not a signatory on the account and handled no transactions.

2. On April 19, 1995, Mr. Carroll gave me the March 24, 1995 letter (postmarked April 3, 1995) of Mr. McDonald which was addressed to me at the Committee office in Jefferson City, Missouri, together with a seven page document entitled "Factual and Legal Analysis," which principally relates to a $150,000.00 loan from Mr. Carroll to his Committee.

3. Attached to the "Reports of Receipts and Disbursements - January Supplement" dated January 31, 1994, which was filed with the FEC, is a form entitled "Loans." That form shows a loan of $150,000.00 of the candidate's own money from the candidate to the Committee on January 25, 1994.

4. I first knew of this loan on or about January 31, 1994,

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when I saw it reported in the document noted in paragraph 3 above. I have some recollections of Steve Carroll or Steve Halsey saying that Steve Carroll had loaned or put his inheritance into the campaign.

5. It was my belief that this was Steven R. Carroll's personal money and therefore not subject to any limits, and that it was correctly reported in the document noted in paragraph 3 above, and that said report was true, correct and complete to the best of my knowledge and belief and that no Federal Election Laws were violated. Nothing happened that caused me to have any doubts about the legality of that loan.

6. To the best of my knowledge and belief the Committee and I did not knowingly accept any contribution or loan for the benefit or use of this candidate in violation of any limitations on contributions under 2 USC 441a(f).

Further affiant sayeth not.

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STATE OF MISSOURI)
) ss
COUNTY OF COLE)

On this 25 day of April, 1995, personally appeared before me John E. Bardgett, Sr., known to me to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, on the day and year first above written.

Llana Sue Gerard
Notary Public

My Commission Expires:

LLANA SUE GERARD
Notary Public - Notary Seal
STATE OF MISSOURI
Callaway County
My Commission Expires: Jan. 5, 1996

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RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT
MAY 25 8 58 AM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Missourians for Carroll and John E. Bardgett, as treasurer	)	MUR 3968
	)	
Steven R. Carroll	)	
	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On March 21, 1995, the Commission found reason to believe Steven R. Carroll and Missourians for Carroll violated 2 U.S.C. § 441a(f) by accepting a $150,000 candidate loan which did not qualify as the candidate's personal funds, and that Steven R. Carroll had violated 2 U.S.C. § 432(i) by failing to timely file a statement of candidacy. At that time the Commission also approved discovery to determine the exact source of the money loaned to the the Committee.

On May 2, 1995, this Office received Mr. Carroll's response to the Commission's Order to Answer Interrogatories and Subpoena to Produce Documents. Mr. Carroll's response acknowledges that the source of the $150,000 loan to the committee was a gift from his parents given to aid his attempt to secure a U.S. Senate seat. See Attachment 1.

II. ANALYSIS OF DISCOVERY REQUESTS

A. Applicable Law

A candidate for federal office may make unlimited expenditures and loans from personal funds so long as the loans and expenditures are reported. 2 U.S.C. § 434(b)(2)(H); 11 C.F.R. §§ 104.3(a)(3)(vii), 110.10(a). Personal funds are

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defined as any assets which, under the applicable state law, the candidate had a legal right of access or control over, coupled with either legal and rightful title, or an equitable interest, at the time he or she become a candidate. 11 C.F.R. § 110.10(b)(1). Personal funds also includes any funds a candidate receives by bequest or as income from trusts established prior to candidacy. 11 C.F.R. § 110.10(b)(2). Gifts to a candidate, on the other hand, are contributions and thus, are subject to the limitations and prohibitions of the Act, unless similar gifts had been customarily received prior to candidacy. 2 U.S.C. § 431(8)(A), 11 C.F.R. § 110.10(b)(2). It is unlawful for any person to make a contribution to a candidate for federal office or to his or her campaign committee in excess of $1,000 per election and, "this limitation applies to the spouse or family member of a candidate . . . ." 2 U.S.C. § 441a(a)(1)(A); Advisory Opinion 1991-10. Candidates and political committees are prohibited from knowingly accepting any contribution in violation of the provisions of 2 U.S.C. § 441a. 2 U.S.C. § 441a(f).

B. Discovery Responses

Steven Carroll initially reported making a $150,000 loan to his Committee on January 25, 1994. On May 18, 1994, a complaint was filed with the Commission alleging that Carroll lacked sufficient assets to make a loan of this size from his personal funds. In his June 4, 1994 response to the complaint, Carroll stated that "I do have the assets to make these loans as shown on my financial disclosure report filed March 8, 1994. My family is involved in estate planning at the present time and bequests have

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been made." Attachment 1 at 7-8. However, in his May 2, 1995 response to written discovery propounded by the Commission, Steven Carroll admits that the source of the $150,000 he previously described as a "bequest" consisted of an inter-vivos gift from his parents, Kenneth A. Carroll and Rheyma J. Carroll.[1] Id. at 1, 9-12.

Responses to discovery show that Steven Carroll received $150,000 in gifts from his parents on January 24, 1994, and immediately thereafter paid the money into the account of his Committee, Missourians for Carroll. Carroll concedes he had made the decision to seek a U.S. Senate seat at the time the gifts were received, and, while he has received gifts from his parents in the past, he has not received gifts in excess of the $10,000 per-year federal gift tax exemption. Id. at 1-3. Carroll asserts that he simply misinterpreted the law, as he had been given gifts by family friends in the past and used such gifts for political purposes in state elections.[2] Carroll further states that he believed referring to the gifts as "bequests" was permissible because the United States Senate Public Financial Disclosure Report he filed with the Secretary of the Senate, Public Records Office in March 1994 exempted from disclosure both "(1) Bequests and other forms of inheritance;" and "(8) Gifts from relatives,"

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1. Carroll states that he understood the gift to be an advancement on his future inheritance.

and he simply used the words interchangeably. See Attachment 1 at 2, 6.

Certain factors appear to undermine Carroll's asserted innocence in his handling of the inter-vivos gift. First, Carroll stated orally to this Office that he consulted the Campaign Finance Guide which clearly states in Section 11. Contributions from Candidates and their Families that: "If any person, including a relative or friend of the candidate gives or loans the candidate money in connection with his or her campaign, the funds are not considered the personal funds of the candidate." See Attachment 2. Second, Carroll, a licensed attorney, submitted a carefully crafted response to the complaint which indicates a degree of familiarity with the Act and the definition of personal funds.[3] Carroll's assertion that he used the words bequest and gift interchangeably due to the wording of his Senate Financial Disclosure report is also unconvincing because the Senate Disclosure report, while exempting both family gifts and bequests from disclosure, clearly differentiates between the two.

