FEDERAL ELECTION COMMISSION
WASHINGTON, D C 20463

THIS IS THE BEGINNING OF MUR # 4478

DATE FILMED 9-23-97 CAMERA NO. 4

CAMERAMAN Jmu

9704383951

Mark E. Sostarich
Attorney at Law

Business:
780 N. Water Street
Milwaukee, Wisconsin 53202
telephone: (414) 287-9574
FAX: (414) 287-9327

Residence:
1785 Tamarack Street
South Milwaukee, Wisconsin 53172
telephone: (414) 762-3374
FAX: (414) 762-3135

MUR 4478

September 18, 1996

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
SEP 24 9 43 AM '96

Mr. Lawrence M. Noble, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, NW, 6th Floor
Washington, D.C. 20463

Re: Complaint Against Tom Reynolds

Dear Mr. Noble:

The undersigned, as a resident and registered voter in the Fourth Congressional District of the State of Wisconsin, file this complaint charging violations of the Federal Election Campaign Act of 1971, as amended ("FECA" or the "Act"), 2 U.S.C. 431 et seq. and related regulations of the Federal Election Commission ("FEC"), 11 C.F.R. 100.1 et seq. by Tom Reynolds and his campaign committee, Citizen for Tom Reynolds. Mr. Reynolds, along with his campaign, appears to have knowingly and wilfully accepted an illegal and unreported in-kind contribution in the form of $20,000 worth of paper. Indeed, Mr. Reynolds himself says in a letter that his campaign only paid Fifty Dollars for paper that he values at $20,000. Attached to this complaint as "Exhibit A," is a copy of a solicitation letter from the Reynolds Committee, signed by Mr. Reynolds in which he states: "Through God's provision, in 1994 we were able to purchase over $20,000 worth of paper for $50.00, and the campaign was off to a great start."

As you are aware, the provision of goods at less than the usual charges is an in-kind contribution chargeable against the contributions limits. 11 C.F.R. 100.7(a)(1)(iii). While the regulations do provide for a limited number of exceptions to this general rule (such as the sale of food or beverages by a vendor to a candidate's campaign at a charge less than the normal commercial rate) none of the enumerated exceptions would apply to the provision of $20,000 worth of paper for a mere Fifty Dollars.

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Furthermore, while it is not clear from Mr. Reynolds' letter who or what the source of the paper was, if it was provided by one or more corporations, then Mr. Reynolds, his Committee, and the corporation or corporations providing the paper would have violated the FECA's prohibition against corporate contributions. 11 C.F.R. 114.2(a).

Regardless of the source, in this instance, whether through divine intervention or otherwise, it appears certain that the Reynolds Committee benefited from an extreme discount in its purchase of paper, and therefore received an illegal in-kind contribution in an amount approaching or exceeding $20,000. What's more, a cursory review of reports filed with the Commission reveal that the Committee failed to properly and appropriately report the contribution of paper. 11 C.F.R. 104.3(a).

In light of the large size of this apparently illegal contribution, the undersigned requests an immediate and expeditious investigation. If indeed Mr. Reynolds' Committee accepted such an illegal in-kind contribution, the fact that Mr. Reynolds subsequently boasted about it in a campaign solicitation would appear to provide strong evidence that the violation was "knowing and wilful."

Respectfully submitted,

Mark E. Sostarich

Signed and sworn to before me this
18th day of September, 1996.

Sandra L Chapman
Notary Public, State of Wisconsin
My Commission: 11/21/99

9704353953

ELECT IN

96 Tom Reynolds

4th District • U.S. House of Representatives

Dear Supporter:

I hope all things are going well for you and your family. First of all, I'd like to thank you for your help and support in the last election. I would not have been able to do nearly as well as I did without the commitment and assistance of each one of you.

I appreciate you taking the time to read this letter. I've enclosed copies of some of Jerry Klecska's campaign contributors. Please take a little time to look them over; you'll find them very interesting.

Looking over the statistics of congressional races from 1994 shows two promising signs. The race in the 4th district was in the top third in the nation, in that we only needed 5% more votes to win! The amount of money we raised was also over the national average for challengers. (We raised $110,000; the national average was $89,000.)

The most notable statistic, however, was that almost without exception the challengers whose campaigns were successful raised over $200,000. In other words, we raised enough to get close, but not enough to win.

