



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

THIS IS THE BEGINNING OF MUR # 4709

DATE FILMED 5/14/98 CAMERA NO. 1

CAMERAMAN EES

9804300653

REPORTS ANALYSIS REFERRAL

TO

(OFFICE OF GENERAL COUNSELDATE: July 30, 1997ANALYST: **Neil Evans**

I. COMMITTEE: Democratic County Executive Committee of Philadelphia (C00324459)
Norman Loudenslager, Treasurer
1421 Walnut Street
Philadelphia, PA 19102

II. RELEVANT STATUTE: 11 CFR §106.5(g)

III. BACKGROUND:

Receipt of Excessive Funds from Non-Federal Account for Shared Activities

The Democratic County Executive Committee of Philadelphia ("the Committee") received excessive transfers-in from the Democratic Campaign Committee of Philadelphia - Non Fed and the Democratic Campaign Committee of Philadelphia - Non Fed. ("the Non-Federal Account") totaling \$138,132 for shared activity disclosed on the 1996 Termination Report covering the period October 23, 1996 through November 25, 1996. The transfers were received by the Committee between October 23, 1996 and November 1, 1996 (Attachment 2).

On February 12, 1997, a Request for Additional Information ("RFAI") was sent to the Committee referencing the Termination Report. The RFAI notified the Committee that its report disclosed \$355,500 in transfers-in received from the Non-Federal Account without disclosing shared federal and non-federal disbursements (Attachment 3).

On March 18, 1997, a Second Notice was sent to the Committee for failure to respond to the RFAI (Attachment 4).

On March 18, 1997, the Commission received an Amended 1996 30 Day Post-General Report from the Committee. The amended report disclosed the entire non-federal portion of shared activity for the Committee to be \$217,368 on Line

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21(a)(ii) of the Detailed Summary Page,¹ all of it reported on Schedule H4 for administrative/voter drive activity, occurring between October 23, 1996 and November 21, 1996. Also, there was \$138,132 disclosed in debts owed to the Non-Federal Account for administrative expenses (Attachment 5).

On April 23, 1997, an RFAI was sent to the Committee referencing the debt disclosed to the Non-Federal Account on the Amended 1996 30 Day Post-General Report. The RFAI notified the Committee that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections, and requested clarification on whether the debts owed to the Non-Federal Account relate to activity conducted in connection with federal elections (Attachment 6).

On May 9, 1997, the Reports Analysis Division ("RAD") analyst spoke with Jim Mathews regarding the debt owed to the Non-Federal Account. He stated that the debt was disclosed to show the Committee's attempt to refund the Non-Federal Account for the excessive transfers made from it to the Committee. Additionally, he stated that the Committee was formed because the Pennsylvania Democratic Committee informed the Committee that they should register with the Commission because the Committee received federal funds from them. However, Mr. Mathews said that the Committee has undertaken no activity to influence federal elections and should not have registered as a federal committee (Attachment 7).

On May 16, 1997, a Second Notice was sent to the Committee for failure to respond to the RFAI (Attachment 8).

On May 19, 1997, the Commission received an Amended 1996 30 Day Post-General Report from the Committee. The Committee stated on the amended report that the, "[D]ebt owed to the non federal account does not relate to the election or defeat of any federal candidate. It simply occurred because we were given misinformation from the "Victory 96" campaign and transferred to (sic) much into the federal account...I assure you every effort is being made to clear up this confusion and pay off this debt." (Attachment 9).

On June 17, 1997, the RAD analyst spoke with Linda Mathews regarding the debt owed to the Non-Federal Account. She stated that the Committee has acquired roughly \$42,000 which it will transfer to the Non-Federal Account on June 18, 1997, and forward to the Commission the copies of the transfer checks.

¹ The amended Schedules H4 in the Amended 30 Day Post-General Report received on May 19, 1997 match this figure on Line 21(a)(ii) of the Detailed Summary Page.

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DEMOCRATIC COUNTY EXECUTIVE COMMITTEE
OF PHILADELPHIA
REPORTS ANALYSIS OGC REFERRAL
PAGE 3

Furthermore, the Committee wants to pay off this debt quickly so that they may terminate the Committee (Attachment 7).

On June 23, 1997, the Commission received a letter and copy of a \$40,000 transfer check from the Committee to the Non-Federal Account dated June 18, 1997. The Committee stated in the letter that, "...enclosed is a copy of a check from the Federal Account which was deposited in our Non-Federal account as payment on the outstanding debt \$138,132.00 reducing it to \$97,437.00.² As stated in previous correspondence we are making every effort to pay off this debt as soon as possible." (Attachment 10).

93043060656

1003

² Please note that the remaining balance owed to the Non-Federal Account is \$98,132. The Committee made a \$695 mathematical discrepancy. In addition, the Committee has not disclosed the source of the funds used for the \$40,000 transfer.

COMMITTEE	ACCOUNT	RECEIPTS	DISBURSEMENTS	# OF COVERAGE DATES	REC FILED PAGES	LOCATION	TYPE OF FILER
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MEMORANDUM COUNTY EXECUTIVE COM OF PHILADELPHIA
CONNECTED ORGANIZATION: PH MEMORANDUM STATE COMMITTEE

ID 000127459 PARTY QUALIFIED

990 STATEMENT OF ORGANIZATION

REQUEST FOR ADDITIONAL INFORMATION

STATEMENT OF ORGANIZATION - CURRENT

POST-GENERAL - TERMINATED 377,500 377,500

POST-GENERAL - CURRENT - - -

POST-GENERAL - CURRENT 377,500 377,500

POST-GENERAL - CURRENT - - -

POST-GENERAL - CURRENT - - -

REQUEST FOR ADDITIONAL INFORMATION

REQUEST FOR ADDITIONAL INFORMATION 20

REQUEST FOR ADDITIONAL INFORMATION

YEAR-END 0 0

YEAR-END - CURRENT 0 0

YEAR-END - CURRENT - - -

REQUEST FOR ADDITIONAL INFORMATION

REQUEST FOR ADDITIONAL INFORMATION

REQUEST FOR ADDITIONAL INFORMATION 20

REQUEST FOR ADDITIONAL INFORMATION

REQUEST FOR ADDITIONAL INFORMATION 20

TOTAL 377,500 0 377,500 1 128 TOTAL PAGES

Z50796	2	9/FEC/110/409
Z50796	2	9/FEC/121/2703
Z50796	3	9/FEC/120/3063
Z50796 - Z50796	22	9/FEC/102/2468
Z50796 - Z50796	9	9/FEC/105/1176
Z50796 - Z50796	22	9/FEC/100/1978
Z50796 - Z50796	19	9/FEC/203/1373
Z50796 - Z50796	9	9/FEC/210/3155
Z50796 - Z50796	9	9/FEC/100/1120
Z50796 - Z50796	3	9/FEC/203/0632
Z50796 - Z50796	2	9/FEC/206/1003
Z50796 - 310057	16	9/FEC/103/1229
Z50796 - 310056	3	9/FEC/100/1057
Z50796 - 310056	3	9/FEC/210/3321
Z50796 - 310057	3	9/FEC/100/1255
Z50796 - 310056	2	9/FEC/100/1110
Z50796 - 310056	9	9/FEC/203/0620
Z50796 - Z50796	7	9/FEC/103/3039
Z50796 - Z50796	8	9/FEC/100/3022

ALL reports have been reviewed except the Amended Year End Report filed on 7/15/97.

Cash on Hand as of 12/31/96: \$0

Debts and obligations owed to the committee as of 12/31/96: \$0

Debts and obligations owed by the committee as of 12/31/96: \$138,132.00

2004000000

RECEIPT SCHEDULE H3
(effective 1/1/97)

**TRANSFERS FROM
NON-FEDERAL ACCOUNTS**

PAGE 2	OF 2
FOR LINE 18	

NAME OF COMMITTEE Democratic Campaign Committee of Philadelphia		TOTAL AMOUNT TRANSFERRED	
NAME OF ACCOUNT Democratic Campaign Committee of Philadelphia-Non Fed		DATE OF RECEIPT 11-1-96	\$ 25,000.00
BREAKDOWN OF TRANSFER RECEIVED			
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
1) Total Administrative/Voter Drive	25,000.00		
2) Direct Fundraising (List Events-Amount for Each)			
a) _____			
b) _____			
c) _____			
d) _____			
e) Total Amount Transferred For Direct Fundraising			
3) Exempt Activity/Direct Candidate Support (List Events-Amount For Each)			
a) _____			
b) _____			
c) _____			
d) _____			
e) Total Amount Transferred For Exempt Activity/Direct Candidate Support			
NAME OF ACCOUNT Democratic Campaign Committee of Phila-Non Fed.		DATE OF RECEIPT 11-1-96	\$ 100,000.00
BREAKDOWN OF TRANSFER RECEIVED			
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
1) Total Administrative/Voter Drive	100,000.00		
2) Direct Fundraising (List Events-Amount for Each)			
a) _____			
b) _____			
c) _____			
d) _____			
e) Total Amount Transferred For Direct Fundraising			
3) Exempt Activity/Direct Candidate Support (List Events-Amount For Each)			
a) _____			
b) _____			
c) _____			
d) _____			
e) Total Amount Transferred For Exempt Activity/Direct Candidate Support			
TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED			
	ADMIN/VOTER DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DCS
SUBTOTAL THIS PAGE	125,000.00		
TOTAL THIS PERIOD	355,500.00		

0065

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

BQ-2

Norman Loudenslager, Treasurer
Democratic County Executive
Committee of Philadelphia
1421 Walnut Street
Philadelphia, PA 19102

FEB 12 1997

Identification Number: C88324459

Reference: Termination Report (10/23/96-11/23/96)

Dear Mr. Loudenslager:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An illustration follows:

-Please provide the total(s) for Line 11(d), Column A of the Detailed Summary Page. Note that changes in your figures may affect your Column B totals on this report and/or on subsequent reports.

-Please provide the Column B totals for the Detailed Summary Page. Note that changes in your figures may affect your Column B totals on this report and/or on subsequent reports.

-Your calculations for Line 20, Column A appear to be incorrect. FEC calculations indicate this amount(s) to be \$377,500. Please provide the corrected total(s) on the Detailed Summary Page.

-Disbursed disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following description(s): Administrative. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §101.30(c).

2025 RELEASE UNDER E.O. 14176

DEMOCRATIC COUNTY EXECUTIVE COM. OF PHILADELPHIA
PAGE 2

-Your report discloses limited payments for administrative expenses. Each committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X submitted each year. 11 CFR §106.5(d)

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §444(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §441 and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or around your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Schedule H3 of your report (particular portion(s) attached) discloses a receipt(s) of \$355,000 from the Democratic Campaign Committee of Philadelphia - Non Fed without any allocated disbursements on Schedule H4. Please clarify whether this transfer(s) is from an account maintained by your committee for non-federal activity. If no, be advised that such a transfer is prohibited by 11 CFR §102.54(d)(1)(U) and the full amount of the transfer(s) should be returned to the non-federal account. Please inform the Commission of your corrective action immediately in writing and provide photocopy of your check for the transfer-out. In addition, the transfer-out should be disclosed on Schedule B supporting Line 22 of your next report.

If this transaction represents an "internal transfer" of funds from one federal account to another, and the source(s) of such funds has been identified in previous reports of receipts and disbursements, please note that such transfers should not be itemized as doing so inflates total receipts and cash on hand. If this is the case, please amend your report accordingly.

97.03.189.3824

DEMOCRATIC COUNTY EXECUTIVE COMM. OF PHILADELPHIA**PAGE 3**

Although the Commission may take further legal action regarding the acceptance of funds from a non-federal account, your prompt transfer-out of the impermissible funds or clarification of the transaction, will be taken into consideration.

-On Schedule H3, you have failed to provide the **NAME OF ACCOUNT** for a transfer(s)-in. Please amend your report to identify the full name of the non-federal account from which each transfer-in is made. 11 CFR §104.10(a) and (b)

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers from party committees should be properly disclosed on a separate Schedule A, supporting Line 12 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers to nonfederal candidates and committees should be properly disclosed on a separate Schedule B, supporting Line 29 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-For future filings, please note that your committee need only file the pages on which you have itemized activity. Schedules with no activity may be omitted.

-Your report requested that the Commission permit your committee to terminate pursuant to 2 U.S.C. §433(d) and 11 CFR §102.3. Preliminary review of the Termination Report raised questions concerning certain information disclosed by your committee. Your committee must continue to file all required reports with the Commission until this matter has been resolved. The Commission will notify you when your request to terminate has been approved and the committee is no longer required to file reports with the Commission.

DEMOCRATIC COUNTY EXECUTIVE COMM. OF PHILADELPHIA
PAGE 4

A written response or an amendment to your original report(s) concerning the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3588.