Carroll made virtually no attempt to refund the $150,000 from his Committee until July 13 and July 19, 1994, several weeks after withdrawing from the U.S. Senate primary. Carroll states he

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3. In his response to the complaint, Carroll references provisions of the Commission's regulations indicating some research on his part. Shortly before the response was filed, Carroll spoke to a RAD analyst about the Act's requirements regarding "personal funds" as he had received an RFAI requesting him to clarify whether the loans to the Committee resulted from bank loans. Carroll submitted a narrowly tailored response to RAD which stated only that the loans were from personal funds, not bank loans and did not state the actual source of the loans. See Attachment 3.

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made the refunds, totaling $54,000, in order to run for a vacant Missouri state Senate seat. See Attachment 4. Carroll was ultimately defeated in the state Senate race and is currently employed in a public relations firm. He states that "after this experience I do not believe that I will ever run for public office again." Id.

C. Additional Violations

In the First General Counsel's Report of March 2, 1995, this Office indicated that the investigation in this matter could result in additional 2 U.S.C. § 441a violations against the original source of the $150,000. The investigation has revealed that Kenneth A. Carroll and Rheyma J. Carroll did in fact make excessive contributions of $148,000 to Steven Carroll and Missourians for Carroll. The Carrolls could not have collectively contributed more than $2,000 to Steven Carroll or his Committee for the Missouri primary election. Accordingly, this Office recommends that the Commission find reason to believe that Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions of $74,000 each.

D. Pre-Probable Cause Conciliation

In his responses to discovery, Steven Carroll made a request to enter into pre-probable cause conciliation on behalf of himself and the Committee. This Office recommends that the Commission

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deny Steven Carroll's request to enter into pre-probable cause conciliation at this time in order to allow Kenneth and Rheyma Carroll an opportunity to respond to the Commission's finding of reason to believe. It is possible that Mr. and Mrs. Carroll will also seek pre-probable cause conciliation in this matter and that such action will result in a single conciliation agreement for all Respondents.

III. RECOMMENDATIONS

1. Find reason to believe that Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. § 441a(a)(1)(A).

2. Deny Steven R. Carroll's request to enter into pre-probable cause conciliation at this time.

3. Approve the attached Factual and Legal Analysis for Kenneth A. Carroll and Rheyma J. Carroll.

Lawrence M. Noble
General Counsel

5/25/95
Date

BY: Lois G. Lerner
Associate General Counsel

Attachments
1. Responses to Order to Answer Written Questions and Subpoena to Produce Documents
2. 1993 Campaign Finance Guide for Congressional Candidates and Committees, page 11.
3. Letter of Steven R. Carroll to RAD dated May 27, 1994
4. 1994 12 Day Pre-Primary Report of Missourians for Carroll
5. Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20461

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/BONNIE J. ROSS
COMMISSION SECRETARY

DATE: MAY 31, 1995

SUBJECT: MUR 3968 - GENERAL COUNSEL'S REPORT DATED MAY 25, 1995.

The above-captioned document was circulated to the Commission on Thursday, May 25, 1995 at 11:00 a.m.

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

Commissioner Aikens	XXX
Commissioner Elliott	XXX
Commissioner McDonald	
Commissioner McGarry	
Commissioner Potter	XXX
Commissioner Thomas	

This matter will be placed on the meeting agenda for Tuesday, June 6, 1995.

Please notify us who will represent your Division before the Commission on this matter.

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3968
Missourians for Carroll and	)	
John E. Bardgett, as treasurer;	)	
Steven R. Carroll	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on June 6, 1995, do hereby certify that the Commission decided by a vote of 5-1 to take the following actions in MUR 3968:

1. Find reason to believe that Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. § 441a(a)(1)(A).

2. Deny Steven R. Carroll's request to enter into pre-probable cause conciliation at this time.

3. Approve the Factual and Legal Analysis for Kenneth A. Carroll and Rheyma J. Carroll as recommended in the General Counsel's May 25, 1995 report.

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

Attest:

6-8-95
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 13, 1995

Steven R. Carroll
281 S. 9th St.
East Alton, Illinois 62024

RE: MUR 3968

Dear Mr. Carroll:

On March 21, 1995, you were notified that the Federal Election Commission found reason to believe that you and your committee, Missourians for Carroll and John E. Bardgett, Sr., as treasurer, had violated 2 U.S.C. §§ 432(e) and 441a(f). On May 2, 1995, you submitted a request to enter into conciliation negotiations prior to a finding of probable cause to believe.

The Commission has considered your request and determined, because of the need to complete the investigation, to decline at this time to enter into conciliation prior to a finding of probable cause to believe.

At such time when the investigation in this matter has been completed, the Commission will reconsider your request to enter into conciliation prior to a finding of probable cause to believe.

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

Sincerely,

Beth Stein

Elizabeth Stein
Attorney

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Celebrating the Commission's 20th Anniversary
YESTERDAY, TODAY AND TOMORROW
DEDICATED TO KEEPING THE PUBLIC INFORMED

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 13, 1995

Mr. Kenneth Carroll and Mrs. Rheyma Carroll
P.O. Box 98
Monroe City, MO 63456-0098

RE: MUR 3968

Dear Mr. and Mrs. Carroll:

On May 16, 1994, the Federal Election Commission received a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

Upon review and investigation of the allegations contained in the complaint, the Commission, on June 6, 1995, found that there is reason to believe that each of you violated 2 U.S.C. § 441a(a)(1)(A), a provision of 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 along with answers to the enclosed questions within 30 days of 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.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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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 matter to be made public.

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

Sincerely,

Danny L. McDonald

Danny L. McDonald
Chairman

Enclosures
Questions
Designation of Counsel Form
Procedures
Factual & Legal Analysis

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 3968
)

INTERROGATORIES AND REQUEST
FOR PRODUCTION OF DOCUMENTS

TO: Kenneth A. Carroll and Rheyma J. Carroll
P.O. Box 98
Monroe City, MO 63456-0098

In furtherance of its investigation in the above-captioned matter, the Federal Election Commission hereby requests that you submit answers in writing and under oath to the questions set forth below within 30 days of your receipt of this request. In addition, the Commission hereby requests that you produce the documents specified below, in their entirety on or before the same deadline. Clear and legible copies or duplicates of the documents which, where applicable, show both sides of the documents may be submitted in lieu of the production of the originals. Please submit the information requested to the Office of the General Counsel, Federal Election Commission, 999 E Street, N.W., Washington, D.C. 20463.