When you look over Jerry Klecska's contributors you'll see politicians buy their way into office, funded almost entirely by Washington special interest groups. Note that most of his funding comes from outside of the 4th district!

With your help (or double help!) there is a window of opportunity here in 1996. Please support my effort with an initial monetary contribution to start our direct mail pieces, telephone lines, and rental of campaign headquarters. (If anyone has office space available for the campaign, please contact me.)

Also, please fill out the names, addresses, and phone numbers of friends and family members who might be interested in helping. If you have any interest in participating in organization and planning, call me at home

Through God's provision, in 1994 we were able to purchase over $20,000 worth of paper for $50.00, and the campaign was off to a great start. This year it is your contribution that will start it all.

God Bless,

Tom

Tom Reynolds

9430 W. Schlinger Ave., West Allis, WI 53214
Tel: 259-4848 Fax: 259-9525

Authorized and paid for by Citizens For Tom Reynolds

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 27, 1996

Mark E. Sostarich, Esq.
1785 Tamarack Street
South Milwaukee, WI 53172

RE: MUR 4478

Dear Mr. Sostarich:

This letter acknowledges receipt on September 24, 1996, of the complaint you filed 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 4478. 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,

Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosure
Procedures

97043039955

FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 27, 1996

Thomas G. Reynolds
9430 W. Schlinger Ave.
West Allis, WI 53214

RE: MUR 4478

Dear Mr. Reynolds:

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 4478. 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.

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If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Colleen T. Sealander, Attorney
Central Enforcement Docket

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

9/04/03 3 9 5 7

FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 27, 1996

Mary J. Patzer, Treasurer
Citizens for Tom Reynolds
9430 W. Schlinger Ave.
West Allis, WI 53214

RE: MUR 4478

Dear Ms. Patzer:

The Federal Election Commission received a complaint which indicates that Citizens for Tom Reynolds 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 4478. 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 Citizens for Tom Reynolds 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.

9 7 0 5 4 3 8 3 3 9 5 8

If you have any questions, please contact Alva E. Smith at (202) 219-3400. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Colleen T. Sealander, Attorney
Central Enforcement Docket

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

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

OCT 17 9 OCT 17 52 AM '96

OCT 17 9 05 AM '96

October 8, 1996

Enforcement Division
Office of the General Counsel
999 E. Street, NW
Washington, D.C. 20463

MUR 4478

Re: Matter Under Review - Complaint against Citizens for Tom Reynolds

To whom it may concern:

On September 30, 1996, Citizens for Tom Reynolds became aware of a complaint filed by Mark Sostarich, Chairman for the Democratic Party in Wisconsin, against the campaign alleging various violations of the Federal Elections Campaign Act of 1971. This is intended to be the campaign's official response to Mr. Sostarich's preposterous, politically motivated, and harassing allegations.

This response to the complaint is not supported by specific legal rules or regulations because I am not a lawyer with the ability to conduct that sort of research. Additionally, in the middle of a campaign for Congress, I do not have the time to research such matters and refuse to spend resources to hire an attorney to defend the campaign against such preposterous allegations.

The following explains the circumstances surrounding the use of approximately $20,000 worth of paper in the 1994 campaign:

The paper was purchased at a public auction during the first week of November, 1993. At the time, I was in no way a candidate for any office. I purchased the paper for my business, Performance Communications. When I decided to run for office in 1994, I then used the paper for the campaign and, in doing so, billed the campaign at the same price it cost me at the auction -- $50.00, in addition to the cost of renting a truck to transport the paper. This was a printer's auction, meaning the items being auctioned would be of particular interest to persons in the printing business, such as myself, or individuals looking to buy paper, ink, printing machines, etc. at a good price and resell the materials. This particular auction was attended by over 300 individual bidders associated with the printing business. These auctions occur regularly around the area, and I generally attend three or four such auctions a year, in an effort to purchase printing goods at a reasonable price. The acquisition of this paper was in no way a campaign contribution and had nothing to do with the in-kind contribution of any individual or a contribution from a corporation. Indeed, at the time, there was no campaign and no individual or corporation really knew or cared who was purchasing the paper or for what purpose.

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As an additional matter, this complaint is improper as it may pertain to Mary Patzer in that she was not the treasurer in the 1994 campaign that followed and was in no way associated with the financial aspects of this campaign during the 1994 campaign.

I would appreciate immediate dismissal of this complaint, which was clearly filed by Mr. Sostarich as an effort to harass myself and this campaign. Thank you.