Sincerely,



Neil Evans
Reports Analyst
Reports Analysis Division

254

97.03.189.3826

RECEIPT SCHEDULE NS
(effective 1/1/81)

TRANSFERS FROM
NON-FEDERAL ACCOUNTS

FOR LINE 18

NAME OF COMMITTEE
Democratic Campaign Committee of Philadelphia

TOTAL AMOUNT
TRANSFERRED

NAME OF ACCOUNT
Democratic Campaign Committee of Philadelphia - Fed.

DATE OF DEPOSIT
10-23-86

\$ 500.00

DETAILED BREAKDOWN OF TRANSFERS RECEIVED

	ADMINISTRATIVE DEPARTMENT	DIRECT FUND-RAISING DEPARTMENT	EMERGENCY/CONTINGENCY/IN-SPECIFIC SUPPORT
1) Total Administrative/ voter drive	500.00		
2) Direct Fundraising (List Events-Amount for Each)			
3) Total Amount Transferred For Direct Fundraising			
4) Emergency Activity/Direct Candidate Support (List Events-Amount For Each)			
5) Total Amount Transferred For Emergency Activity/Direct Candidate Support			

NAME OF ACCOUNT

DATE OF DEPOSIT
10-31-86

\$ 230,000.00

DETAILED BREAKDOWN OF TRANSFERS RECEIVED

	ADMINISTRATIVE DEPARTMENT	DIRECT FUND-RAISING DEPARTMENT	EMERGENCY/CONTINGENCY/IN-SPECIFIC SUPPORT
1) Total Administrative/ voter drive	230,000.00		
2) Direct Fundraising (List Events-Amount for Each)			
3) Total Amount Transferred For Direct Fundraising			
4) Emergency Activity/Direct Candidate Support (List Events-Amount For Each)			
5) Total Amount Transferred For Emergency Activity/Direct Candidate Support			

TOTAL FOR PERIODS OF TRANSFERS RECEIVED

	ADMINISTRATIVE DEPARTMENT	DIRECT FUND-RAISING DEPARTMENT	EMERGENCY/CONTINGENCY/IN-SPECIFIC SUPPORT
SHOWING THIS PAGE	230,000.00		
TOTAL THIS PERIOD	230,000.00		

03.189.3827

TRANSFERS FROM
NON-FEDERAL ACCOUNTS

NAME OF COMMITTEE
Democratic Campaign Committee of Philadelphia

TOTAL AMOUNT
TRANSFERRED

NAME OF ACCOUNT

Democratic Campaign Committee of Philadelphia-Non Fed

DATE OF RECEIPT

11-1-96

\$ 25,000.00

BREAKDOWN OF TRANSFER RECEIVED

	ADMINISTRATOR DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
1 Total Administrative/Voter Drive	25,000.00		
2 Direct Fundraising (List Events-Amount for Each)			
3			
4			
5			
6 Total Amount Transferred For Direct Fundraising			
7 Exempt Activity/Direct Candidate Support (List Events-Amount For Each)			
8			
9			
10 Total Amount Transferred For Exempt Activity/Direct Candidate Support			

NAME OF ACCOUNT

DATE OF RECEIPT

11-1-96

\$ 100,000.00

BREAKDOWN OF TRANSFER RECEIVED

	ADMINISTRATOR DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
1 Total Administrative/Voter Drive	100,000.00		
2 Direct Fundraising (List Events-Amount for Each)			
3			
4			
5			
6 Total Amount Transferred For Direct Fundraising			
7 Exempt Activity/Direct Candidate Support (List Events-Amount For Each)			
8			
9			
10 Total Amount Transferred For Exempt Activity/Direct Candidate Support			

TOTALS FOR BREAKDOWN OF TRANSFER RECEIVED

	ADMINISTRATOR DRIVE AMOUNT	DIRECT FUND- RAISING AMOUNT	EXEMPT ACTIVITY/DIRECT CANDIDATE SUPPORT
SUBTOTAL THIS PAGE	125,000.00		
TOTAL THIS PERIOD	355,500.00		

03-187-3020



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20543

RQ-3

March 13, 1997

Norman Loudenslager, Treasurer
Democratic County Executive
Committee of Philadelphia
1421 Walnut Street
Philadelphia, PA 19102

Identification Number C00324459

Reference: Termination Report (10/23/96-11/25/96)

Dear Mr. Loudenslager:

This letter is to inform you that as of March 12, 1997, the Commission has not received your response to our request for additional information, dated February 12, 1997. This notice requests information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to this request (copy enclosed).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Neil Evans at our toll-free number (800) 424-9530 or our local number (202) 219-3588.

Sincerely,

John D. Gibson
Assistant Staff Director
Reports Analysis Division

Enclosure

**DETAILED SUMMARY PAGE
OF RECEIPTS AND DISBURSEMENTS
PAGE 2, FEC FORM 31X**

Attachment 5
Page 1 of 2

Candidate: Democratic Campaign Committee of Phila

REPORT COVERED PERIOD
FROM 10-23-95 TO 11-23-96

	RECEIPTS	
	Column A Total This Period	Column B October Year
I. Receipts		
11. Contributions (other than loans) From:		
a. Individual/Persons Other Than Political Committees		
i. Itemized (use Schedule A)	-0-	-0-
ii. Unitemized	-0-	-0-
iii. Total (add i and ii)	-0-	-0-
b. Political Party Committees	-0-	-0-
c. Other Political Committees (such as PACs)	-0-	-0-
d. Total Contributions (add a ii, b and c)	-0-	-0-
12. Transfers From Affiliated/Other Party Committees	22,000.00	22,000.00
13. All Loans Received	-	-
14. Loan Repayments Received	-	-
15. Officers To Operating Expenditures (Refunds, Rebates, etc.)	-	-
16. Refunds of Contributions Made To Federal Candidates and Other Political Committees	-	-
17. Other Federal Receipts (Dividend, Interest, etc.)	-	-
18. Transfers from Nonfederal Account for Joint Activity	755,500.00	755,500.00
19. Total Receipts (add 11a, 12, 13, 14, 15, 16, 17, and 18)	777,500.00	777,500.00
20. Total Federal Receipts (subtract line 13 from line 19)	777,500.00	777,500.00
II. Disbursements		
21. Operating Expenditures:		
a. Shared Federal/Non-Federal Activity (from Schedule H4)		
i. Federal Share	84,532.00	84,532.00
ii. Non-Federal Share	237,368.00	237,368.00
b. Other Federal Operating Expenditures	-0-	-0-
c. Total Operating Expenditures (add a i, a ii, and b)	321,900.00	321,900.00
22. Transfers to Affiliated/Other Party Committees	-0-	-0-
23. Contributions to Federal Candidates/Committees and Other Political Committees	-0-	-0-
24. Independent Expenditures (see Schedule E)	-0-	-0-
25. Coordinated Expenditures Made by Party Committees (2 U.S.C. 4404b) (see Schedule F)	-0-	-0-
26. Loan Repayments Made	-0-	-0-
27. Loans Made	-0-	-0-
28. Refunds of Contributions To:		
a. Individual/Persons Other Than Political Committees	-0-	-0-
b. Political Party Committees	-0-	-0-
c. Other Political Committees (such as PACs)	-0-	-0-
d. Total Contribution Refunds (add a, b, and c)	-0-	-0-
29. Other Disbursements	75,500.00	75,500.00
30. Total Disbursements (add 21c, 22, 23, 24, 25, 26, 27, 28d, and 29)	397,400.00	397,400.00
31. Total Federal Disbursements (subtract line 21 a ii from line 30)	164,132.00	164,132.00
III. Net Contributions/Operating Expenditures		
32. Total Contributions (other than loans) (from line 11d)	-0-	-0-
33. Total Contribution Refunds (from line 28d)	-0-	-0-
34. Net Contributions (other than loans) (subtract line 33 from line 32)	-0-	-0-
35. Total Federal Operating Expenditures (add 21 c and 21 d)	84,532.00	84,532.00
36. Officers to Operating Expenditures (from line 15)	-0-	-0-
37. Net Federal Operating Expenditures	84,532.00	84,532.00

Pub. No. 4791
U.S. GOVERNMENT PRINTING OFFICE
1975 O 479-101

SCHEDULE D
DEBTS AND OBLIGATIONS

DEBTS AND OBLIGATIONS
Excluding Loans

Name of Debtor or Creditor	Outstanding Balance Beginning This Period	Amount Incurred This Period	Payment This Period	Outstanding Balance at Close of This Period
Democratic Campaign Comm. of Phila - Fed 1121 Walnut Street Phila PA 19102	-0-	138,132.00	-0-	138,132.00
Nature of Debt (Purpose) Administrative Expenses				
B. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
C. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
D. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
E. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				
F. Full Name, Mailing Address and ZIP Code of Debtor or Creditor				
Nature of Debt (Purpose)				

1) SUBTOTALS This Period This Page (optional)	
2) TOTALS This Period (last page in this fee only)	138,132.00
3) TOTAL OUTSTANDING LOANS from Schedule C (last page only)	138,132.00
4) ADD 2) and 3) and carry forward to appropriate line of Summary Page (last page only)	276,264.00



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

BQ-3

Norman L. Lushington, Treasurer
Democratic County Executive
Committee of Philadelphia
1421 Walnut Street
Philadelphia, PA 19102

APR 23 1977

Identification Number: C0000000

Reference: Annual 30 Day Post-Campaign Report (10/23/76-11/23/76) dated 2/21/77

Dear Mr. Lushington:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-On Schedule BA regarding Line 21(a) of the Detailed Summary Page, you have failed to include the total EVENT YEAR-TO-DATE amount for a payment(s) to all vendors. Please amend your report to include the missing EVENT YEAR-TO-DATE amount(s).

-Line 21(b)(1) of the Detailed Summary Page of your report declares a total of \$24,522 in the federal share of operating expenditures. The sum of the entries listed on Schedule BA, however, indicates the total to be \$25,020. Please amend your report to clarify the discrepancy.

-Line 21(b)(2) of the Detailed Summary Page of your report declares a total of \$217,385 in the non-federal share of operating expenditures. The sum of the entries listed on Schedule BA, however, indicates the total to be \$222,020. Please amend your report to clarify the discrepancy.

-Please clarify all expenditures for "vote registration" and "get-out-the-vote". In addition, if any of the vote registration or get-out-the-vote activities referenced above or listed on Schedule BA, they should be allocated accordingly, unless clearly indicated to the overall activity. If a portion or all of these expenditures were made on behalf of federal candidates, they

6290.502.E0.2

should be reported on Schedule B, E, or F for Line 23, 24, or 25 of the Detailed Summary Page, as appropriate.

Schedule D discloses \$138,132.00 in debts owed to the Democratic Campaign Comm. of Phila Non Fed. (pertinent portion(s) attached). You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please clarify whether the debts owed to the non-federal account relate to activity conducted in connection with federal elections and if so, provide the date(s) when the original activity was conducted by the non-federal account. Any payments on debts related to the election or defeat of federal candidates should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, or as independent expenditures or coordinated expenditures on Schedule E or F supporting Line 24 or 25. 11 CFR §§104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities conducted by your non-federal account, prompt repayment of the debt and any clarifying information that you provide will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Neil Evans
Reports Analyst
Reports Analysis Division

97.03.203.0633

SCHEDULE D
(Part of 990)

DEBTS AND OBLIGATIONS
Outstanding Loans

Do not check this box unless the above schedule is being prepared for a tax-exempt organization.

Name of Debtor (or Lender)	Outstanding Balance Beginning of This Period	Amount Received This Period	Payments Made This Period	Outstanding Balance at End of This Period
Democratic Campaign Com. of Phila - Fed 1421 Walnut Street Phila PA 19102	-	138,132.00	-	138,132.00
Administrative Expenses				
& Political, Lobby Activities and SF Costs of Debtor or Lender				
Administrative Expenses				
& Political, Lobby Activities and SF Costs of Debtor or Lender				
Administrative Expenses				
& Political, Lobby Activities and SF Costs of Debtor or Lender				
Administrative Expenses				
& Political, Lobby Activities and SF Costs of Debtor or Lender				
Administrative Expenses				
& Political, Lobby Activities and SF Costs of Debtor or Lender				
Administrative Expenses				

Total amount of debt (do not include the amount of debt that is secured by a qualified mortgage)	
Total amount of debt (do not include the amount of debt that is secured by a qualified mortgage)	138,132.00
Total amount of debt (do not include the amount of debt that is secured by a qualified mortgage)	138,132.00
Total amount of debt (do not include the amount of debt that is secured by a qualified mortgage)	138,132.00

TELECON

ANALYST:	Neil Evans
COMMITTEE:	Democratic County Executive Committee of Philadelphia (CCHCE244459)
SUBJECT(S):	Debt owed to the Non-Federal Account

DATE:	May 9, 1997
CONVERSATION WITH:	Jim Mathews

20043060672

Jim Mathews stated that the debt owed to the Non-Federal Account is the result of making excessive transfers from the Non-Federal Account. Furthermore, the debt schedule was disclosed to show that the Committee recognized that it had an obligation to return the money and intends to do so promptly. About the Committee, he stated that it was formed because of a \$22,000 receipt of federal funds from the Pennsylvania Democratic Committee followed by poor advice from them. He stated that the Committee was formed because the Pennsylvania Democratic Committee informed the Committee that they should register with the Commission because the Committee received federal funds from them. However, Mr. Mathews said that the Committee has done no activity to influence federal elections and should not have registered as a federal committee.