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INSTRUCTIONS

In answering the enclosed interrogatories and the request for production of documents, furnish all documents and other information, however obtained, including hearsay, that is in possession of, known by or otherwise available to you, including documents and information appearing in your records.

The response to each interrogatory propounded herein shall set forth separately the identification of each person capable of furnishing testimony concerning the response given, denoting separately those individuals who provided informational, documentary or other input, and those who assisted in drafting the interrogatory response.

If you cannot answer the following interrogatories in full after exercising due diligence to secure the full information to do so, answer to the extent possible and indicate your inability to answer the remainder, stating whatever information or knowledge you have concerning the unanswered portion and detailing what you did in attempting to secure the unknown information.

Should you claim a privilege with respect to any documents, communications, or other items about which information is requested by any of the following interrogatories and requests for production of documents, describe such items in sufficient detail to provide justification for the claim. Each claim of privilege must specify in detail all the grounds on which it rests.

Unless otherwise indicated, the discovery request shall refer to the time period from January 1, 1988 to present.

The following interrogatories and requests for production of documents are continuing in nature so as to require you to file supplementary responses or amendments during the course of this investigation if you obtain further or different information prior to or during the pendency of this matter. Include in any supplemental answers the date upon which and the manner in which such further or different information came to your attention.

DEFINITIONS

For the purpose of these discovery requests, including the instructions thereto, the terms listed below are defined as follows:

"You" shall mean each of the named respondents, Kenneth A. Carroll and Rheyma J. Carroll to whom these discovery requests are addressed, including all officers, agents, or attorneys thereof.

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"Document" shall mean the original and all non-identical copies, including drafts, of all papers and records of every type in your possession, custody, or control, or known by you to exist. The term document includes, but is not limited to books, letters, contracts, notes, diaries, log sheets, records of telephone communications, transcripts, vouchers, accounting statements, ledgers, checks, money orders or other commercial paper, telegrams, telexes, pamphlets, circulars, leaflets, reports, memoranda, correspondence, surveys, tabulations, audio and video recordings, drawings, photographs, graphs, charts, diagrams, lists, computer print-outs, and all other writings and other data compilations from which information can be obtained.

"Identify" with respect to a document shall mean state the nature or type of document (e.g., letter, memorandum), the date, if any, appearing thereon, the date on which the document was prepared, the title of the document, the general subject matter of the document, the location of the document, the number of pages comprising the document.

"And" as well as "or" shall be construed disjunctively or conjunctively as necessary to bring within the scope of these interrogatories and request for the production of documents any documents and materials which may otherwise be construed to be out of their scope.

INTERROGATORIES AND REQUEST FOR PRODUCTION OF DOCUMENTS

Identify all monetary gifts you have made to your son Steven R. Carroll in the past seven years.

a. State the amount, date, and purpose of each gift.

b. Identify any gifts that were made to assist Steven R. Carroll with any state or federal political aspirations.

c. Provide all documents evidencing each gift, including but not limited to, check stubs, bank statements, accompanying letters, and IRS gift tax returns.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Kenneth A. Carroll and Rheyma J. Carroll MUR 3968

I. FACTUAL AND LEGAL ANALYSIS

This matter was generated by a complaint filed with the Federal Election Commission ("Commission") alleging that United States Senate candidate, Steven R. Carroll, lacked sufficient assets to make a $150,000 loan from his personal funds to his principal campaign committee, Missourians for Carroll.

A candidate for federal office may make unlimited expenditures and loans from personal funds so long as the loans and expenditures are reported. 2 U.S.C. § 434(b)(2)(H), 11 C.F.R. §§ 104.3(a)(3)(vii), 110.10(a). Personal funds are defined as any assets which, under the applicable state law, the candidate had a legal right of access or control over, coupled with either legal and rightful title, or an equitable interest, at the time he or she become a candidate. 11 C.F.R. § 110.10(b)(1). Personal funds also includes any funds a candidate receives by bequest or as income from trusts established prior to candidacy. 11 C.F.R. § 110.10(b)(2). Gifts to a candidate, on the other hand, are contributions and thus, are subject to the limitations and prohibitions of the Act, unless similar gifts had been customarily received prior to candidacy. 2 U.S.C. § 431(8)(A), 11 C.F.R. § 110.10(b)(2). It is unlawful for any person to make a contribution to a candidate for federal office or to his or her

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campaign committee in excess of $1,000 per election and "this limitation applies to the spouse or family member of a candidate . . . ." 2 U.S.C. § 441a(a)(1)(A); Advisory Opinion 1991-10.

The investigation in this matter has revealed that the source of the $150,000 loan is not the personal funds of the candidate, but a gift from the candidate's parents, Kenneth A. Carroll and Rheyma J. Carroll. The $150,000 from Kenneth and Rheyma Carroll was received by Steven Carroll on January 24, 1994 and immediately thereafter paid the into the account of Missourians for Carroll. Steven Carroll had made the decision to seek a U.S. Senate seat at the time the gifts were received, and while Kenneth and Rheyma Carroll have made gifts to Steven Carroll in the past, they have not made gifts in excess of the $10,000 per-year federal gift tax exemption.

The Carrolls could not have collectively contributed more than $2,000 to Steven Carroll or Missourians for Carroll for the U.S. Senate primary election. 2 U.S.C. § 441a(a)1(A). The investigation in this matter has revealed that Kenneth A. Carroll and Rheyma J. Carroll made excessive contributions of $148,000 to Steven Carroll and Missourians for Carroll. Accordingly, the Commission finds reason to believe that Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. § 441a(a)(1)(A) by making excessive contributions of $74,000 each.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 11, 1995

Mr. Kenneth Carroll and Mrs. Rheyma Carroll
P.O. Box 98
Monroe City, MO 63456-0098

RE: MUR 3968

Dear Mr. and Mrs. Carroll:

On June 13, 1995, you were notified that the Federal Election Commission found reason to believe that each of you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971 as amended ("the Act"). On that same date you were sent Interrogatories and a Request for Production of Documents and were advised that you were entitled to submit any factual and legal materials you believed relevant within thirty days of your receipt of that letter.

Please note that your response must be received in the Office of General Counsel no later than Monday, July 17, 1995. If a response is not received from you, a recommendation to proceed to the next stage of the enforcement process may be made to the Commission by the Office of the General Counsel.