Sincerely,

Tom Reynolds

Tom Reynolds

Signed and sworn to before me this
11th day of October, 1996.

Christine Furris
Notary Public, State of Wisconsin
My Commission expires 5/19/2000

97U4583961

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4478

NAME OF COUNSEL: _____

FIRM: _____

ADDRESS: _____

_____

_____

TELEPHONE: (___) _____

FAX: (___) _____

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.

_____ _____

Date Signature

RESPONDENT'S NAME: Tom Reynolds

ADDRESS: 9430 W. Schlinger Ave.
West Allis, WI 53214

_____

TELEPHONE: HOME

BUSINESS (414) 258-4848

9104383962

PERFORMANCE COMMUNICATIONS
% THOMAS OR SANDY REYNOLDS
9430 W. SCHLINGER AVE.
WEST ALLIS, WI 53214

765

79-7181/2750

Olson

WEST ALLIS Savings Bank, S.A.
7401 W. Greenfield Ave
West Allis, WI 53214

NOT NEGOTIABLE

PERFORMANCE COMMUNICATIONS
% THOMAS OR SANDY REYNOLDS
9430 W. SCHLINGER AVE.
WEST ALLIS, WI 53214

763

79-7181/2750

Auction

WEST ALLIS Savings Bank, S.A.
7401 W. Greenfield Ave
West Allis, WI 53214

NOT NEGOTIABLE

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OLSON TRUCK LEASING CO., INC.

Issuing Branch:

TO:

AT:

Vehicle No: 104

Speedometer:

Date: Time: A.M. P.M.

Gal. Gas

100 Gals. Diesel

Qts. Oil

Qts. Antifreeze

Qts. W/W Fluid

7-Point Fuel Island Checklist

Tires

Lights

Oil

Water

Belts

Clean Windows

Sweep Cab Floor

Misc.

Attendant

Truck Detail for lack of paper

1144 North 62nd Street
P.O. Box 13069
Milwaukee, Wisconsin 53213
(414) 778-3520
(414) 778-3551
1-800-558-0760

OLSON TRUCK LEASING CO., INC.
Racine (414) 886-1730
Waukesha (414) 548-1215

INVOICE R 11810

UNIT APPLICATION: ☐ SA T ☐ SUB PHY DAM ☐ LEASE EXTRA ☐ AWAIT NEW LEASE
RENTED: ☐ WITH FUEL ☐ W/O FUEL ☐ WITH LIABILITY ☐ W/O LIABILITY ☐ WITH PHYSICAL DAMAGE ☐ W/O PHYSICAL DAMAGE

SUBSTITUTE FOR VEHICLE NO

CUSTOMER NUMBER: 2TOMIS
VEHICLE NO: Mack 1 0 4
RENTAL DAY IS: 24 HRS 1 Day
MIN CHARGE
GVW/GCW/PAYLOAD
TRIP TO: AS Permitted
LICENSE NO
STATE
VEHICLE MAKE: MACK
SIZE
TYPE

HUB IN: 6 34 23
HUB OUT: 6 B B 57
MILES USED

CUSTOMER INFORMATION

RENTER'S NAME (PERSON OR COMPANY): Affordable Service
ADDRESS: N56 W6768 Wilson
CITY: Cedarburg
STATE: WI
ZIP: 53012
ORDERED BY: Eric
P.O. NUMBER:
LOCAL PHONE: 375-9517
DRIVER'S NAME: Eric Ford
BIRTH DATE: 12 22 70

Time IN A.M. P.M. Time Month Day Year
Time OUT A.M. P.M. Time Month Day Year
DUE IN A.M. P.M. Time Month Day Year

IMPORTANT: This Lessor cooperates with all Federal, State, and local law enforcement officials nationwide to provide the identity of all customers who operate this vehicle.

US DOT Number

LIABILITY INSURANCE
IT IS AGREED THAT RENTER WILL PROVIDE A MINIMUM OF $500,000 (FIVE HUNDRED THOUSAND DOLLARS) COMBINED SINGLE LIMIT (BODILY INJURY AND PROPERTY DAMAGE LIABILITY) COVERAGE FOR ANY ONE ACCIDENT UNLESS THE MINIMUM LIMIT REQUIRED BY ANY APPLICABLE COMPULSORY OR FINANCIAL RESPONSIBILITY LAW IS IN EXCESS OF $500,000 IN WHICH EVENT RENTER WILL PROVIDE HIGHER LIMIT COVERAGE OR RENTER WILL PROVIDE COVERAGE AS REQUIRED BY PARAGRAPH 14 OF THIS RENTAL AGREEMENT IF APPLICABLE.