DATE:	June 17, 1997
CONVERSATION WITH:	Linda Mathews

Linda Mathews stated that to date, no transfers have been made to pay off the debt to the Non-Federal Account; however, the Committee has acquired \$42,000. When asked why no transfers have been made, she said that she was going to just make one large transfer per reporting period until the debt was paid off. When she asked for the analyst's advice on this matter, he stated that the Committee should make transfers as it becomes able to, the sooner the better. And that forwarding copies of transfer checks, even before the Committee's report is due, would be beneficial to disclose that the Committee is making efforts to pay off the debt. She said that she would make a transfer on the morning of June 18, 1997, and would forward a copy of the transfer check. She also said that the Committee wants to pay off this debt so that it may terminate.



FEDERAL ELECTION COMMISSION HQ-3
WASHINGTON, D.C. 20463

May 16, 1997

Norman Loudenslager, Treasurer
Democratic County Executive Comm
of Philadelphia
1421 Walnut Street
Philadelphia, PA 19102

Identification Number: C00324439

Reference: Amended 30 Day Post-General (10/23/96-11/23/96 dated 2/21/97) and
Amended Year End (11/26/96-12/31/96 dated 4/4/97) Reports

Dear Mr. Loudenslager:

This letter is to inform you that as of May 15, 1997, the Commission has not received your response to our requests for additional information dated April 23, 1997. These notices request information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to these requests (copies enclosed).

If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Neil Evans on our toll-free number (800) 424-9530 or our local number (202) 219-3500.

Sincerely,

John D. Gilman
Assistant Staff Director
Reports Analysis Division

Enclosures

0290-100-00-00

*The Democratic County Executive Committee
of Philadelphia*

*Executive Office: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
Chairman*

Telephone 241-7800

*Norman Loudenslager
Treasurer*

May 9, 1997

Neil Evans, Reports Analyst
Federal Election Commission
999 E. Street, N.W.
Washington D. C. 20463

RE: Democratic Campaign Committee of Philadelphia
1421 Walnut Street
C00324459

Dear Mr. Evans:

Enclosed please find schedule M4 completed with the Event-Year-to-Date totals.

The discrepancy in the total was due to the Federal and Non-Federal amounts being placed in reverse of where they should have been, this too is now corrected as highlighted.

Voter drive and get-out-the-vote did not influence federal candidates.

Debt owed to the non-federal account does not relate to the election or defeat of any federal candidate. It simply occurred because we were given misinformation from the "Victory 96" campaign and transferred to much into the federal account. Had we received the correct information this would not have happened and we would not be experiencing the frustration and aggravation we have been to terminate this account. I assure you every effort is being made to clear up this confusion and pay off this debt.

Sincerely,


NORMAN LOUDENSLAGER, Treasurer
Democratic County Executive
Committee of Philadelphia

The Democratic County Executive Committee of Philadelphia

RECEIVED
FEDERAL ELECTION
COMMISSION MAIL ROOM

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Executive Office: 1421 Walnut Street
Philadelphia, Pennsylvania 19102

Robert A. Brady
Chairman

Telephone 241-7800

Norman Loudenslager
Treasurer

June 18, 1997

Neil Evans, Reports Analyst
Federal Election Commission
999 E Street, N.W.
Washington D.C. 20068

Re: Democratic Campaign Committee of Philadelphia
1421 Walnut Street
000324459

Dear Mr. Evans,

In response to your letter dated June 4, 1997, please find Schedule M listing the total for the Administrative/Motor Drive EVENT YEAR-TO-DATE.

Also enclosed is a copy of a check from the Federal Account which was deposited in our Non-Federal account as payment on the outstanding debt \$138,132.00 reducing it to \$27,437.00.

As stated in previous correspondence we are making every effort to pay off this debt as soon as possible.

Sincerely,

NORMAN LOUDENSLAGER, Treasurer
Democratic County Executive
Committee of Philadelphia

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DEMOCRATIC CAMPAIGN COMM. OF PHILA. (FED.) #12
1421 Walnut Street
Philadelphia PA 19102

6-18-97

PAY TO THE ORDER OF Democratic Campaign Comm. of Philadelphia \$ 40,000.00

Forty Thousand 00/100 DOLLARS

PNC BANK

PNC Bank, N.A.
Philadelphia, PA 020



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FEDERAL ELECTION COMMISSION

999 E Street, N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

RAD Referral: 97L-15
DATE ACTIVATED: September 12, 1997
STAFF MEMBER: Thomas J. Andersen

SOURCE: INTERNALLY GENERATED

RESPONDENTS: Democratic County Executive Committee
of Philadelphia and Norman Loudenslager, as treasurer

RELEVANT STATUTES: 2 U.S.C. § 431(4)(C)
2 U.S.C. § 441a
11 C.F.R. § 100.5(c)
11 C.F.R. § 102.5(a)(1)(i)
11 C.F.R. § 102.6(a)(2)
11 C.F.R. § 104.10(b)(3)
11 C.F.R. § 106.5

INTERNAL REPORTS CHECKED: Referral Materials
Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. GENERATION OF MATTER

The Office of General Counsel received a referral from the Reports Analysis Division ("RAD") on July 30, 1997. The basis of the referral is the receipt by the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer ("Philadelphia Democrats" or "Committee"), of excessive transfers-in of funds totaling \$138,132 for shared

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federal and non-federal activity from its non-federal account in 1996.¹ The Committee has refunded \$453,000 of these funds back to its non-federal account.

III. FACTUAL AND LEGAL ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended (the "Act"), requires local party organizations to register as political committees if, inter alia, they receive contributions aggregating in excess of \$5,000 during a calendar year. 2 U.S.C. §§ 431(4)(C) and 433(a). Further, the Act provides that no person or multicandidate political committee ("PAC") shall make contributions to a state or local party committee's federal account in any calendar year which in the aggregate exceed \$5,000, and prohibits the state or local committee from knowingly accepting such contributions. 2 U.S.C. § 441a(a) and (f). See also 11 C.F.R. § 110.3(b)(3). Under Pennsylvania law, individuals and PACs may contribute unlimited amounts to candidates and party committees. However, corporations and labor organizations are prohibited from making contributions for political purposes. See Pa. Stat. Ann. tit. 25, § 3253(a) and tit. 43, § 11111.1701.

A party committee, such as the Philadelphia Democrats, that has established separate federal and non-federal accounts must make all disbursements, contributions, expenditures and transfers in connection with any federal election from its federal account. 11 C.F.R. § 102.5(a)(1)(i). (Only funds subject to the limitations and prohibitions of the Act shall be deposited in the separate federal account. *Id.* No transfers may be made to the federal account

¹ As explained in the analysis, \$75,600 of these funds apparently were used for 100% non-federal activity.

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from any other accounts maintained by the committee for the purpose of financing non-federal election activity, except as provided in 11 C.F.R. § 106.5(g). *Id.*

Pursuant to 11 C.F.R. § 106.5(g)(1)(i), a party committee that has established separate federal and non-federal accounts must pay the entire amount of an allocable expense from its federal account and shall transfer funds from the non-federal account to the federal account solely to cover the non-federal share of that allocable expense. In addition, for each transfer of funds from a committee's non-federal account to its federal account, the committee must itemize in its reports the allocable activities for which the transferred funds are intended to pay, as required by 11 C.F.R. § 104.10(b)(3), 11 C.F.R. § 106.5(g)(2)(ii)(A). Moreover, such funds cannot be transferred more than 10 days before or more than 60 days after the payment for which they are designated is made. 11 C.F.R. § 106.5(g)(2)(ii)(B). If these requirements are not met, any portion of a transfer from a committee's non-federal account to its federal account shall be presumed to be a loan or contribution to the federal account, in violation of the Act. 11 C.F.R. § 106.5(g)(2)(iii). Since transfers from a non-federal account to a federal account may be made solely to cover the non-federal share of an *allocable* expense, transfers to a federal account for the purpose of financing purely non-federal activity are prohibited. See NCUA 404B (New York Republican Federal Campaign Committee).

Finally, state and local party committees with separate federal and non-federal accounts must allocate their administrative expenses and costs of generic voter drives between these accounts using the "ballot composition method." 11 C.F.R. § 106.5(d). Administrative expenses are described at 11 C.F.R. § 106.5(a)(2)(i) as "including rent, utilities, office supplies, and salaries, except for such expenses directly attributable to a clearly identified candidate." (Generic

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voter drives are described at 11 C.F.R. § 106.5(a)(2)(iv) as "including voter identification, voter registration, and get-out-the-vote drives, or any other activities that urge the general public to register, vote or support candidates of a particular party or associated with a particular issue, without mentioning a specific candidate."

B. Factual Background

On October 25, 1996, the Philadelphia Democrats registered with the Commission as a party committee affiliated with the Pennsylvania Democratic State Committee. The 1996 30 Day Post-General Report (designated by the Philadelphia Democrats as a Termination Report), covering the period from October 23, 1996 through November 25, 1996, disclosed total receipts of \$377,500, including \$22,000 in transfers-in from an affiliated party committee and a total of \$355,500 in transfers-in from the non-federal account for administrative and generic voter drive costs.² The report showed \$377,500 in total disbursements, including \$301,900 in operating expenditures and \$75,600 in contributions to non-federal political committees. In February and March 1997, RAD notified the Committee that its 1996 30 Day Post-General Report disclosed \$355,500 in transfers-in from its non-federal account without showing any allocated disbursements on Schedule H4. RAD also notified the Committee that a Schedule H1 must be filed showing its ballot composition ratio calculation.

On March 18, 1997, the Commission received an amended 1996 30 Day Post-General Report from the Committee, including a Schedule H1 indicating that 28% of the Committee's

² The Committee disclosed the source of the \$22,000 as "VICTORY 96 - Federal IPA Democratic Coordinated Campaign," located in Harrisburg, Pennsylvania. Although Commission records do not list any such entity, the contributions are itemized on the 1996 30 Day Post-General Report of the Pennsylvania Democratic Party, located at the same address.

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shared expenses were for federal activity.³ The amended report disclosed the non-federal portion of shared activity to be \$217,368 (72% of operating expenditures of \$301,900), all of it reported on Schedule H4 as administrative/voter drive activity occurring between October 23, 1996 and November 21, 1996. Also, the Committee disclosed a \$138,132 debt owed to the non-federal account for "Administrative Expenses."

On April 23, 1997, RAD notified the Committee that 11 C.F.R. § 102.5 prohibits a non-federal account from financing activity in connection with federal elections, and requested clarification on whether the \$138,132 debt owed to the non-federal account related to such activity. On May 9, the RAD analyst telephoned the Committee's contact person, Jim Mathews, who stated that the debt was disclosed to show the Committee's attempt to reimburse the non-federal account for excessive transfers from it to the Committee. Mr. Mathews also explained that the Philadelphia Democrats registered as a political committee because the Pennsylvania Democratic State Committee informed them that they needed to file with the Commission as a result of receiving federal funds from the state committee. However, Mr. Mathews stated that the Philadelphia Democrats had undertaken no activity to influence federal elections and, therefore, should not have registered as a federal committee.

On May 19, 1997, the Commission received another amended 1996 30 Day Post-General Report from the Committee. An attached letter stated that the "[d]ebt owed to the non-federal

³³ The ballot composition information in the Schedule H1 shows 2 Federal points out of 7 total points, which, if calculated to the nearest one-hundredth, would be 28.57 (federal) and 71.43 (non-federal). The Commission will permit committees, in all cases in which a ratio does not result in a whole number, to round to the nearest whole number. Advisory Opinion 1991-6, fn. 3. However, instead of choosing to round to 29% for the Federal share, the Committee has rounded down to 28%, which slightly inflates the non-federal share to the benefit of the Committee. Because the variation is of such a small magnitude, this Office will adhere to the 28%/72% allocation figures arrived at by the Committee.

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account does not relate to the election or defeat of any federal candidate. It simply occurred because we were given misinformation from the 'Victory 96' campaign and transferred to [sic] much into the federal account. . . . I assure you every effort is being made to clear up this confusion and pay off this debt." On June 17, the RAD analyst spoke with Linda Matthews regarding the debt owed to the non-federal account. She stated that the Committee had acquired roughly \$42,000 which it would transfer to the non-federal account. She attested that the Committee wanted to pay off the debt quickly so that it could be terminated. On June 23, 1997, the Commission received a copy of a \$40,000 check from the Committee to the non-federal account. On August 4, the Committee submitted a copy of a check written out to the non-federal account in the amount of \$3,000 "towards payment of the debt." The Committee's 1997 Mid-Year Report, covering the period from January 1, 1997 through June 30, 1997, discloses the \$40,000 transfer to the non-federal account. The report also discloses debts of \$48,132, all to the non-federal account, and cash-on-hand of \$3,306.50.