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

Sincerely,

Elizabeth Stein

Elizabeth Stein
Attorney

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Jul 17 12 27 PM '95

AFFIDAVIT
of
KENNETH and RHEYMA CARROLL

RE: MVR 3968
Steven R. Carroll

TO: Federal Elections Commission
Mr. Danny L. McDonald, Chairman
Elizabeth Stein, Attorney at Law

COMES NOW, Kenneth and Rheyma Carroll, of Monroe City, Missouri and being first duly sworn upon their oath states:

1. On June 17, 1995, a letter was received from the Federal Elections Commission from Chairman McDonald, order and subpoena, Designation of Counsel form and a Factual and Legal Analysis in regards to the above stated matter.

2. That Interrogatories and Requests for Documents have been requested by questions a,b and c and such questions are answered and documents are given below.

Identify all monetary gifts you have made to your son Steven R. Carroll in the past seven years. a) State the amount, date, and purpose of each gift.

ANSWER: Since our son has been involved in politics since 1984 we have enclosed copies of documents since that year. Exhibits 1 thru 11 have been broken down from years 1984 thru 1994 with totals given for the amount of gifts for each year. The dates of each gift are exhibited on the checks, bank notes, sales slips, campaign reports or deposit slips. The purposes of each gift may be broken down in different categories such as; college expenses, living expenses or political expenses which may also have been marked down as donations. In reality, all monetary gifts given to our son were given to sustain his political endeavors. His yearly income went down considerably during his tenure as a state representative at which time he also went to law school. He went to law school because of political motivations and thus we also gave him monetary help with his living expenses which were incurred because of his political involvement.
In our exhibits we have treated these gifts as one in the same as his life revolved around nothing but politics. The basis for these gifts were to sustain his political aspirations. We helped him when we could based upon our finances at the time.

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We have been unable to locate some records of monetary gifts that have been given to him over the past few years. For instance, we gave Steven a gift in 1988 so he could attend the John F. Kennedy School of Government at Harvard. He was not chosen for a scholarship and we gave him a monetary gift so he could attend. We have not found our records to show this as of yet. We are still looking and if we can find it within the next few days we will forward this and additional records of similar incidents along to you.

b) Identify any gifts that were made to assist Steven R. Carroll with any state or federal political aspirations.

ANSWER: As stated above, we believe that the gift records we have enclosed all encompass our son's political aspirations. Exhibit 1 shows campaign reports of some $10,080, of which all but $1500 was given to our son as a gift from us knowing that it would be used for his first campaign in 1984 which amounted to about two-thirds of the money he spent in his campaign. We have been unable to locate our 1984 records because it has been several years, but we are still looking even though it is beyond the 7 year limit which you want. However, we show this as an example of our continued support for his endeavors.

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c) Provide all documents evidencing each gift, including but not limited to, check stubs, bank statements, accompanying letters, and IRS gift tax returns.

ANSWER: As stated above, Exhibits 1 thru 11 provide documents from the years 1984-1994. Exhibits 13 and 14 show our gift tax returns for 1994. We have no letters indicating the giving of monetary gifts as such was not necessary in our opinion over the years. Until recently, we have been very close to one another in location and have a close personal relationship. There may have been cards that have been sent with gifts in them but our son has not kept such items over the years. We have made numerous cash gifts over the years and there is little record to back this. Our son has closed out an old bank account but is attempting to locate deposit slips to verify our gifts.

This is a difficult and frustrating position we find ourselves in. We had no prior knowledge of any federal election rules other than what was told to us by our son and we now realize he misinterpreted the law. He has told us that ignorance of the law is no excuse, but our intent was to help our son as we have in the past, which has always been legal. Since there has never been any restrictions on the state level, we believed this race was similar yet on a much larger scale. We did know our son was running for the U.S. Senate when the gift was made however, it was our understanding that our son was not actually planning to spend his money (the $150,000 now in question) on this race but rely on outside contributions. We also realized latter that he did in fact spend some of the money in the race before he dropped out. Our son feels badly that he has gotten us into this problem but it is clear to us that he did not study the election laws and should not have entered this race.

We ask for your understanding in this matter. We are family farmers and have been in the wheat fields many hours for harvest this past month. We realize our answers have been sent in close to the 30 day deadline but we ask for your understanding. Even though the 30 day deadline will have past, we will forward on whatever extra records we may find, if any, in the next few days. We are asking for pre-probable cause conciliation if that is acceptable at this time. We do not understand the specifics of it but do want to get this matter resolved. We have also enclosed a Statement of Designation of Counsel which for the time being we will name our son, Steven R. Carroll, however, we will find outside counsel if this matter continues and the need arises.

further affiant sayeth not.

Kenneth Carroll Kenneth Carroll

Rheyma Carroll Rheyma Carroll

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STATE OF MISSOURI)
) ss
COUNTY OF MARION

On the 15th day of July, 1995, personally appeared before me Kenneth Carroll and Rheyma Carroll, known to me to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal [illegible] and State aforesaid, on the day and year first above written.

My Commission expires 9-30-96

Notary Public Lisa Ball

NOTARY PUBLIC STATE OF MISSOURI

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3968

NAME OF COUNSEL: Steven P. Carroll

ADDRESS: 1221 Locust St. Site 555

St. Louis, Mo. 63103

TELEPHONE: 618-258-0654 or 314-436-6565

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.

Kenneth A. Carroll

July 15, 1995
Date

Rheyma J. Carroll
Signature

RESPONDENT'S NAME: Kenneth and Rheyma Carroll

ADDRESS: Box 98

Monroe City, Mo. 63456

HOME PHONE: 314-735-2989

BUSINESS PHONE: 314-735-4001

Note: Counsel is our son, and we will retain him for the present time however, we will retain additional counsel if the need arises.

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RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT
Aug 31 10 35 AM '95

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
Missourians for Carroll and John E. Bardgett, as treasurer	)	MUR 3968
Steven R. Carroll	)	
Kenneth A. Carroll and Rheyma J. Carroll	)	

SENSITIVE

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter originated from a complaint filed by Todd Ransom on May 7, 1994. On March 21, 1995, the Commission found reason to believe Steven R. Carroll and Missourians for Carroll and John E. Bardgett, as treasurer, violated 2 U.S.C. § 441a(f) by accepting a $150,000 candidate loan which did not qualify as the candidate's personal funds, and that Steven R. Carroll had violated 2 U.S.C. § 432(i) by failing to timely file a Statement of Candidacy. As a result of discovery submitted by respondents, on June 6, 1995 the Commission additionally found reason to believe that Kenneth A. Carroll and Rheyma J. Carroll, Steven Carroll's parents, had violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution of $148,700 to Missourians for Carroll as the result of the $150,000 loan.[1] See 2 U.S.C. § 432(e)(2).