COMPREHENSIVE AND COLLISION INSURANCE
IT IS AGREED THAT COMPREHENSIVE AND COLLISION INSURANCE COVERAGE IS PROVIDED AS INDICATED BELOW IN THE AMOUNT ACCEPTABLE TO OWNER AND SUBJECT TO A DEDUCTIBLE FOR WHICH RENTER SHALL BE RESPONSIBLE EXCEPT TO THE EXTENT RENTER'S RESPONSIBILITY IS REDUCED PURSUANT TO THE COLLISION DAMAGE WAIVER PROVISION SET FORTH BELOW.

COLLISION WAIVER CLAIM (CDW)
RENTER ACKNOWLEDGES LIABILITY TO PAY OWNER FOR LOSS OR DAMAGE TO THE RENTED VEHICLE WHILE THE VEHICLE IS IN RENTER'S CONTROL INCLUDING THE DEDUCTIBLE AMOUNT SPECIFIED BY ANY INSURANCE COVERAGE WHETHER PROVIDED BY OWNER OR RENTER. RENTER MAY ACCEPT OR DECLINE OWNER'S WAIVER OF RESPONSIBILITY FOR ACCIDENTAL VEHICLE DAMAGES IN EXCESS OF ___ DUE TO COLLISION OR UPSET BY AGREEMENT TO PAY THE ADDITIONAL DAILY FEE AND INITIALING THE APPROPRIATE SPACE SET FORTH FOR THE COLLISION DAMAGE WAIVER.

MINIMUM REFUELING CHARGE
RENTER WILL SUPPLY FUEL AT OWN EXPENSE AND IF RENTER ELECTS TO RETURN THE VEHICLE WITH LESS FUEL THAN WHEN RENTED A REFUELING CHARGE WILL BE MADE

DRIVER'S TRIP REPORT
RENTER MUST COMPLETE AND RETURN A DRIVER'S TRIP REPORT AND ORIGINAL FUEL RECEIPTS. A CHARGE WILL BE ASSESSED UNLESS RETURNED

DRIVER TRIP REPORT COMPLETED _____ (✓) FUEL RECEIPTS RECEIVED _____ (✓)

RENTER'S DRIVERS
THE UNDERSIGNED RENTER AGREES THAT HE AND HIS EMPLOYEES, SERVANTS AND AGENTS WILL BE THE ONLY OPERATORS OF THE VEHICLE RENTED HEREUNDER. RENTER CERTIFIES THAT ANY SUCH OPERATOR WILL BE AT LEAST 21 YEARS OF AGE, BE DULY LICENSED AND QUALIFIED TO OPERATE A VEHICLE OF THE TYPE RENTED. RENTER AGREES THAT ANY INSURANCE PROVIDED BY OWNER UNDER THE TERMS AND CONDITIONS OF THIS AGREEMENT SHALL BE OF NO FORCE OR EFFECT IF ANY PERSON OTHER THAN RENTER OR HIS QUALIFIED EMPLOYEE, SERVANT OR AGENT IS OPERATING THIS VEHICLE AT THE TIME OF AN ACCIDENT OR OCCURRENCE OF ANY KIND.
THE VEHICLE IS RENTED UPON THE CONDITIONS SET FORTH ABOVE AND ON THE REVERSE SIDE HEREOF. RENTER REPRESENTS THAT HE HAS READ, UNDERSTANDS AND AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS RENTAL AGREEMENT AND INVOICE.