C. Analysis

Contrary to the assertion of the Philadelphia Democrats that they should not have registered with the Commission, they qualified as a political committee as early as October 25, 1996, the date they did in fact register, when they received \$10,000 from an affiliated party committee. Pursuant to 11 C.F.R. § 102.6(a)(2), such transfers shall count against the reporting thresholds of the Act. Since the transfer exceeded \$5,000, political committee status was triggered. See 11 C.F.R. § 100.5(c).

The activity at issue in this matter appears to be limited to a one-month period. The Committee initially transferred \$500 to the federal account from the non-federal account on

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October 23, 1996, designated on the Committee's Schedule H3 as administrative and voter drive expenses.⁴ The Committee's first expenditure was for joint activity in the amount of \$106 on the same date, itemized as a "Bank Charge."⁵ Between October 25 and October 29, 1996, the Committee received transfers-in of funds permissible under the Act totaling \$20,000 from an affiliated committee. On October 31 and November 1, 1996, the Committee received transfers-in totaling \$355,000 from the non-federal account to cover administrative and voter drive activities. At this point, the Committee's federal account contained a total of \$375,394, with all but \$20,000 of that amount comprising of non-federal funds. On November 1, 1996, the Committee made expenditures totaling \$298,219 for allocable activity, which it later described as "Food & Beverages, Transportation, Volunteers, Generic GOTV."⁶ Since all of the non-federal transfers-in occurred within 10 days prior to this date, they were available for the Committee to use for the non-federal share of this allocable activity pursuant to 11 C.F.R. § 106.5(g)(2)(ii)(B). However, the Committee could pay no more than 72%, or \$214,718, of this amount with non-federal funds; the remaining 28%, or \$83,501, should have been paid for with funds permissible under the Act. Because the federal account contained only \$20,000 in such funds, the remaining portion, or \$63,501, was paid for with impermissible non-federal funds.

At this juncture, the balance in the federal account was \$77,175, consisting only of non-federal funds. At that time, on November 1, the Committee made disbursements of \$75,600

⁴ All amounts are rounded off to the nearest dollar.

⁵ This transaction occurred before the Committee achieved "political committee" status under the Act. Because the Committee could have conceivably demonstrated that the funds came from permissible sources, see 11 C.F.R. § 102.5(b)(1)(ii), this Office has not presumed that the federal portion of the expenditure (28% of \$106, or \$30) constituted an improper disbursement.

⁶ Multiple transactions occurred on November 1, 1996, such that the exact timing of the transactions may not accord with the chronology as presented here.

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from its federal account, apparently for 100% non-federal expenses. The funds were disbursed among non-federal candidates (city council and state senate) and sub-local party wards. Because these disbursements do not appear to constitute allocable expenses, this portion of the transfers-in from the non-federal to the federal account was an impermissible transfer of funds.

The above transactions reduced the balance of the Committee's federal account to \$1,575, all non-federal funds. On November 6, 1996, the Committee received a \$2,000 transfer-in from an affiliated committee of funds permissible under the Act, raising the balance to \$3,575. The next transaction appears to have been a disbursement of \$3,574 for joint activity on November 21, 1996. However, since the non-federal funds in the federal account had been transferred to the account on November 1, they did not comply with the 10 day time limit established at 11 C.F.R. § 106.5(g)(2)(ii)(B). Accordingly, the \$1,575 non-federal transfer-in was not available to the Committee to cover the non-federal portion of the joint activity, and thus it constituted an improper transfer from the non-federal to the federal account.

In summary, the Committee made a total of \$140,676 in improper disbursements or transfers-in, consisting of \$63,501 in impermissible disbursements and \$1,575 in impermissible transfer-in for shared activity, and \$75,600 in transfers from the non-federal account to the federal account for 100% non-federal expenses.⁷ Accordingly, this Office recommends that the Commission find reason to believe that the Committee violated 2 U.S.C. § 441a(f) and 11 C.F.R. §§ 102.5(a)(1)(i) and 106.5(g)(1)(i).⁸ This Office further recommends that the

⁷ The discrepancy between the total amount arrived at by this Office and RAD's figure of \$138,132 appears to result mainly from RAD's apparent assumption that the Committee's November 21, 1996 expenditure for \$3,574 was properly allocated expense.

⁸ This Office makes no recommendations as to violations of 2 U.S.C. § 441b(a) because, as mentioned, Pennsylvania law prohibits corporate and labor contributions for political purposes.

Commission enter into conciliation with the Committee prior to a finding of probable cause to believe.

III. DISCUSSION OF CONCILIATION AND CIVIL LIABILITY

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IV. RECOMMENDATIONS

1. Open a MUR.
2. Find reason to believe that the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer, violated 2 U.S.C. § 441a(f), 11 C.F.R. § 102.5(a)(1)(i) and 11 C.F.R. § 106.5(g)(1)(i).
3. Enter into preprobable cause conciliation with the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer.
4. Approve the attached Factual and Legal Analysis, proposed conciliation agreement and the appropriate letter.

Lawrence M. Noble
General Counsel

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Date

12/7/97

BY:


Lois G. Lerner
Associate General Counsel

Attachments:

1. Proposed Conciliation Agreement
2. Factual and Legal Analysis

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Democratic County Executive
Committee of Philadelphia and
Norman Loudenslager, as treasurer.

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MUR 4709
RAD Referral
#97L-15

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on December 31, 1997, the Commission decided by a vote of 4-0 to take the following actions in RAD Referral #97L-15:

1. Open a MUR.
2. Find reason to believe that the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer, violated 2 U.S.C. § 441a(f), 11 C.F.R. § 102.5(a)(1)(i) and 11 C.F.R. § 106.5 (g)(1)(i).
3. Enter into preprobable cause conciliation with the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer.

(continued)

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4. Approve the Factual and Legal Analysis, proposed conciliation agreement and the appropriate Letter, as recommended in the General Counsel's Report dated December 17, 1997.

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

Attest:

12-31-97

Date

Lisa R. Evans

Marjorie W. Hanson
Secretary of the Commission

Received in the Secretariat: Thurs., Dec. 18, 1997 3:09 p.m.
Circulated to the Commission: Fri., Dec. 19, 1997 11:00 a.m.
Deadline for votes: Thurs., Dec. 30, 1997 4:00 p.m.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 6, 1998

Norman Loudenslager, Treasurer
Democratic County Executive Committee of Philadelphia
1421 Walnut St.
Philadelphia, PA 19102

RE: MUR 4709
Democratic County Executive
Committee of Philadelphia and
Norman Loudenslager, as treasurer

Dear Mr. Loudenslager:

On December 31, 1997, the Federal Election Commission found that there is reason to believe the Democratic County Executive Committee of Philadelphia and you, as treasurer, violated 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"), and 11 C.F.R. §§ 102.5(a)(1)(i) and 106.5(g)(1)(i) of the Commission's regulations. The Factual and Legal Analysis, which formed a basis for the Commission's findings, is attached for your information.

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

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

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

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.

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Norman Loudenslager

MUR 4709

Page 2

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

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

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

Sincerely,

Joan D. Aikens

Joan D. Aikens
Chairman

Enclosures

Factual and Legal Analysis

Procedures

Designation of Counsel Form

Conciliation Agreement

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

MUR 4709

RESPONDENTS: Democratic County Executive Committee of Philadelphia
and Norman Lautenslager, as treasurer

I. GENERATION OF MATTER

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 467g(a)(2).

II. FACTUAL AND LEGAL ANALYSIS

A. Applicable Law

The Federal Election Campaign Act of 1971, as amended (the "Act"), requires local party organizations to register as political committees if, inter alia, they receive contributions aggregating in excess of \$5,000 during a calendar year. 2 U.S.C. §§ 431(4)(C) and 433(a). Further, the Act provides that no person or multicandidate political committee ("PAC") shall make contributions to a state or local party committee's federal account in any calendar year which in the aggregate exceed \$5,000, and prohibits the state or local committee from knowingly accepting such contributions. 2 U.S.C. § 441a(a) and (f). See also 11 C.F.R. § 110.3(b)(3). Under Pennsylvania law, individuals and PACs may contribute unlimited amounts to candidates and party committees. However, corporations and labor organizations are prohibited from making contributions for political purposes. See Pa. Stat. Ann. tit. 25, § 3253(a) and tit. 43, § 1101.1701.

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A party committee, such as the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer ("Philadelphia Democrats" or "Committee"), that has established separate federal and non-federal accounts must make all disbursements, contributions, expenditures and transfers in connection with any federal election from its federal account. 11 C.F.R. § 102.5(a)(1)(i). Only funds subject to the limitations and prohibitions of the Act shall be deposited in the separate federal account. *Id.* No transfers may be made to the federal account from any other accounts maintained by the committee for the purpose of financing non-federal election activity, except as provided in 11 C.F.R. § 106.5(g). *Id.*

Pursuant to 11 C.F.R. § 106.5(g)(1)(i), a party committee that has established separate federal and non-federal accounts must pay the entire amount of an allocable expense from its federal account and shall transfer funds from the non-federal account to the federal account solely to cover the non-federal share of that allocable expense. In addition, for each transfer of funds from a committee's non-federal account to its federal account, the committee must itemize in its reports the allocable activities for which the transferred funds are intended to pay, as required by 11 C.F.R. § 104.10(b)(3). 11 C.F.R. § 106.5(g)(2)(ii)(A). Moreover, such funds cannot be transferred more than 10 days before or more than 60 days after the payment for which they are designated is made. 11 C.F.R. § 106.5(g)(2)(ii)(B). If these requirements are not met, any portion of a transfer from a committee's non-federal account to its federal account shall be presumed to be a loan or contribution to the federal account, in violation of the Act. 11 C.F.R. § 106.5(g)(2)(iii). Since transfers from a non-federal account to a federal account may be made solely to cover the non-federal share of an *allocable* expense, transfers to a federal account for

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the purpose of financing purely non-federal activity are prohibited. See MUR 4413 (New York Republican Federal Campaign Committee).

Finally, state and local party committees with separate federal and non-federal accounts must allocate their administrative expenses and costs of generic voter drives between those accounts using the "ballot composition method." 11 C.F.R. § 106.5(d). Administrative expenses are described at 11 C.F.R. § 106.5(a)(2)(i) as "including rent, utilities, office supplies, and salaries, except for such expenses directly attributable to a clearly identified candidate." Generic voter drives are described at 11 C.F.R. § 106.5(a)(2)(iv) as "including voter identification, voter registration, and get-out-the-vote drives, or any other activities that urge the general public to register, vote or support candidates of a particular party or associated with a particular issue, without mentioning a specific candidate."

B. Factual Background

On October 25, 1996, the Philadelphia Democrats registered with the Commission as a party committee affiliated with the Pennsylvania Democratic State Committee. The 1996 30 Day Post-General Report (designated by the Philadelphia Democrats as a Termination Report), covering the period from October 23, 1996 through November 25, 1996, disclosed total receipts of \$377,500, including \$22,000 in transfers-in from an affiliated party committee and a total of \$355,500 in transfers-in from the non-federal account for administrative and generic voter drive costs. The report showed \$377,500 in total disbursements, including \$301,900 in operating expenditures and \$75,600 in contributions to non-federal political committees. In February and March 1997, the Committee was notified that its 1996 30 Day Post-General Report disclosed \$355,500 in transfers-in from its non-federal account without showing any allocated

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disbursements on Schedule H4. The Committee was also notified that a Schedule H1 must be filed showing its ballot composition ratio calculation.

On March 18, 1997, the Commission received an amended 1996 30 Day Post-General Report from the Committee, including a Schedule H1 indicating that 28% of the Committee's shared expenses were for federal activity. The amended report disclosed the non-federal portion of shared activity to be \$217,368 (72% of operating expenditures of \$301,900), all of it reported on Schedule H4 as administrative/voter drive activity occurring between October 23, 1996 and November 21, 1996. Also, the Committee disclosed a \$138,132 debt owed to the non-federal account for "Administrative Expenses."

On May 9, 1997, the Committee's contact person informed the Commission that the Philadelphia Democrats registered as a political committee because the Pennsylvania Democratic State Committee informed them that they needed to file with the Commission as a result of receiving federal funds from the state committee. He stated, however, that the Philadelphia Democrats had undertaken no activity to influence federal elections and, therefore, should not have registered as a federal committee.

On May 19, 1997, the Commission received another amended 1996 30 Day Post-General Report from the Committee. An attached letter stated that the "[i]t debt owed to the non-federal account does not relate to the election or defeat of any federal candidate. It simply occurred because we were given misinformation from the 'Wooten '96' campaign and transferred to [sic] much into the federal account. [I] assure you every effort is being made to clear up this confusion and pay off this debt." On June 23, 1997, the Commission received a copy of a \$40,000 check from the Committee to the non-federal account. On August 4, the Committee

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submitted a copy of a check written out to the non-federal account in the amount of \$3,000 "towards payment of the debt." The Committee's 1997 Mid-Year Report, covering the period from January 1, 1997 through June 30, 1997, discloses the \$40,000 transfer to the non-federal account.