On July 17, 1995, this Office received Kenneth and Rheyma Carroll's response to the reason to believe finding as well as responses to interrogatories and requests for production of

1. Kenneth Carroll was entitled to make $1,000 in contributions to Missourians for Carroll, however, because Rheyma Carroll additionally contributed $700 to Misourians for Carroll, she was only entitled to contribute $300 to the Committee.

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documents regarding gifts they had made to Steven Carroll prior to his candidacy. See Attachment 1.

II. ANALYSIS OF RESPONSE AND DISCOVERY REQUESTS

Steven Carroll previously admitted that he received $150,000 from his parents on January 24, 1994, and that the following day he paid the $150,000 into the account of Missourians for Carroll, his primary campaign committee. Steven Carroll also conceded that he had made the decision to seek a U.S. Senate seat at the time the funds were received.

With regard to the $150,000 deposited into Steven Carroll's Senate campaign committee, Kenneth and Rheyma Carroll state: "[s]ince there has never been any restriction on the state level, we believed this race was similar yet on a much larger scale." Id. at 3. The Carrolls also state that they relied on their son for knowledge of election rules and that it is now clear to them that he did not study the federal election laws and should not have entered the race. Id. The Carrolls assert: "We did know our son was running for the U.S. Senate when the gift was made however, it was our understanding that he was not intending to spend his money (the $150,000 now in question) on this race but rely on outside contributions." Id. While the Carroll's deny that they knew Steven Carroll would pay the $150,000 into his Committee, in view of the timing of the gift at a time when Steven Carroll's United States Senate campaign needed start up money, the Carroll's knowledge that Steven Carroll was running for U.S. Senate when they made the gift, and the Carroll's past practice of providing financial support for their son's political aspirations,

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this denial is not persuasive.

However, even if the Carrolls did not intend for the $150,000 be placed directly into the Committee, but rather intended to provide other financial resources to Steven Carroll at a time when he was running for federal office, the funds are best viewed as a contribution. See Advisory Opinions 1982-64, 1978-40, 1976-70 (funds designated for living expenses are best viewed as contributions based on three factors: receipt frees up other funds of the candidate for campaign purposes, candidate would have more time to spend on the campaign instead of pursuing his or her usual employment, the funds would not have been donated but for the candidacy). The $150,000 does not qualify as Steven Carroll's personal funds and must be viewed as a contribution, as he had neither access to or control over the funds, nor title to the money, at the time he became a candidate in November 1993.

While the Carrolls also provided evidence of past gifts to Steven Carroll, the $150,000 is of much greater magnitude and cannot be considered a gift customarily received before candidacy. The Carrolls state that they have customarily given gifts to Steven Carroll since 1984, when Steven Carroll first ran for office, for purposes varying from college expenses and living expenses to political expenses.

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Attachment 1 at 4-16. The Carrolls concede that, "in reality all monetary gifts given to our son were given to sustain his political endeavors." Id. at 1. In fact, as noted by Mr. and Mrs. Carroll, some of the gifts were reported by Steven Carroll as contributions to his state races. See Attachment 1 at 5-6. As a result, these gifts cannot be regarded as gifts of a personal nature customarily received prior to candidacy pursuant to 11 C.F.R. § 110.10(b)(2) and no part of the $150,000 qualifies as Steven Carroll's personal funds pursuant to 11 C.F.R. § 110.10(b)(2).

Additionally, the Act limits the aggregate amount that an individual may contribute in a calendar year to $25,000. 2 U.S.C. § 441a(a)(3). As a result of the $150,000 contribution to Steven Carroll, Kenneth A. Carroll and Rheyma J. Carroll made $100,700 in contributions in excess of the $25,000 limit in 1994. Therefore, this Office recommends the Commission find reason to believe Kenneth A. Carroll and Rheyma J. Carroll also violated 2 U.S.C. § 441a(a)(3) by making $150,700 in contributions to Steven R. Carroll.

III. Pre-Probable Cause Conciliation and Civil Penalty

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IV. **RECOMMENDATIONS**

1. Find reason to believe Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. § 441a(a)(3).

1. Enter into pre-probable cause conciliation at this time with Kenneth A. Carroll and Rheyma J. Carroll, Steven R. Carroll and Missourians for Carroll and John E. Bardgett, as treasurer.

3. Approve the attached factual and legal analysis, conciliation agreement and appropriate letter.

Lawrence M. Noble
General Counsel

Date 8/30/95 BY: Lois G. Lerner
Associate General Counsel

Attachments
1. Response of Kenneth A. Carroll and Rheyma J. Carroll
2. Factual and Legal Analysis
3. Proposed Conciliation Agreement

Staff Assigned: Beth Stein

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Buff Copies Made

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/LISA R. DAVIS
COMMISSION SECRETARY

DATE: SEPTEMBER 6, 1995

SUBJECT: MUR 3968 - GENERAL COUNSEL'S REPORT DATED AUGUST 30, 1995.

The above-captioned document was circulated to the Commission on THURSDAY, AUGUST 31, 1995 at 4:00 p.m.

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

Commissioner Aikens	XXX
Commissioner Elliott	XXX
Commissioner McDonald	
Commissioner McGarry	
Commissioner Potter	
Commissioner Thomas	XXX

This matter will be placed on the meeting agenda for TUESDAY, SEPTEMBER 12, 1995.

Please notify us who will represent your Division before the Commission on this matter.

9604372954

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 3968
Missourians for Carroll and John E. Bardgett, as treasurer;	)	
Steven R. Carroll;	)	
Kenneth A. Carroll and Rheyma J. Carroll	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on September 12, 1995, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions in MUR 3968:

1. Find reason to believe Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. § 441a(a)(3).

2. Enter into pre-probable cause conciliation at this time with Kenneth A. Carroll and Rheyma J. Carroll, Steven R. Carroll and Missourians for Carroll and John E. Bardgett, as treasurer.

(continued)

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3. Approve the factual and legal analysis, conciliation agreement and appropriate letter as recommended in the General Counsel's report dated August 30, 1995

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

Attest:

9-14-95
Date

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

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 18, 1995

Steven R. Carroll, Esq.
281 S. 9th St.
East Alton, Illinois 62024

RE: MUR 3968
Steven R. Carroll
Missourians for Carroll and
John E. Bardgett, as treasurer
Kenneth A. Carroll and Rheyma J. Carroll

Dear Mr. Carroll:

On March 21, 1995, the Federal Election Commission found reason to believe that you had violated 2 U.S.C. § 432(e)(1), and that you and Missourians for Carroll ("Committee") and John E. Bardgett, as treasurer, had violated 2 U.S.C. § 441a(f). On June 6, 1995, the Commission also found reason to believe that your clients, Kenneth Carroll and Rheyma Carroll had violated 2 U.S.C. § 441a(a)(1).