SIGNATURE OF RENTER OR AGENT (X)

REFRIG. UNIT

HOURS IN	
HOURS OUT	
HOURS USED	

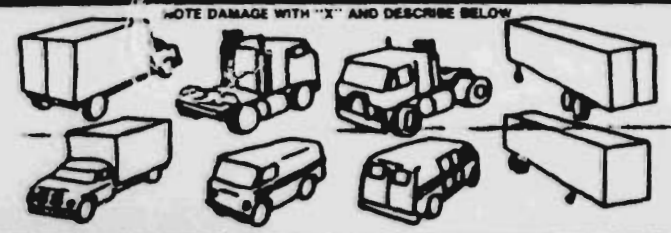
MILEAGE IN	68187
MILEAGE OUT	68318
MILES USED	69

RENTAL

1 DAYS @ 60.00	60.00
WEEKS @	
69 MILES @ .12	8.28
Guaranteed Mileage	
Minimum Charge $	
SUB-TOTAL	68.28
TOTAL RENTAL	
SALES TAX	3.76
FUEL CHARGE 10 (Gals.) on 11/5 @ 1.34	13.40
FUEL TAX CHARGE ___ MI @ ___ / Mile	
COLLISION DAMAGE WAIVER CDW IS NOT INSURANCE	
ACCEPTS CDW: X / REJECTS CDW: X	13.26
TOTAL CHARGES	
LESS CREDITS	
TOTAL DUE	98.70
DEPOSIT RECEIVED BY / CASH CHECK	98.70
NET DUE CASH/CHARGE	
CUSTOMER INITIAL FOR CASH REFUND ▶ REFUND	

PHYSICAL CONDITION

NOTE DAMAGE WITH "X" AND DESCRIBE BELOW



OUT OK	OUT NO		IN OK	IN NO
		Safety Kit		
		Fire Ext.		
		Radio		
		Permit Book		
		Credit Card		

Damage Description Out / In
See Mack Contract

NO

NO

Customer's Initials Out | Customer's Initials In

RENTER MUST READ AND SIGN HERE

I HAVE READ AND HEREBY AGREE TO THE TERMS AND CONDITIONS OF PAGE 2 OF THIS AGREEMENT AND UNDERSTAND THAT I AM BOUND BY THOSE TERMS. I FURTHER UNDERSTAND THAT THE LIABILITY INSURANCE AS OUTLINED IN PARAGRAPH 12 IS VOID IF DRIVER IS UNDER 21 YEARS OF AGE, AND I ACCEPT THE VEHICLE IN THE PHYSICAL CONDITION DESCRIBED ABOVE.

RENTER MUST SIGN HERE ▶ (X)

OLSON TRUCK LEASING MUST SIGN HERE ▶ Ernie A. Winkler

Thank you for doing business with OTL

PLEASE REMIT WITHIN 7 DAYS.

TYPE OR USE BALL POINT PEN.

AGENDA DOCUMENT NO. X97-55

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
) ENFORCEMENT PRIORITY
)

SENSITIVE

AUG 19 1997

EXECUTIVE SESSION
SUBMITTED LATE

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

II. CASES RECOMMENDED FOR CLOSURE.

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

EPS was created to identify pending cases which, due to the length of their pendency in inactive status or the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria which results in a numerical rating of each case.

Closing such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified 34 cases which do not warrant further action relative to other pending matters.[1]

[1] These cases are: MUR 4470 (*Ward for Congress*); MUR 4478 (*Citizens for Tom Reynolds*); MUR 4492 (*Friends of Ken Poston*); MUR 4498 (*Darryl Roberts for Congress*); MUR 4506 (*The Hon. Ted Little*); MUR 4512 (*Friends of Lane Evans*); MUR 4517 (*Unknown Respondent*); MUR 4518 (*Kansans for Rathbun*); MUR 4520 (*Larry Lerner for*

97044339965

Attachment 1 to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. Stale Cases

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more distant in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more remote and consequently more difficult to develop. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of these facts, EPS also provides us with the means to identify those cases which, though earning a higher rating when received, remained unassigned due to a lack of resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

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Congress); MUR 4522 (*Republican Party of Bexar County*); MUR 4523 (*Cong. Andrea Seastrand*); MUR 4524 (*Danny Covington Campaign Fund Committee*); MUR 4526 (*Hoeffell for Congress*); MUR 4528 (*Pete King for Congress*); MUR 4529 (*Pete King for Congress*); MUR 4532 (*Citizen's Committee for Gilman for Congress*); MUR 4535 (*Visclosky for Congress*); MUR 4537 (*Di Nicola for Congress*); MUR 4541 (*Ross Perot*); MUR 4548 (*Blagojevich for Congress*); MUR 4550 (*Friends of Wamp for Congress*); MUR 4551 (*John N. Hostettler*); MUR 4557 (*De La Rosa for Congress*); MUR 4559 (*Bill Baker for Congress*); MUR 4560 (*George Stuart Jr. for Congress*); MUR 4562 (*Wayne E. Schile*); MUR 4566 (*Al Gore*); MUR 4574 (*Danny Covington Campaign Fund Committee*); MUR 4576 (*Volunteers for Shimkus*); MUR 4579 (*New Zion Baptist Church*); MUR 4580 (*Friends of Mike Forbes*); MUR 4584 (*Bill Baker for Congress*); MUR 4588 (*Navarro for Congress*); and MUR 4613 (*Guy Kelley for Congress*).