C. Analysis

The Philadelphia Democrats qualified as a political committee as early as October 25, 1996, the date they did in fact register, when they received \$10,000 from an affiliated party committee. Pursuant to 11 C.F.R. § 102.6(a)(2), such transfers shall count against the reporting thresholds of the Act. Since the transfer exceeded \$5,000, political committee status was triggered. See 11 C.F.R. § 100.5(c).

The Committee initially transferred \$500 to the federal account from the non-federal account on October 23, 1996, designated on the Committee's Schedule H3 as administrative and voter drive expenses. The Committee's first expenditure was for joint activity in the amount of \$106 on the same date, itemized as a "Bank Charge."¹

Between October 25 and October 29, 1996, the Committee received transfers-in of funds permissible under the Act totaling \$20,000 from an affiliated committee. On October 31 and November 1, 1996, the Committee received transfers-in totaling \$355,000 from the non-federal account to cover administrative and voter drive activities. At this point, the Committee's federal account contained a total of \$375,394, with all but \$20,000 of that amount comprising of non-federal funds. On November 1, 1996, the Committee made expenditures totaling \$298,219 for allocable activity, which it later described as "Food & Beverages, Transportation, Volunteers,

¹ All amounts are rounded off to the nearest dollar.

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Generic GOTV.² Since all of the non-federal transfers-in occurred within 10 days prior to this date, they were available for the Committee to use for the non-federal share of this allocable activity pursuant to 11 C.F.R. § 106.5(g)(2)(ii)(B). However, the Committee could pay no more than 72%, or \$214,718, of this amount with non-federal funds; the remaining 28%, or \$83,501, should have been paid for with funds permissible under the Act. Because the federal account contained only \$20,000 in such funds, the remaining portion, or \$63,501, was paid for with impermissible non-federal funds.

At this juncture, the balance in the federal account was \$77,175, consisting only of non-federal funds. At that time, on November 1, the Committee made disbursements of \$75,600 from its federal account, apparently for 100% non-federal expenses. The funds were disbursed among non-federal candidates (city council and state senate) and sub-local party wards. Because these disbursements do not appear to constitute allocable expenses, this portion of the transfers-in from the non-federal to the federal account was an impermissible transfer of funds.

The above transactions reduced the balance of the Committee's federal account to \$1,575, all non-federal funds. On November 6, 1996, the Committee received a \$2,000 transfer-in from an affiliated committee of funds permissible under the Act, raising the balance to \$3,575. The next transaction appears to have been a disbursement of \$3,574 for joint activity on November 21, 1996. However, since the non-federal funds in the federal account had been transferred to the account on November 1, they did not comply with the 10 day time limit established at 11 C.F.R. § 106.5(g)(2)(ii)(B). Accordingly, the \$1,575 non-federal transfer-in

² Multiple transactions occurred on November 1, 1996, such that the exact timing of the transactions may not accord with the chronology as presented here.

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was not available to the Committee to cover the non-federal portion of the joint activity, and thus it constituted an improper transfer from the non-federal to the federal account.

In summary, the Committee made a total of \$140,676 in improper disbursements or transfers-in, consisting of \$63,501 in impermissible disbursements and \$1,575 in impermissible transfers-in for shared activity, and \$75,600 in transfers from the non-federal account to the federal account for 100% non-federal expenses. Therefore, there is reason to believe that the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer, violated 2 U.S.C. § 441a(f) and 11 C.F.R. §§ 102.5(a)(1)(i) and 106.5(g)(1)(i).

9804000697

*The Democratic County Executive Committee
of Philadelphia*

*Executive Offices: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
(Chairman)*

Telephone 241-7800

*Norman Loudenslager
Treasurer*

JAN 21 1 24

January 13, 1998

Thomas J. Anderson, Esquire
Federal Election Commission
999 E Street, N.W.
Washington DC 20463

RE: Democratic County Executive Committee of Philadelphia
and Norman Loudenslager, as Treasurer

Dear Mr. Anderson:

Confirming our telephone conversation of Monday, January 12, 1998, I am entering my appearance for the above named respondents.

Enclosed is a completed Statement of Designation of Counsel which I request be filed with the Commission.

At this time I am requesting an extension of time of the twenty (20) additional days in which to file respondents' responsive materials and statements.

The reason for this request is for me to review the voluminous documents and to meet with the appropriate party officials.

It is my understanding that you have no objection to this request and will present the same to the Commission.

Thank you for your attention to this matter.

Very truly yours,

IRA B. SHRAGER
IRA B. SHRAGER
Legal Counsel

ENCLOSURE

BY CERTIFIED MAIL AND FAX

20004000690

STATEMENT OF DESIGNATION OF COUNSEL

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

JAN 21 1 24 PM '98

NR 4709

NAME OF COUNSEL: Ira B. Shrager, Esquire
ADDRESS: 350 South Smedley Street
Philadelphia, PA 19103

TELEPHONE: (215) 732-1873

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.

January 13, 1998
Date

For R. Brady
Signature
ROBERT A. BRADY, Chairman

RESPONDENT'S NAME: Democratic County Executive Committee of Philadelphia
and Norman Loudenslager, as Treasurer

ADDRESS: 1421 Walnut Street
Philadelphia, PA 19102

PHONE NUMBER: (215) 241-7800

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

January 20, 1998

Ira B. Shrager, Esq.
350 South Smedley Street
Philadelphia, PA 19103

RE: MUR 4709
Democratic County Executive
Committee of Philadelphia and
Norman Loudenslager, as treasurer

Dear Mr. Shrager:

This is in response to your facsimile letter dated January 13, 1998, which we received the same day, requesting an extension of 20 days to respond to the Commission's reason to believe findings in the above-cited matter. After considering the circumstances presented in your letter, the Office of the General Counsel has granted the requested extension. Accordingly, your response is due by the close of business on February 13, 1998.

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

Sincerely,

Thomas J. Andersen

Thomas J. Andersen
Attorney

98043380700

*The Democratic County Executive Committee
of Philadelphia*

FEB 13 2 25 PM '98

*Executive Offices: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
Chairman*

Telephone 241-7800

*Norman Loudenslager
Treasurer*

January 27, 1998

Thomas J. Anderson, Esquire
Federal Election Commission
999 F Street, N.W.
Washington DC 20463

MUR4709

RE: Democratic County Executive Committee of
Philadelphia and Norman Loudenslager, as Treasurer

Dear Mr. Anderson:

Enclosed is a completed Statement of Designation of Counsel which
I request be filed with the Commission.

Thank you for your attention to this matter.

Sincerely,

Ira B. Shpiger
IRA B. SHPIGER
Legal Counsel

ENCLOSURE
By CERTIFIED MAIL

9604000701

STATEMENT OF DESIGNATION OF COUNSEL

NR 4709
NAME OF COUNSEL: Ira B. Shrager, Esquire
ADDRESS: 350 South Smedley Street
Philadelphia PA 19103
TELEPHONE: (215) 732-1873

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.

January 27, 1998
Date


Signature
NORMAN LOUDENSLAGER, Treasurer

RESPONDENT'S NAME: Democratic County Executive Committee of
Philadelphia and Norman Loudenslager, as Treasurer
ADDRESS: 1421 Walnut Street
Philadelphia PA 19102
HOME PHONE: _____
BUSINESS PHONE: (215) 241-7807

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RECEIVED
FEDERAL ELECTION
COMMISSION

Feb 12 9 52 AM '98

**IRA B. SHRAGER
ATTORNEY AT LAW
300 SOUTH SMEDLEY STREET
PHILADELPHIA, PA 19103**

(215) 732-1673

Fax: (215) 545-1455

February 12, 1998

BY FEDERAL EXPRESS

Thomas J. Anderson, Esquire
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: Democratic Executive Committee of Philadelphia and
Norman Lombardiger, as Treasurer
NCLR 4769

Dear Mr. Anderson:

Enclosed please find Defendant's brief with regard to the above captioned matter.
Ms. Matthews' affidavit is being sent to you under separate cover.

Ms. Matthews is also transmitting my designation of appearance on behalf of
Norman Lombardiger.

I look forward to hearing from you and bringing this matter to resolution as soon
as possible.

Very truly yours,



IRA B. SHRAGER

IBS:gb
Enclosure

20040000700

FEDERAL ELECTION COMMISSION
WASHINGTON, DISTRICT OF COLUMBIA

In Re: Democratic Executive Committee : MUR 4709
of Philadelphia and :
Norman Loudenslager, :
as Treasurer :

RESPONDENT'S BRIEF

Respondents, Democratic Executive Committee of Philadelphia and Norman Loudenslager as Treasurer, (Committee), by their undersigned counsel hereby files this following brief concerning this matter under review by the Federal Election Commission (Commission). This brief has been verified by the Committee's Administrative Assistant, Miss Linda Mathews.

I. RESPONDENTS' PRELIMINARY STATEMENT

Respondents welcome the opportunity to resolve this matter through conciliation with the Commission. Further, Respondents acknowledge certain unintentional acts which violated the Commission's regulations concerning disbursement of campaign funds in 1986 and agree to enter into a reasonable conciliation negotiations.

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II. COUNTER-STATEMENT OF THE FACTS

At the end of the 1996 election, the Committee received contributions from "Victory 96," which was then the campaign arm of the Pennsylvania Democratic State Committee. Upon receipt of the initial contribution the Committee registered with the Commission. The Committee received two (2) \$10,000.00 contributions from Victory 96' during its first reporting period.¹ The Committee's Administrative Assistant, Miss Linda Mathews, attempted to carefully comply with Victory 96's bare-bones written instructions. Further, Miss Mathews requested further instructions from Victory 96's comptroller, Mr. Jeff DiSantis. Pursuant to discussions with Mr. DiSantis, all disbursements for both federal and non-federal activities for the 1996 election were made through the Committee's federal account. Moreover, the Committee arranged for the printing of ballots in the manner requested by Victory 96'.

After the election, Mr. DiSantis as well as Mr. David Katz, the director of Victory 96', were no longer associated with the Democratic State Committee. This Democratic State Committee no longer maintained staff personnel after the conclusion of the election. This left Miss Mathews with no contact at the state committee and she had never received any training with regard to compliance with federal election law. Miss Mathews did not sense that there was any problem and did not seek guidance from the treasurer or from the Committee's legal counsel.

Thereafter Miss Mathews filed a "termination report" because the Committee was no longer receiving federal money and it was not anticipated that the Committee would be receiving such funds in the future. Through a Commission analyst Miss Mathews first learned of the penality of reporting and other obligations under the Federal Election Campaign Financing Act of 1971, 2 U.S.C. Section 431, et. seq. The Commission's record clearly indicates that Miss Mathews and Mr. Loudenslager, the Committee's

¹ In the next reporting period the Committee received a final \$2,000 contribution from Victory 96'.

Treasurer, attempted to come into compliance through filing amended reports and letters of explanation. However, it is now apparent that certain violations of the Commission's regulations did in fact occur regarding the disbursements made in the 1996 election.

III. RESPONDENTS' LEGAL ANALYSIS

It is clear that Miss Mathews did not understand the appropriate law and regulations with regard to making campaign disbursements. For example, the expenses for federal and non-federal activities were not allocated pursuant to the "ballot composition method".² This resulted in inappropriate proportional payments for election day expenses and the resultant debt.³

However, Respondents do not agree with the General Council's analysis concerning this conclusion that "The Committee made disbursements of \$75,600.00 from its federal account, apparently for 100% non-federal expenses. The funds were disbursed among non-federal candidates (city council and state senate) and sub-local party wards." See Commission's Factual and Legal Analysis at p. 6. On the contrary, all of the funds were spent for federal and non-federal joint activities. These funds were merely paid to other political committees and/or local party officials in the manner requested by the recipients of the funds. This had been the customary practice to distribute election day expenses to local party leaders and is lawful under Pennsylvania law. This practice will be immediately stopped at the direction of the Chairman. However, all of these funds were paid to persons for lawful purposes for high federal and non-federal offices to be filled in the 1996 election.

²The allocation was not made until after inquiry by the Commission's analyst. Thereafter a Schedule "H" was immediately filed with the Commission.

³Currently the Committee is making every effort to pay off the debt. The balance of the debt has been substantially reduced. Since the funds to retire the balance of the debt may come from either federal or non-federal sources, the Committee should be able to raise enough money to cover the balance of the debt. However, it would be very difficult for the Committee to pay this sum outside of its ordinary fund-raising cycle.

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Nothing in the Administrative Record indicates that the Committee intentionally violated the law and/or the Commission's regulations in making disbursements for the 1996 election. On the contrary, this record indicates that the violations resulted from innocent mistake or lack of knowledge of the law and regulations. All of this negates any finding of intent to violate.