On September 12, 1995, the Federal Election Commission additionally found that there is reason to believe that Kenneth Carroll and Rheyma Carroll violated 2 U.S.C. § 441a(a)(3). 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 additional violation to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

At the request of you and your clients, on September 12, 1995, the Commission also determined to enter into negotiations directed towards reaching a conciliation agreement prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter. If you and your clients agree with the provisions of the enclosed agreement, please sign and return it, 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.

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This matter will continue to 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.

If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Elizabeth Stein, the attorney assigned to this matter, at (202) 219-3690.

Sincerely,

Danny L. McDonald

Danny L. McDonald
Chairman

Enclosures
Factual and Legal Analysis
Conciliation Agreement

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Kenneth A. Carroll and Rheyma J. Carroll MUR 3968

I. FACTUAL AND LEGAL ANALYSIS

This matter was generated by a complaint filed with the Federal Election Commission by Todd Ransom. See 2 U.S.C. § 437g(a)(2). As a result of discovery submitted by respondents in this matter, on June 6, 1995, the Commission found reason to believe that Kenneth A. Carroll and Rheyma J. Carroll had violated 2 U.S.C. § 441a(a)(1)(A) by making an excessive contribution of $148,700 to Steven R. Carroll and Missourians for Carroll.

The Act additionally limits the aggregate amount that an individual may contribute in a calendar year to $25,000. 2 U.S.C. § 441a(a)(3). As a result of the $150,000 contribution to Steven Carroll, Kenneth A. Carroll and Rheyma J. Carroll made $100,700 in contributions in excess of the $25,000 limit in 1994. Therefore, the Commission finds reason to believe Kenneth A. Carroll and Rheyma J. Carroll also violated 2 U.S.C. § 441a(a)(3) by making $150,700 in contributions to Steven R. Carroll and Missourians for Carroll.

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Shandwick USA

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COMMISSION
OFFICE OF GENERAL
COUNSEL

Nov 22 3 12 PM '95

Shandwick USA
1221 Locust Street
Suite 555
St. Louis, MO 63103
314-436-6565
Facsimile: 314-231-8808

November 21,1995

Federal Elections Commission
Elizabeth Stein
999 E. St. N.W.
Washington, D.C. 20463

MUR 3968

Regards: Missourians for Carroll

Dear Ms. Stein:

I am writing to give notice of desegnation of counsel on behalf of myself, John Bardgett Sr., Kenneth & Rheyma Carroll and Missourians for Carroll to Bob Bauer of the law firm Perkins & Coie of Washington D.C.

John Bardgett Sr. and my parents will be sending their signatures for said desegnation in the mail.

I certainly have enjoyed working with you on this matter although I wish I was not working on it at all, if you know what I mean. However, I have told Bob you have been very helpful to me and have provided alot of information to me whenever I requested it. I just feel that I need another opinion before I finalize this matter.

Thank you for your time and I look forward to talking with you soon.

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Sincerely,

Steven R. Carroll

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 27, 1995

BY FACSIMILIE TRANSMISSION

Steven R. Carroll, Esq.
281 S. 9th St.
East Alton, Illinois, 62024

RE: MUR 3968

Dear Mr. Carroll:

I am in receipt of your November 21, 1995, letter designating Bob Bauer of Perkins Coie as your counsel for the remainder of this matter. I am writing merely to clarify that while I advised you of your *right* to retain counsel in this matter, it was never my advice or suggestion that you do so. Please forward the remaining designations of counsel to this Office as soon as possible so that this matter can be brought to a speedy resolution.

Sincerely,

Elizabeth Stein

Elizabeth Stein
Attorney

cc: Robert Bauer, Esq.

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

DEC 13 4 14 PM '95

November 22,1995

Federal Elections Commission
Beth Stein
999 E St. N.W.
Washington D.C. 20463

Dear Ms. Stein:

Please accept this as our desegnation of co-counsel for our matter pending before the FEC. Our son will continue to represent this matter on our behalf. He has also been in contact with Robert Bauer of the law firm Perkins & Coie of Washington D.C. and our son has further indicated that Mr. Bauer is advising him on this matter.

Any information or communications in regards with this matter before the FEC in regards with us may be made available with Mr. Bauer.

Thank you for your time and we hope this will result in a quick settlement of this matter.

Sincerely,

Kenneth Carroll Rheyma Carroll

Kenneth & Rheyma Carroll
Box 98
Monroe City, Mo. 63456

(signed on behalf of clients)

9604372963

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3968

NAME OF COUNSEL: Robert F. Bauer

ADDRESS: Perkins Coie

607 - 14th Street, N.W. - Suite 800

Washington, DC 20005-2011

TELEPHONE: (202) 628-6600

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
Feb 22 2 47 PM '96

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. 22, 1996
Date

Signature

PLEASE SIGN & DATE

RESPONDENT'S NAME: John E. Bardgett, Sr. (Treasurer of Missourians for Carnahan)

ADDRESS: 308 East High Street

Suite 301

Jefferson City, MO 65101

TELEPHONE: HOME (314) 635-7836

BUSINESS (314) 634-2500

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 3968

NAME OF COUNSEL: Robert F. Bauer

ADDRESS: Perkins Coie

607 - 14th Street, N.W. - Suite 800

Washington, DC 20005-2011

TELEPHONE: (202) 628-6600

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.

2/21/96 Kenneth Carroll

Date Signature

RESPONDENTS' NAMES: Kenneth A. Carroll and Rheyma J. Carroll

ADDRESS: Box 98

Monroe City, MO 63456

TELEPHONE: HOME (314) 735-2989

BUSINESS (314) 735-4001

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FEDERAL ELECTION
COMMISSION
SECRETARIAT
Feb 28 10 45 AM '96

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of	)	
	)	
Missourians for Carroll and John E. Bardgett, Sr., as treasurer	)	
	)	MUR 3968
Steven R. Carroll	)	
	)	
Kenneth A. Carroll and Rheyma J. Carroll	)	
	)	

GENERAL COUNSEL'S REPORT

I. BACKGROUND

Attached is a conciliation agreement submitted on behalf of Missourians for Carroll and John E. Bardgett, Sr., as treasurer, Steven R. Carroll, and Kenneth and Rheyma Carroll ("Respondents"). Attachment 1. For the reasons discussed below, this Office recommends that the Commission accept the conciliation agreement and close the file in this matter.