2 The U.S. District Court for the District of Columbia, however, held in *Democratic Senatorial Campaign Committee v. FEC*, Civil Action No. 95-0349 (D.D.C. April 17, 1996) that 24 months was too long a time in which to hold a case in an inactive status.

Twenty one cases have remained on the Central Enforcement Docket for a sufficient period of time to render them stale, all of which are recommended for closure in this Report.[4] This group includes four MURs that became stale several months ago, but were held pending criminal prosecution by the Department of Justice.[5] DOJ obtained convictions in the two criminal cases related to these four MURs (*U.S. v. Jay Kim* and *U.S. v. Dynamic Energy Resources*) based upon guilty pleas by the key defendants, who are also the principal respondents in our pending matters. Pursuit of civil enforcement action in view of the satisfactory results obtained in the criminal cases would not be the most effective use of the Commission's scarce resources at this time.

We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective August 29, 1997. Closing these cases as

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[4] These cases are: MUR 4274 (*GOPAC*); MUR 4358 (*Miller for Senate*); MUR 4361 (*ABC-TV*); MUR 4368 (*Citizens Business Bank*); MUR 4380 (*AFGE Local 2391 PAC*); MUR 4385 (*Dial for Congress*); MUR 4386 (*Zimmer for Senate*); MUR 4396 (*ABC*); MUR 4404 (*Friends of Steve Stockman*); MUR 4410 (*39th Legislative District*); MUR 4417 (*Our Choice II*); MUR 4422 (*Desana for Congress Committee*); (*Joseph Demio*); and Pre-MUR 336 (*Park National Bank & Trust*).

[5] These cases are: MUR 3796 (*Jay Kim for Congress*); MUR 3798 (*Jay Kim*); MUR 4275 (*Jay Kim*); and MUR 4356 (*Dynamic Energy Resources*). In dismissing the Jay Kim cases, we also recommend closing Pre-MUR 352, which is the transmittal of the guilty plea agreement and related documentation in the criminal case against Congressman Kim forwarded by United States Attorney's office.

of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

Pre-MUR 336 Pre-MUR 352

B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

MUR 3796	MUR 4396	MUR 4522	MUR 4559
MUR 3798	MUR 4404	MUR 4523	MUR 4560
MUR 4274	MUR 4410	MUR 4524	MUR 4562
MUR 4275	MUR 4417	MUR 4526	MUR 4566
	MUR 4422	MUR 4528	MUR 4574
MUR 4356	MUR 4470	MUR 4529	MUR 4576
MUR 4358	MUR 4478	MUR 4532	MUR 4579
MUR 4361	MUR 4492	MUR 4535	MUR 4580
MUR 4368	MUR 4498	MUR 4537	MUR 4584
	MUR 4506	MUR 4541	MUR 4588
MUR 4380	MUR 4512	MUR 4548	MUR 4613
MUR 4385	MUR 4517	MUR 4550	
MUR 4386	MUR 4518	MUR 4551	
	MUR 4520	MUR 4557	

8/14/97
Date

LM Noble (JH2)
Lawrence M. Noble
General Counsel

Attachment:
Case Summaries

27044383396 8

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	Agenda Document No. X97-55
Enforcement Priority	)	

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on August 19, 1997, do hereby certify that the Commission decided by a vote of 4-1 to take the following actions with respect to Agenda Document No. X97-55:

A. Decline to open a MUR, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

1. Pre-MUR 336. 2. Pre-MUR 352.

B. Take no action, close the file effective August 29, 1997, and approve the appropriate letters in the following matters:

1. MUR 3796.	2. MUR 3798.	3. MUR 4274.
4. MUR 4275.	5. MUR 4356.	6. MUR 4358.
7. MUR 4361.	8. MUR 4368.	9. MUR 4380.
10. MUR 4385.	11. MUR 4386.	12. MUR 4396.
13. MUR 4404.	14. MUR 4410.	15. MUR 4417.
16. MUR 4422.	17. MUR 4470.	18. MUR 4478.