IV. PROPOSED CONCILIATION

CONCLUSION

For the reasons herein set forth the Respondents, Democratic Executive Committee of Philadelphia County and Norman Loudenslager, as Treasurer, requests the Commission to enter into a reasonable conciliation agreement on terms which are just and fair under the facts and circumstances of this matter under review.

Respectfully submitted,



IRA B. SHRAGER
Attorney for Respondents

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

FEB 17 4 08 PM '98

MUR 4709

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA:

COUNTY OF PHILADELPHIA

: ss.
:

LINDA MATHEWS, being duly sworn according to law, deposes and says that I am a member of the Democratic Executive Committee of Philadelphia and its Administrative Assistant; and am authorized to make this Affidavit on its behalf; and that the facts set forth in the appended brief submitted to the Federal Election Commission are true and correct to the best of my personal knowledge.

Linda Mathews
LINDA MATHEWS

SWORN TO AND SUBSCRIBED
BEFORE ME THIS 12TH DAY OF
FEBRUARY, 1998.

Margaret H. Keehfuss

NOTARIAL SEAL
MARGARET H. KEEHFUSS, Notary Public
City of Philadelphia, Phila. County
My Commission Expires March 13, 2000

9804380700

CERTIFICATE OF SERVICE

I, **IRA B. SHRAGER, ESQUIRE**, hereby certify that I sent the appended brief to:

Thomas J. Anderson, Esquire
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

by **Fastball Express Overnight Letter** on the 12th day of February, 1998.


IRA B. SHRAGER

90940001702

*The Democratic County Executive Committee
of Philadelphia*

*Executive Offices: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
Chairman*

Telephone 241-7800

*Norman Lindenberg
Treasurer*

February 17, 1998

Thomas J. Anderson, Esquire
Federal Election Commission
999 E Street, N.W.
Washington DC 20463

MUR 4709

Dear Mr. Anderson:

Pursuant to this afternoons conversation, I am enclosing a copy of the annual State Campaign Report for the year ending December 31, 1997.

Expenses Subsequently ocured since the beginning of the year for ordinary overhead and salary have reduced the balance of the Non-Federal account to \$28, 041.24 as of date of this letter.

If I can be of further assistance please contact me.

Very truly yours,

Ira B. Shrager
IRA B. SHRAGER
Legal Counsel

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CAMPAIGN EXPENSE REPORT
COMMONWEALTH OF PENNSYLVANIA - DEPARTMENT OF STATE
BUREAU OF COMMISSIONS, ELECTIONS AND LEGISLATION
305 NORTH OFFICE BUILDING
HARRISBURG, PA 17120

NAME/ADDRESS INFORMATION	ELECTION DATA	REPORT FILED BY	TYPE OF REPORT
NAME OF CANDIDATE, COMMITTEE OR LOBBYIST 8000444 PLC PHILA DEM CAMPAIGN COM OF C/O TREAS: NORMAN LOUDENSLAGER 1421 WALNUT ST PHILADELPHIA, PA 19102-0000	ELECTION DATE	<input type="checkbox"/> Candidate <input checked="" type="checkbox"/> Committee <input type="checkbox"/> Lobbyist	<input type="checkbox"/> 6th Term, Pre-Election <input type="checkbox"/> 2nd Pd. Pre-Election <input type="checkbox"/> 30-Day Post Election <input checked="" type="checkbox"/> Annual Report <input type="checkbox"/> Amendment Report <input type="checkbox"/> Termination Report
	OFFICE/DISTRICT		
CITY/STATE/ZIP CODE	COUNTY		

NOTE: This report must be typed or prepared in blue or black ink.

SUMMARY OF RECEIPTS AND EXPENDITURES FROM 1-25-97 TO 12-31-97

A. Cash Balance - Beginning (See instruction # 1)	73410.13
B. Total Receipts (From Schedule I - This Report Only)	14931.00
C. Total of Lines A and B	88341.13
D. Total Expenditures (From Schedule II - This Report Only) ...	30092.48
E. Cash Balance - Ending (Subtract Line D from Line C)	58248.65
F. Unpaid Debts and Obligations (From Schedule III)	18845.46
G. In-Kind Contributions (From Schedule IV - This Report Only) .	-0-

FOR OFFICE USE ONLY

AFFIDAVIT SECTION

PART I - TO BE COMPLETED BY THE PERSON SUBMITTING THIS REPORT
(Threasurer - If Filed By Committee; Candidate - If Filed By Candidate)

I swear (or affirm) that this report, accompanying schedules and statements are to the best of my knowledge and belief true, correct and complete.

Sworn to and subscribed before me this:

17th day of February 1998
Margaret H. Linschbach Notary Public
Signature Notary Title

[Signature]
Signature of Person Submitting Report

Norman Loudenslager
Printed Name

(215) 241-7807
Telephone Number

My Commission Expires January 17, 2000

PART II - TO BE COMPLETED BY THE CANDIDATE IF THIS REPORT IS FILED BY THE CANDIDATE'S AUTHORIZED COMMITTEE

I swear (or affirm) that to the best of my knowledge and belief this political committee has not violated any provisions of the Act of June 3, 1937 (PL 1333, No. 320) as amended.

Sworn to and subscribed before me this

____ day of _____ 19__

Signature of Candidate

Printed Name

Signature Official Title

My Commission Expires _____

Telephone Number

98043680711

SCHEDULE I

SUMMARY OF CONTRIBUTIONS AND RECEIPTS

USE THIS SCHEDULE TO SUMMARIZE ALL CONTRIBUTIONS, RECEIPTS AND REFUNDS RECEIVED DURING THE REPORTING PERIOD.

NAME OF CANDIDATE, COMMITTEE OR LEGISLATOR	REPORTING PERIOD From 11-25-97 To 12-31-97
--	---

NOTE: THIS REPORT MUST BE TYPED OR PREPARED IN BLUE OR BLACK INK!

A. UNTERMINED CONTRIBUTIONS AND RECEIPTS — \$50.00 OR LESS

TOTAL (For the Reporting Period)	\$ 50.00
----------------------------------	----------

B. CONTRIBUTIONS AND RECEIPTS — \$50.01 TO \$250.00 (Complete Sections 1.1 & 1.2)

ONLY CONTRIBUTIONS RECEIVED FROM POLITICAL COMMITTEES (Section 1.1)	\$ 256.00
ALL OTHER CONTRIBUTIONS (Section 1.2)	\$ 2125.00
TOTAL (For the Reporting Period)	\$ 2381.00

C. CONTRIBUTIONS AND RECEIPTS — OVER \$250.00 (Complete Sections 2.1 & 2.2)

ONLY CONTRIBUTIONS RECEIVED FROM POLITICAL COMMITTEES (Section 2.1)	\$12200.00
ALL OTHER CONTRIBUTIONS (Section 2.2)	\$ 300.00
TOTAL (For the Reporting Period)	\$12500.00

D. REFUNDS RECEIVED (Complete Section 3)

TOTAL (For the Reporting Period)	\$ -0-
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TOTAL TRANSFERRED — AND AMOUNTS RETURNED FROM SECTIONS A, B, C & D ENTER ON FORM 1 (Form 404) — FUNDS	\$14931.00
--	------------

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SECTION 1.1 POLITICAL COMMITTEE CONTRIBUTIONS AND RECEIPTS ONLY \$50.01 TO \$2500.00

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Philad.

REPORTING PERIOD FROM: 11-25-97 TO 12-31-97

PAGE 1 OF

DATE(S) FULL NAME, MAILING ADDRESS & ZIP CODE OF CONTRIBUTORS AGGREGATE VALUE

11-25-97 Assoc. School Adm. #502 2813 Brown Street 75.00
Philadelphia PA 19130

12-08-97 34th Ward Democratic PAC 1301 Kimberly Drive 181.00
Philadelphia PA 19151

TOTAL OF CONTRIBUTIONS FOR THIS REPORTING PERIOD \$ 256.00

TOTALS:

98043080713

SECTION 1.2 ALL OTHER CONTRIBUTIONS AND RECEIPTS \$50.01 TO \$250.00
(Except Political Committee Contributions)

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM: 11-25-97 TO 12-31-97

PAGE 1 OF

DATE(S)	FULL NAME, MAILING ADDRESS & ZIP CODE OF CONTRIBUTORS	AGGREGATE VALUE
11-25-97	Betsyann Carter 3900 Ford Rd. Apt. #21-D Philadelphia PA 19131	125.00
11-25-97	Ella M. Finegan 11108 Templeton Drive Philadelphia PA 19154	125.00
11-25-97	Thomas B. Erekson 1427 Wynneoor May Ft. Washington PA 19034	125.00
11-25-97	Vernon Marks 2043 N. 15th Street Philadelphia PA 19121	125.00
11-25-97	Patricia Rafferty 1509 S. 28th Street Philadelphia PA 19146	125.00
11-25-97	Vilma D. Diaz 1901 JFK Blvd. #2609 Philadelphia PA 19103	125.00
11-25-97	Vernon Marks 2043 N. 15th Street Philadelphia PA 19121	125.00
11-25-97	Stanley J. Shapiro 7213 Cresheim Road Philadelphia PA 19119	125.00
11-25-97	Shirley A. Fallen 13 S. Ruby Street Philadelphia PA 19139	125.00
11-25-97	Shoshana Bricklin, Esq. 8423 Anderson Street Philadelphia PA 19118	125.00
11-25-97	Marie B. Golden 905 Glenroy Road Philadelphia PA 19128	125.00
11-25-97	Anna M. Brown 7408 Elmwood Avenue Philadelphia PA 19153	125.00
11-25-97	Roseann P. Cruz 3810 Chalfont Drive Philadelphia PA 19154	125.00
11-23-97	Patricia L. Bachich 15 Dylan Court Glen Mills PA 19342	125.00
11-23-97	Christine S. Nolan, Esq. 4140 Pechin Street Philadelphia PA 19128	250.00
11-23-97	Margaret Kelly 6144 Lindbergh Blvd. Philadelphia PA 19154	125.00

SECTION 1.2 ALL OTHER CONTRIBUTIONS AND RECEIPTS \$50.01 TO \$50.00
(Except Political Committee Contributions)

NAME OF CANDIDATE, COMMITTEE OR COMMITTEE Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM: 11-25-97 TO 12-31-97

PAGE 2 OF

DATE(S) FULL NAME, MAILING ADDRESS & ZIP CODE OF CONTRIBUTORS AGGREGATE VALUE

Philadelphia PA 19142

TOTAL OF CONTRIBUTIONS FOR THIS REPORTING PERIOD \$ 2,125.00

TOTALS:

98043680715

SECTION 2.1 POLITICAL COMMITTEE CONTRIBUTIONS AND RECEIPTS ONLY OVER \$250.00

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM: 11-25-97 TO 12-31-97

PAGE 1 OF

DATE(S) FULL NAME, MAILING ADDRESS & ZIP CODE OF CONTRIBUTORS AGGREGATE VALUE

12-29-97 Dem. Can. of Phila. (Fed 1421 Walnut Street 12200.00
Philadelphia PA 19102

TOTAL OF CONTRIBUTIONS FOR THIS REPORTING PERIOD \$ 12,200.00

TOTALS:

90043080716

SECTION 2.2 ALL OTHER CONTRIBUTIONS AND RECEIPTS OVER \$250.00
(Except Political Committee Contributions)

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Philadelphia

REPORTING PERIOD FROM: 11-25-97 TO 12-31-97

PAGE 1 OF

FULL NAME	OCCUPATION	
MAILING ADDRESS		
EMPLOYER NAME	DATE RECEIVED	AGGREGATE VALUE
ADDRESS & PRINCIPAL PLACE OF BUSINESS		
Michelle Y. Mill		300.00
Philadelphia PA	12-29-97	

TOTAL OF CONTRIBUTIONS FOR THIS REPORTING PERIOD \$ 300.00

93043080717

SCHEDULE 1: SUMMARY OF EXPENDITURES

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM 11-01-97 TO 12-31-97

PAGE 1 OF

DATE	FULL NAME MAILING ADDRESS (M) ZIP CODE (ZF) RECIPIENT	DESCRIPTION OF EXPENDITURE	AMOUNT
12-01-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Re-imburse Parking	130.00
12-01-97	Visa P.O. Box 2436, Conshohocken, PA 19380-2436	Credit Card	234.53
12-01-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Mailing - Stamps	96.00
12-01-97	Water Revenue Bureau P.O. Box 41496, Phila., PA 19101	City Water	33.53
12-02-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Computer Supplies	274.91
12-03-97	Margaret Keetross 5209 River Street, Phila., PA 19120	Payroll	500.00
12-03-97	Arleen Boen 28 W. Preston Street, Phila., PA 19104	Payroll	300.00
12-03-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Custodial - Supplies	302.10
12-03-97	Linda Westers 5522 Westford Road, Phila., PA 19120	Payroll	550.00
12-03-97	Yolanda Anderson 4050 Powhatan Avenue, Phila., PA 19104	Payroll	106.85
12-03-97	Bell Atlantic P.O. Box 68885, Phila., PA 19123	Phone	71.62
12-03-97	Exxon P.O. Box 169981, Atlanta, GA 30333	Gas	83.76
12-03-97	Philadelphia Executive 814 South 8th Street, Phila., PA 19107	Ad	75.00
12-04-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Kitchen Supplies	87.20
12-04-97	Philadelphia Postmaster Broad & Chestnut Street, Phila., PA 19102	Stamps	96.00
12-04-97	Penn City Elevator Co., Inc. 1125 Hamilton Street, Phila., PA 19127	Elevator	123.24