II. DISCUSSION OF PROPOSED CONCILIATION AGREEMENT

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III. GENERAL COUNSEL'S RECOMMENDATIONS

1. **Accept the attached conciliation agreement with Missourians for Carroll and John E. Bardgett, Sr., as treasurer, Steven R. Carroll, and Kenneth A. Carroll and Rheyma J. Carroll.**

2. **Approve the appropriate letter.**

3. **Close the file.**

Lawrence M. Noble
General Counsel

2/27/94
Date

BY: Lois G. Lerner
Assistant General Counsel

Attachment
1. Conciliation Agreement

Staff Assigned: Beth Stein

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Missourians for Carroll and John E. Bardgett, Sr., as treasurer;	)	MUR 3968
Steven R. Carroll;	)	
Kenneth A. Carroll and Rheyma J. Carroll.	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on March 4, 1996, the Commission decided by a vote of 4-0 to take the following actions in MUR 3968:

1. Accept the conciliation agreement with Missourians for Carroll and John E. Bardgett, Sr., as treasurer, Steven R. Carroll, and Kenneth A. Carroll and Rheyma J. Carroll, as recommended in the General Counsel's Report dated February 27, 1996.

2. Approve the appropriate letter, as recommended in the General Counsel's Report dated February 27, 1996.

3. Close the file.

Commissioners Aikens, Elliott, McDonald, and Thomas voted affirmatively for the decision; Commissioner McGarry did not cast a vote.

Attest:

3/5/96
Date

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

Received in the Secretariat:	Wed., Feb. 28, 1996	10:45 a.m.
Circulated to the Commission:	Wed., Feb. 28, 1996	4:00 p.m.
Deadline for vote:	Mon., Mar. 04, 1996	4:00 p.m.

bjr

96043722969

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Todd Spencer Ransom
511 W. 11th, #102
Kansas City, MO 64105

RE: MUR 3968

Dear Mr. Ransom:

This is in reference to the complaint you filed with the Federal Election Commission on May 2, 1994, concerning Missourians for Carroll.

The Commission found that there was reason to believe that Steven R. Carroll violated 2 U.S.C. §§ 441a(f) and 432(e)(1); that Missourians for Carroll and John E. Bardgett, Sr., as treasurer, violated 2 U.S.C. § 441a(f), and that Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3), provisions of the Federal Election Campaign Act of 1971, as amended. On March 5, 1996, a conciliation agreement signed by the respondents was accepted by the Commission. Accordingly, the Commission closed the file in this matter. A copy of this agreement is enclosed for your information.

Sincerely,

Elizabeth Stein

Elizabeth M. Stein
Attorney

Enclosure
Conciliation Agreement

9604372970

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

March 6, 1996

Robert F. Bauer, Esq.
Perkins Coie
607 14th St. N.W.
Washington, D.C. 20005

RE: MUR 3968
Missourians for Carroll and
John E. Bardgett Sr., as treasurer
Steven R. Carroll
Kenneth A. Carroll and Rheyma J. Carroll

Dear Mr. Bauer:

On March 4, 1996, the Federal Election Commission accepted the signed conciliation submitted on your clients' behalf in settlement of violations of 2 U.S.C. §§ 432(e)(1), 441a(a)(1)(A), 441a(a)(3), and 441a(f), 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.

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

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Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within thirty days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Elizabeth M. Stein

Elizabeth M. Stein
Attorney

Enclosure
Conciliation Agreement

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
FEB 28 3 23 PM '96

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	
Missourians for Carroll and	)	
John E. Bardgett, Sr., as treasurer	)	MUR 3968
	)	
Steven R. Carroll	)	
	)	
Kenneth A. Carroll and Rheyma J. Carroll	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Todd Ransom. The Federal Election Commission ("Commission") found reason to believe that Steven R. Carroll violated 2 U.S.C. §§ 441a(f) and § 432(e)(1), that Missourians for Carroll and John E. Bardgett, Sr., as treasurer, violated 2 U.S.C. § 441a(f), and that Kenneth A. Carroll and Rheyma J. Carroll violated 2 U.S.C. §§ 441a(a)(1)(A) and 441a(a)(3).

NOW, THEREFORE, the Commission and Steven R. Carroll, Missourians for Carroll and John E. Bardgett, Sr., as treasurer, Kenneth A. Carroll, and Rheyma J. Carroll, ("Respondents"), having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

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

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

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

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

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1. Steven R. Carroll is an individual and was a candidate in the United States Senate primary in Missouri in 1994. Steven R. Carroll withdrew from the United States Senate election prior to the July 1994 primary.

2. Missourians for Carroll is the principal campaign committee of Steven R. Carroll within the meaning of 2 U.S.C. § 431(5) and a political committee within the meaning of 2 U.S.C. § 431(4).

3. John E. Bardgett, Sr. is the treasurer of Missourians for Carroll.

4. Kenneth A. Carroll and Rheyma J. Carroll are the parents of Steven R. Carroll and are individuals who contributed to Missourians for Carroll in 1994.

5. Under the Federal Election Campaign Act of 1971, as amended, (the "Act"), an individual becomes a candidate for federal office when receiving contributions or expenditures in excess of $5,000. 2 U.S.C. § 431(2). Within fifteen days of becoming a candidate, an individual must designate a principal campaign committee by filing either a Statement of Candidacy or a letter of designation. 2 U.S.C. § 432(e)(1).

6. Steven R. Carroll received contributions in excess of $5,000 on November 2, 1993, requiring him to file a Statement of Candidacy or letter of designation by November 17, 1993. No such Statement of Candidacy or letter of designation was filed with the Commission until April 21, 1994, 155 days late. On November 23, 1993, Steven R. Carroll timely filed a Statement of Organization for Missourians for Carroll.

7. The Act prohibits candidates or political committees from accepting any contribution in violation of the limits of the Act, 2 U.S.C. § 441a(f), and provides that when a candidate receives a contribution he or she is considered to have received the contribution as an agent of his or her authorized committee. 2 U.S.C. § 432(e)(2).