(continued)

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19. MUR 4492.	20. MUR 4498.	21. MUR 4506.
22. MUR 4512.	23. MUR 4517.	24. MUR 4518.
25. MUR 4520.	26. MUR 4522.	27. MUR 4523.
28. MUR 4524.	29. MUR 4526.	30. MUR 4528
31. MUR 4529.	32. MUR 4532.	33. MUR 4535.
34. MUR 4537.	35. MUR 4541.	36. MUR 4548
37. MUR 4550.	38. MUR 4551.	39. MUR 4557.
40. MUR 4559.	41. MUR 4560.	42. MUR 4562.
43. MUR 4566.	44. MUR 4574.	45. MUR 4576.
46. MUR 4579.	47. MUR 4580.	48. MUR 4584.
49. MUR 4588.	50. MUR 4613.	

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

Attest:

8-21-97
Date

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

97043833970

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mark E. Sostarich, Esquire
1785 Tamarack Street
South Milwaukee, WI 53172

RE: MUR 4478

Dear Mr. Sostarich:

On September 27, 1996, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against the respondents. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997. This matter will become part of the public record within 30 days.

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

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

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MUR 4478
CITIZENS FOR TOM REYNOLDS

Complainant Mark Sostarich alleges that Tom Reynolds' 1996 campaign committee knowingly and willfully violated the Act by purchasing $20,000 work of paper for $50, thereby constituting an illegal and excessive in-kind contribution for the difference between the price paid and its value.

Tom Reynolds responds that the paper was purchased at a printer's public auction during the first week of November, 1993, which was before he decided to run for office in 1994. He originaly purchased the paper for his printing business, Performance Communications. He admits to using the paper for his campaign in 1994, but billed the campaign for the price he paid at the auction, plus the cost of renting a truck to transport the paper from his place of business to his campaign headquarters.

There appears to be no intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

Thomas G. Reynolds
9430 W. Schlinger Avenue
West Allis, WI 53214

RE: MUR 4478

Dear Mr. Reynolds:

On September 27, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against you. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

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

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local number is (202) 219-3400.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

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MUR 4478
CITIZENS FOR TOM REYNOLDS

Complainant Mark Sostarich alleges that Tom Reynolds' 1996 campaign committee knowingly and willfully violated the Act by purchasing $20,000 work of paper for $50, thereby constituting an illegal and excessive in-kind contribution for the difference between the price paid and its value.

Tom Reynolds responds that the paper was purchased at a printer's public auction during the first week of November, 1993, which was before he decided to run for office in 1994. He originaly purchased the paper for his printing business, Performance Communications. He admits to using the paper for his campaign in 1994, but billed the campaign for the price he paid at the auction, plus the cost of renting a truck to transport the paper from his place of business to his campaign headquarters.

There appears to be no intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 29, 1997

Mary J. Patzer, Treasurer
Citizens for Tom Reynolds
9430 W. Schlinger Avenue
West Allis, WI 53214

RE: MUR 4478

Dear Ms. Patzer:

On September 27, 1996, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission has determined to exercise its prosecutorial discretion and to take no action against Citizens for Tom Reynolds and you, as treasurer. See attached narrative. Accordingly, the Commission closed its file in this matter on August 29, 1997.

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

If you have any questions, please contact Alva E. Smith on our toll-free telephone number, (800) 424-9530. Our local telephone number is (202) 219-3400.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

Attachment
Narrative

97044383975

MUR 4478
CITIZENS FOR TOM REYNOLDS

Complainant Mark Sostarich alleges that Tom Reynolds' 1996 campaign committee knowingly and willfully violated the Act by purchasing $20,000 work of paper for $50, thereby constituting an illegal and excessive in-kind contribution for the difference between the price paid and its value.

Tom Reynolds responds that the paper was purchased at a printer's public auction during the first week of November, 1993, which was before he decided to run for office in 1994. He originaly purchased the paper for his printing business, Performance Communications. He admits to using the paper for his campaign in 1994, but billed the campaign for the price he paid at the auction, plus the cost of renting a truck to transport the paper from his place of business to his campaign headquarters.

There appears to be no intent to violate the FECA and this matter is less significant relative to other matters pending before the Commission.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4478

DATE FILMED 9-23-97 CAMERA NO. 4

CAMERAMAN JMN

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