9804360710

SCHEDULE II: SUMMARY OF EXPENDITURE

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM: 11-24-97 TO 12-31-97

PAGE 2 OF

DATE(S)	FULL NAME MAILING ADDRESS & ZIP CODE OF RECIPIENT	DESCRIPTION OF EXPENDITURE	AMOUNT
12-04-97	Alvin's Flower Shop Laurence Park Shopping Center, Broomall PA 19008	Flowers	40.76
12-09-97	Bell Atlantic P.O. Box 8585, Phila., PA 19173	Phone	940.91
12-08-97	Live Message America 609 White Horse Pike, Audubon N.J. 08106	Pager	45.00
12-09-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Leas Decoration	112.57
12-09-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	File Cabinets	347.12
12-10-97	Yolanda Anderson 4050 Powelton Avenue, Phila., PA 19104	Payroll	106.85
12-10-97	Philadelphia Postmaster Broad & Chestnut Street, Phila., PA 19102	Stamps (5) Rolls	160.00
12-10-97	Linda Mathews 5528 Westford Road, Phila., PA 19120	Payroll	550.00
12-10-97	Philadelphia Postmaster Broad & Chestnut Street, Phila., PA 19102	Stamps	160.00
12-10-97	Arlene Bowen 26 N. Preston Street, Phila., PA 19104	Payroll	300.00
12-10-97	Louis Farinella 12518 Chilton Road, Phila., PA 19154	Payroll	175.00
12-10-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Re-imbusement	302.57
12-10-97	Margaret Keehflus 5209 Rorer Street	Payroll	500.00
12-11-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Custodial	113.15
12-11-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Parking	130.00
12-12-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Re-imbusement	413.00
12-12-97	Barben Iosignia Company	Engraving	940.75

93043080719

SCHEDULE II SUMMARY OF EXPENDITURES

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM: 11-24-97 TO 12-31-97

PAGE 3 OF

DATE(S)	FULL NAME MAILING ADDRESS & ZIP CODE OF RECIPIENT	DESCRIPTION OF EXPENDITURE	AMOUNT
	820 Fox Chase Road, Rockledge PA 19046		
12-15-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Parking	130.00
12-15-97	Comcast Metrophone P.O. Box 7278, Phila., PA 19101	Car Phone	53.22
12-15-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Re-imbusement	342.27
12-15-97	PNC Bank Broad & Chestnut Street, Phila., PA 19102	941 Tax	2,900.00
12-15-97	Peco Energy P.O. Box 17437, Phila., PA 19103	Electric	451.66
12-15-97	Margaret Keehfass 5209 Rorer Street, Phila., PA 19120	Payroll 12-19-97	500.00
12-15-97	Yolanda Anderson 4050 Powelton Avenue, Phila., PA 19104	Payroll 12-18-97	106.85
12-15-97	Yolanda Anderson 4050 Powelton Avenue, Phila., PA 19104	Payroll 12-25-97	106.85
12-15-97	Yolanda Anderson 4050 Powelton Avenue, Phila., PA 19104	Payroll 1-1-97	106.85
12-16-97	Ariene Bowen 26 N. Preston Street, Phila., PA 19104	Payroll 12-18-97	300.00
12-16-97	Ariene Bowen 26 N. Preston Street, Phila., PA 19104	Payroll 12-25-97	300.00
12-16-97	Ariene Bowen 26 N. Preston Street, Phila., PA 19104	Payroll 1-1-97	300.00
12-16-97	Louis Farinella 12519 Chilton Road, Phila., PA 19120	Payroll 12-18-97	175.00
12-16-97	Louis Farinella 12518 Chilton Road, Phila., PA 19154	Payroll 12-25-97	175.00
12-16-97	Louis Farinella 12518 Chilton Road, Phila., PA 19154	Payroll 1-1-98	175.00
12-16-97	Elmer Brun 4012 "N" Street, Phila., PA 19124	Payroll	100.00

9304360720

SCHEDULE 11 SUMMARY OF EXPENDITURES

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM: 11-24-97 TO: 12-31-97

PAGE 4 OF

DATE(S)	FULL NAME MAILING ADDRESS & ZIP CODE OF RECEIPTS	DESCRIPTION OF EXPENDITURE	AMOUNT
12-15-97	Linda Mathews 5528 Westford Road, Phila., PA 19120	Payroll 12-15-97	550.00
12-16-97	Linda Mathews 5528 Westford Road, Phila., PA 19120	Payroll 12-25-97	550.00
12-16-97	Linda Mathews 5528 Westford Road, Phila., PA 19120	Payroll 11-1-98	550.00
12-16-97	Louis Farnella 12518 Chilton Road, Phila., PA 19154	Re-embursement	105.76
12-16-97	Margaret Keehous 5209 Rorer Street, Phila., PA 19104	Payroll 12-25-97	500.00
12-16-97	Margaret Keehous 5209 Rorer Street, Phila., PA 19104	Payroll 11-1-98	500.00
12-16-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Lunches	463.85
12-16-97	Andros Trophies 4820 N. Front Street, Phila., PA 19120	Plaques	94.16
12-16-97	Petty Cash 1421 Walnut Street	Staff & volunteers Buffs	965.39
12-17-97	Coast Telephone P.O. Box 7273, Phila., PA 19103	Cell Phone	46.19
12-17-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Cost Back Tables	1,947.89
12-17-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Re-embursement	985.69
12-18-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Lunches	896.13
12-18-97	La Citta 118 South 16th Street, Phila., PA 19102	Citizens	4,000.00
12-18-97	Louis Farnella 12518 Chilton Road, Phila., PA 19154	Re-embursement	181.00
12-18-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Re-embursement	769.23

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SCHEDULE II SUMMARY OF EXPEND

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST Democratic Campaign Committee of Phila.

REPORTING PERIOD FROM: 11-24-97 TO 12-31-97

PAGE 5 OF

DATE(S)	FULL NAME MAILING ADDRESS & ZIP CODE OF RECIPIENT	DESCRIPTION OF EXPENDITURE	AMOUNT
12-18-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Computer, Fax & Office Supplies	979.53
12-18-97	Petty Cash 1421 Walnut Street, Phila., PA 19102	Re-imbusement	628.11
12-29-97	Strassheim Printing Co., Inc. 305 N. 15th Street, Phila., PA 19107	Printing	160.50
12-29-97	Fleetway Leasing Co. P.O. Box 22, Bala Cynwyd PA 19004	Car	833.00
12-29-97	Trigen - Phila. Energy Corp. P.O. Box 8538-182, Phila., PA 19171	Heat	644.95
TOTAL OF EXPENDITURES FOR THIS REPORTING PERIOD \$			30,092.48

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SCHEDULE IV SUMMARY OF IN-KIND CONTRIBUTIONS OF VALUABLE THINGS

USE THIS SCHEDULE TO SUMMARIZE ALL IN-KIND CONTRIBUTIONS RECEIVED DURING THE REPORTING PERIOD. THE DOLLAR VALUE ASSIGNED SHALL BE THE DIFFERENCE BETWEEN THE USUAL AND NORMAL CHARGE FOR THE GOODS OR SERVICES AND THE AMOUNT ACTUALLY CHARGED.
(See Section 1621(K) of the Campaign Expense Reporting Law)

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST	REPORTING PERIOD	
	From 11-25-97	To 12-31-97

A. UNITEMIZED IN-KIND CONTRIBUTIONS AND RECEIPTS — \$50.00 OR LESS

TOTAL (For the Reporting Period)	\$
----------------------------------	----

B. CONTRIBUTIONS AND RECEIPTS — \$50.01 TO \$250.00 (Complete Section 1 on Reverse)

TOTAL (For the Reporting Period)	\$
----------------------------------	----

C. CONTRIBUTIONS AND RECEIPTS — OVER \$250.00 (Complete Section 2 on Reverse)

TOTAL (For the Reporting Period)	\$
----------------------------------	----

TOTAL THIS PERIOD — ADD AMOUNT TOTALS FROM BOXES A, B, & C ENTER ON PAGE 1 (Face Sheet) — ITEM G	\$ -0-
---	--------

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SECTION 1 AND SECTION 2 IN-KIND CONTRIBUTIONS OF VALUABLE THINGS

USE SECTION 1 TO ITEMIZE ALL IN-KIND CONTRIBUTIONS FROM \$50.01 TO \$250.00 AND
USE SECTION 2 TO ITEMIZE ALL IN-KIND CONTRIBUTIONS OVER \$250.00
RECEIVED DURING THE REPORTING PERIOD.

NAME OF CANDIDATE, COMMITTEE OR LOBBYIST	REPORTING PERIOD	
	From 11-25-97	To 12-31-97

SECTION 1 IN-KIND CONTRIBUTIONS — \$50.00 TO \$250.00

DATE	FULL NAME, MAILING ADDRESS AND ZIP CODE OF CONTRIBUTORS	DESCRIPTION OF IN-KIND CONTRIBUTION	AGGREGATE VALUE

Total This Period — Enter on Schedule IV — Summary of In-Kind Contributions — Box B ▶

SECTION 2 IN-KIND CONTRIBUTIONS — OVER \$250.00

Full Name, Mailing Address and Zip Code of Contributor	Occupation	Aggregate Value
Employer Name and Address or Principal Place of Business	Date Received	
Full Name, Mailing Address and Zip Code of Contributor	Occupation	Aggregate Value
Employer Name and Address or Principal Place of Business	Date Received	
Full Name, Mailing Address and Zip Code of Contributor	Occupation	Aggregate Value
Employer Name and Address or Principal Place of Business	Date Received	
Full Name, Mailing Address and Zip Code of Contributor	Occupation	Aggregate Value
Employer Name and Address or Principal Place of Business	Date Received	

Total This Period — Enter on Schedule IV — Summary of In-Kind Contributions — Box C ▶

*The Democratic County Executive Committee
of Philadelphia*

*Executive Office: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
Chairman*

Telephone 291-7800

*Norman Loudenslager
Treasurer*

April 2, 1998

BY PRIORITY CERTIFIED MAIL
RETURN RECEIPT REQUESTED
AND BY FAX 202-219-3923

Thomas Andersen, Esquire
Federal Election Commission
909 E Street, N.W.
Washington DC 20463

RE: Democratic County Executive Committee of
Philadelphia - Norman Loudenslager as Treasurer
MUR-47709

Dear Mr. Andersen:

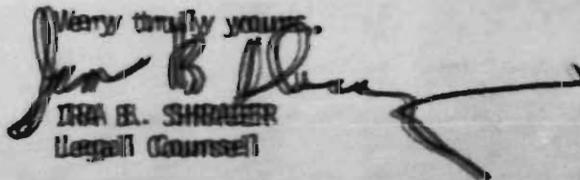
Enclosed please find the ~~second~~ ~~conciliation~~ agreement which has been executed by Mr. Loudenslager. Also, please find a check for \$6000.00 made payable to the Commission toward the civil penalty.

I am pleased to inform you that the Federal Commission debt has been paid in full. I enclose copies of the deposit tickets and checks for your convenience.

It is our intention to file a ~~transmittal~~ report as soon as possible.

Please provide me with a copy of the ~~said~~ ~~conciliation~~ agreement after it has been executed in your office.

Thank you for your assistance in this matter.

Very truly yours,

JOHN B. SHRAEGER
Legal Counsel

ENCS.

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APR 7 1998

DEMOCRATIC CAMPAIGN
COMMITTEE OF PHILADELPHIA
1421 WALNUT ST
PHILADELPHIA, PA 19102

09971

3-6/310 012

PAY
TO THE
ORDER OF

Federal Election Commission

April 2, 1978

\$ *6000.00*

Six Thousand

00
100

DOLLARS

PNCBANK

PNC Bank, N.A.
Philadelphia, PA 020

FOR *MUR-4709*

[Signature]

⑆00997⑆ ⑆031000053⑆ 885020956A⑆

90043080720

Copy

*The Democratic County Executive Committee
of Philadelphia*

*Executive Office: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

Robert A. Brady
Chairman

Telephone 241-7800

Norman Loudenlager
Treasurer

April 2, 1998

To: Ira B. Shrager
Legal Counsel

From: Linda Mathews
Administrative Assistant

RE: Federal Account

The cash balance as of this date of the Federal Account is \$464.50.

I anticipate depositing \$9,411.50 by the close of business. This covers debt to Federal Account.