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8. Under the Act, a candidate for federal office may make unlimited expenditures and loans from personal funds. 11 C.F.R. § 110.10. Personal funds are defined as any assets which, under the applicable state law, the candidate had a legal right of access or control over, coupled with either legal and rightful title, or an equitable interest, at the time he or she becomes a candidate. 11 C.F.R. § 110.10(a) Personal funds also includes gifts of a personal nature which had been customarily received prior to candidacy. 11 C.F.R. § 110.10(b).

9. No person may make contributions to any candidate and his or her authorized political committee with respect to any election for federal office which exceeds $1,000, and no individual may make aggregate contributions to political candidates and committees in excess of $25,000 in any calendar year. 2 U.S.C. §§ 441a(a)(1)(A), 441a(a)(3). "This limitation applies to the spouse or family member of a candidate . . . ." Advisory Opinion 1991-10.

10. A contribution is defined to include all loans and gifts,, including funds provided for living expenses but excluding gifts customarily received prior to candidacy. 2 U.S.C. § 441a(a)(1)(A) Advisory Opinion 1982-64 (citing Advisory Opinions 1978-40 and 1976-70). Funds designated for living expenses are best viewed as contributions based on three factors: receipt frees up other funds of the candidate for campaign purposes, candidate would have more time to spend on the campaign instead of pursuing his or her usual employment, the funds would not have been donated but for the candidacy. Advisory Opinions 1982-64, 1978-40, 1976-70.

11. On January 24, 1994, Kenneth A. Carroll and Rheyma J. Carroll, made a $150,000 contribution in the form of a gift to their son Steven R. Carroll. Rheyma J. Carroll previously contributed an additional $700 to Missourians for Carroll.

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12. One day later, the $150,000 was loaned by Steven R. Carroll to Missourians for Carroll and used in Steven R. Carroll's 1994 campaign for U.S. Senate.

13. Kenneth and Rheyma Carroll have customarily made gifts to Steven Carroll over the past ten years and Respondents contend that the gifts were of a personal nature and made to support their son's professional and personal endeavors. The gifts funded certain activities connected with Steven R. Carroll's political career such as his attendance at the Kennedy School of Government at Harvard University, and expenses incurred in the course of his candidacy for state office.

Respondents contend that at the time the contribution at issue here was made, neither Kenneth and Rheyma Carroll nor Steven R. Carroll believed or understood that the $150,000 gift would raise contribution limit issues under the Act. Respondents contend that the $150,000 gift was made on the assumption that the gift was personal in nature and consistent with the family pattern of giving in past years. Kenneth and Rheyma Carroll additionally contend that the $150,000 gift was made, two months into Steven R. Carroll's U.S. Senate campaign, in the expectation that Steven Carroll would use the $150,000 to meet personal expenses.

14. Steven R. Carroll and his parents acknowledge that the Act in these circumstances precludes treatment of the $150,000 gift from Kenneth A. Carroll and Rheyma J. Carroll as personal funds of Steven R. Carroll and requires that it be treated instead as a contribution to Missourians for Carroll.

V. 1. Kenneth A. Carroll and Rheyma J. Carroll made excessive contributions totaling $148,700 to Missourians for Carroll in violation of 2 U.S.C. § 441a(a)(1)(A). Of this amount, $100,700 was also in excess of the Carrolls' 1994 aggregate contribution limits in violation of 2 U.S.C. § 441a(a)(3).

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2. Missourians for Carroll and John E. Bardgett, as treasurer, received an excessive contribution totaling $148,700 from Kenneth A. Carroll and Rheyma J. Carroll in violation of 2 U.S.C. § 441a(f).

3. Steven R. Carroll received a $148,700 excessive contribution from Kenneth A. Carroll and Rheyma J. Carroll on behalf of Missourians for Carroll in violation of 2 U.S.C. § 441a(f). Steven R. Carroll additionally failed to timely file his Statement of Candidacy in violation of 2 U.S.C. § 432(e)(1).

VI. Taking into consideration the mitigating circumstances present in this matter, the Federal Election Commission has agreed to accept a civil penalty in the amount of thirty-eight thousand dollars ($38,000) from the Respondents, pursuant to 2 U.S.C. § 437g(a)(5)(A).

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

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

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

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

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

FOR THE COMMISSION:

Lawrence M. Noble
General Counsel

BY: _____ Date 3/6/96
Lois G. Lerner
Associate General Counsel

FOR THE RESPONDENTS:

_____ Date 2/26/96

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THIS IS THE END OF MUR # 3968

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3968

DATE FILMED 3/18/96 CAMERA NO. 2

CAMERAMAN MRJ

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 4/18/96

✓ Microfilm

_____ Public Records

_____ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 3968

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PERKINS COIE

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
607 FOURTEENTH STREET, N.W. · WASHINGTON, D.C. 20005-2011
TELEPHONE: (202) 628-6600 · FACSIMILE: (202) 434-1690

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COMMISSION
OFFICE OF GENERAL
COUNSEL
APR 17 10 09 AM '96

April 15, 1996

Elizabeth Stein, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: MUR 3968

Dear Ms. Stein:

Pursuant to Section VI of the Conciliation Agreement in the above-referenced MUR dated March 6, 1996, enclosed please find a check for $38,000.

Please do not hesitate to contact me, if there is anything further.

Sincerely,

Marc E. Elias
Counsel to Steven R. Carroll

MEE:smb

Enclosure

[24627-0001/LETTER.01]

9604323370

Kenneth or Rheyma Carroll
Farm Account
C016-5756-6878-7437
P.O. Box 98 Ph. 314-735-2989
Monroe City, Mo 63456

2930

80-349/815

April 8 1996

PAY TO THE ORDER OF FEDERAL ELECTION COMMISSION $38,000.00

Thirty-eight thousand dollars and 00/100 DOLLARS

UMB

UMB Bank, Northeast 501
P.O. Box 268
Paris, Missouri 65275

With God all things are possible

STEVEN R. CARROLL

MEMO K. & R. CARROLL
MO. FOR CARROLL

[redacted]

Kenneth Carroll

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OFFICE OF GENERAL
COUNSEL

APR 17 10 09 AM '96

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 16, 1996

TWO WAY MEMORANDUM

TO: OGC, Docket

FROM: Rosa E. Swinton
Accounting Technician

SUBJECt: Account Determination for Funds Received

We recently received a check from Kenneth + Rhonna Carroll, check number 2930, dated April 8, 1996, and in the amount of $38,000.00. 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: Rosa E. Swinton
Accounting Technician

FROM: OGC, Docket By RA

In reference to the above check in the amount of $38,000.00, the MUR number is 3968 and in the name of Missourians for Carroll. 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

4-17-96
Date

96043732372