Linda Mathews

4/2/98

Deposit made on 4/2/98 and fee to

FEE

du P. O. 1998

90043000729

Copy

DEMOCRATIC CAMPAIGN
COMMITTEE OF PENNSYLVANIA

DATE 4-02-98

ENDORSE & LIST CHECKS SEPARATELY OR
ATTACH LIST

	DATE	AMOUNT
CURRENCY		
COIN		
TOTAL COIN		
CHEQUES		
1	3-7-98	9,000.00
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TOTAL PREDEBITED LIST

9,000.00

PNC BANK
PNC BANK

06600020204 8810952427P

TOTAL ITEMS \$

9000.00

980046680730

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT

COPY

BORERS FOR CONGRESS COMMITTEE
P.O. BOX 28048
PHILADELPHIA, PA 19124

Date April 1, 1998 0801
3-7000/0000

Pay to the Order of Democratic Campaign Committee - Federal \$ 9,000.00
Nine Thousand and ~~XXXXXX~~ XXXXX Dollars 

For _____ 

⑆236074444⑆ 0126000728⑆06 0801

CHECKING SAFETY BLANK 1998

9 3 0 4 0 0 0

DEMOCRATIC CAMPAIGN
COMMITTEE OF PHILADELPHIA

copy

DATE 4-2- 1998

DEPOSITS MAY NOT BE AVAILABLE FOR CASHING IMMEDIATELY
ENDORSE & LIST CHECKS SEPARATELY OR
ATTACH LIST

PNC BANK
PNC Bank, N.A.
Philadelphia, PA 000

	DO. AMT	CBTS
CURRENCY	-	-
COIN	-	-
TOTAL CASH	-	-
CHECKS		
1 15-800	200	00
2 15-800	100	00
3 3-9	111	50
4		
5		
6		
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TOTAL FROM ATTACHED LIST		
PLEASE PRINT IN TOTAL PAGE		411.50

TOTAL ITEMS

\$

411.50

⑆6400⑆ 2020⑆ 8660952427⑆

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CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ANY APPLICABLE COLLECTION AGREEMENT



UNITED STATES POSTAL MONEY ORDER

COPY

68197841908 980402 191101 200.00

NO. TO	DEMOCRATIC CAMPAIGN COMMITTEE - FED	AMOUNT	\$200.00
ADDRESS	1421 WALNUT ST PHILA PA 19102		
COD NO. OR SERIAL NO.	JANE MATHEWS 5525 WILMINGTON RD PHILA PA 19120		

NEGOTIABLE ONLY IN THE U.S. AND POSSESSIONS



UNITED STATES POSTAL MONEY ORDER

68197841900 980402 191101 100.00

NO. TO	Democratic Campaign Committee - Fed	AMOUNT	\$100.00
ADDRESS	1421 Walnut Street Phila Pa. 19120		
COD NO. OR SERIAL NO.	CARL J. KECH BUS 5209 FIDELITY ST. PHILA PA. 19120		

NEGOTIABLE ONLY IN THE U.S. AND POSSESSIONS

43060733

MEMBERSHIP LINE
CAROL J. MEMBERSHIP

290

APR 2, 1958

PAY TO THE ORDER OF Democratic Campaign Committee - Fed \$ 111.50

One Hundred & Eleven and 50/100 DOLLARS

Meridian Bank

Margaret Keckfus

[Redacted signature area]



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FEBRUARY 1998
APR 8 10 32 AM '98

April 7, 1998

TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Rosa E. Swinton
Accounting Technician
SUBJECT: Account Determination for Funds Received

We recently received a check from **Democratic Campaign Committee of Philadelphia**, check number **09971**, dated **April 2, 1998**, for the amount of **\$6,000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

TO: Rosa E. Swinton Leslie D. Brown
Accounting Technician Disbursing Technician
FROM: OGC Docket
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$6,000.00, the MUR/Case number is 4709 and in the name of Democratic Camp. Comm. of Philadelphia. Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: _____

Kim Stevens
Signature

4-8-98
Date

2004000735

BEFORE THE FEDERAL ELECTION COMMISSION

APR 26 8 47 AM '88

In the Matter of)
)
Democratic County Executive Committee)
of Philadelphia and Norman Loudenslager, as treasurer)

MUR 4709

GENERAL COUNSEL'S REPORT

SENSITIVE

II. BACKGROUND

Attached is a counterproposed conciliation agreement which has been signed by Norman Loudenslager, treasurer of the Democratic County Executive Committee of Philadelphia (the "Committee").

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Based on the foregoing, this Office recommends that the Commission accept the attached signed conciliation agreement with the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer, and close the file in this matter.

II. RECOMMENDATIONS

1. Accept the attached signed conciliation agreement with the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer.
2. Close the file.

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3. Approve the appropriate letter.

Lawrence M. Noble
General Counsel

4/27/96
Date

BY: 
Lois G. Lerner
Associate General Counsel

Attachments

- 1. Conciliation Agreement
- 2. Photocopy of civil penalty check

Staff Assigned: Thomas J. Andersen

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Democratic County Executive) MUR 4709
Committee of Philadelphia and)
Norman Loudenslager, as treasurer.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 30, 1998, the Commission decided by a vote of 5-0 to take the following actions in MUR 4709:

1. Accept the signed conciliation agreement with the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer, as recommended in the General Counsel's Report dated April 27, 1998.
2. Close the file.
3. Approve the appropriate letter, as recommended in the General Counsel's Report dated April 27, 1998.

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

Attest:

4-30-98
Date

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

Received in the Secretariat: Tues., April 28, 1998 9:47 a.m.
Circulated to the Commission: Tues., April 28, 1998 11:00 a.m.
Deadline for vote: Fri., May 01, 1998 4:00 p.m.

lrd!

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FEDERAL ELECTION COMMISSION
Washington, DC 20463

May 6, 1998

Ira B. Shrager, Esq.
350 South Smedley Street
Philadelphia, PA 19103

RE: NCUR 4709
Democratic County Executive Committee of Philadelphia
and Norman Loebenthal, as treasurer

Dear Mr. Shrager:

On April 30, 1998, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your clients' behalf in settlement of violations of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended, and 11 C.F.R. §§ 102.5(a)(1)(f) and 106.5(g)(1)(f). 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.

980436074C

Ira B. Shrager, Esq.
MUR 4709
Page 2

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the next installment of the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Thomas J. Andersen

Thomas J. Andersen
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 4709
Democratic County Executive Committee of Philadelphia)
and Norman Loudenslager, as treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe the Democratic County Executive Committee of Philadelphia and Norman Loudenslager, as treasurer ("Respondents"), violated 2 U.S.C. § 441a(f) and 11 C.F.R. §§ 102.5(a)(1)(i) and 106.5(g)(1)(i).

NOW, THEREFORE, the Commission and 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 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:

1. The Democratic County Executive Committee of Philadelphia is a political committee within the meaning of 2 U.S.C. § 431(4).

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2. Norman Loudenslager is the treasurer of the Democratic County Executive Committee of Philadelphia.

3. The Federal Election Campaign Act of 1971, as amended (the "Act"), requires local party organizations to register as political committees if, inter alia, they receive contributions aggregating in excess of \$5,000 during a calendar year. 2 U.S.C. §§ 431(4)(C) and 433(a). Respondents qualified as a political committee on October 25, 1996, the date they did in fact register, when they received \$10,000 from an affiliated party committee. Pursuant to 11 C.F.R. § 102.6(a)(2), such transfers shall count against the reporting thresholds of the Act. Since the transfer exceeded \$5,000, political committee status was triggered. See 11 C.F.R. § 100.5(c).

4. The Act provides that no person or multicandidate political committee ("PAC") shall make contributions to a state or local party committee's federal account in any calendar year which in the aggregate exceed \$5,000, and prohibits the state or local committee from knowingly accepting such contributions. 2 U.S.C. § 441a(a) and (f). See also 11 C.F.R. § 110.3(b)(3).

5. Under Pennsylvania law, individuals and PACs may contribute unlimited amounts to candidates and party committees. However, corporations and labor organizations are prohibited from making contributions for political purposes. See Pa. Stat. Ann. tit. 25, § 3253(a) and tit. 43, § 1101.1701.

6. A party committee, such as Respondents, that has established separate federal and non-federal accounts must make all disbursements, contributions, expenditures and

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transfers in connection with any federal election from its federal account. 11 C.F.R.

§ 102.5(a)(1)(i). Only funds subject to the limitations and prohibitions of the Act shall be deposited in the separate federal account. *Id.* No transfers may be made to the federal account from any other accounts maintained by the committee for the purpose of financing non-federal election activity, except as provided in 11 C.F.R. § 106.5(g). *Id.*

7. Pursuant to 11 C.F.R. § 106.5(g)(1)(i), a party committee that has established separate federal and non-federal accounts must pay the entire amount of an allocable expense from its federal account and shall transfer funds from the non-federal account to the federal account solely to cover the non-federal share of that allocable expense. In addition, for each transfer of funds from a committee's non-federal account to its federal account, the committee must itemize in its reports the allocable activities for which the transferred funds are intended to pay, as required by 11 C.F.R. § 104.10(b)(3). 11 C.F.R. § 106.5(g)(2)(ii)(A). Moreover, such funds cannot be transferred more than 10 days before or more than 60 days after the payment for which they are designated is made. 11 C.F.R. § 106.5(g)(2)(ii)(B).

8. If the above requirements are not met, any portion of a transfer from a committee's non-federal account to its federal account shall be presumed to be a loan or contribution to the federal account, in violation of the Act. 11 C.F.R. § 106.5(g)(2)(iii). Since transfers from a non-federal account to a federal account may be made solely to cover the non-federal share of an *allocable* expense, transfers to a federal account for the purpose of financing purely non-federal activity are prohibited.

9. State and local party committees with separate federal and non-federal accounts must allocate their administrative expenses and costs of generic voter drives between

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those accounts using the "ballot composition method." 11 C.F.R. § 106.5(d). Administrative expenses are described at 11 C.F.R. § 106.5(a)(2)(i) as "including rent, utilities, office supplies, and salaries, except for such expenses directly attributable to a clearly identified candidate."

Generic voter drives are described at 11 C.F.R. § 106.5(a)(2)(iv) as "including voter identification, voter registration, and get-out-the-vote drives, or any other activities that urge the general public to register, vote or support candidates of a particular party or associated with a particular issue, without mentioning a specific candidate."

10. Respondents' 1996 30 Day Post-General Report (designated as a Termination Report), covering the period from October 23, 1996 through November 25, 1996, disclosed total receipts of \$377,500, including \$22,000 in transfers-in from an affiliated party committee and a total of \$355,500 in transfers-in from the non-federal account for administrative and generic voter drive costs. The report showed \$377,500 in total disbursements, including \$301,900 in operating expenditures and \$75,600 in contributions to non-federal political committees.

11. On March 18, 1997, the Commission received an amended 1996 30 Day Post-General Report from Respondents, including a Schedule H1 indicating that 28% of Respondents' shared expenses were for federal activity. The amended report disclosed the non-federal portion of shared activity to be \$217,368 (72% of operating expenditures of \$301,900), all of it reported on Schedule H4 as administrative/voter drive activity occurring between October 23, 1996 and November 21, 1996. Also, the Committee disclosed a \$138,152 debt owed to the non-federal account for "Administrative Expenses."

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12. Respondents initially transferred \$500 to the federal account from the non-federal account on October 23, 1996, designated on the Committee's Schedule H3 as administrative and voter drive expenses. Respondents' first expenditure was for joint activity in the amount of \$106 on the same date, itemized as a "Bank Charge."

13. Between October 25 and October 29, 1996, Respondents received transfers-in of funds permissible under the Act totaling \$20,000 from an affiliated committee. On October 31 and November 1, 1996, Respondents received transfers-in totaling \$355,000 from the non-federal account to cover administrative and voter drive activities. At this point, Respondents' federal account contained a total of \$375,394, with all but \$20,000 of that amount comprising of non-federal funds.

14. On November 1, 1996, Respondents made expenditures totaling \$298,219 for allocable activity, which they later described as "Food & Beverages, Transportation, Volunteers, Generic GOTV." Since all of the non-federal transfers-in occurred within 10 days prior to this date, they were available for Respondents to use for the non-federal share of this allocable activity pursuant to 11 C.F.R. § 106.51(g)(2)(ii)(B). However, Respondents could pay no more than 72%, or \$214,718, of this amount with non-federal funds; the remaining 28%, or \$83,501, should have been paid for with funds permissible under the Act. Because the federal account contained only \$20,000 in such funds, the remaining portion, or \$63,501, was paid for with non-federal funds.

15. Following the above transactions, the balance in the federal account was \$77,175, consisting only of non-federal funds. At that time, on November 1, Respondents made disbursements of \$75,600 from the federal account for 100% non-federal expenses. The funds

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were disbursed among non-federal candidates (city council and state senate) and sub-local party wards. Because these disbursements did not constitute allocable expenses, this portion of the transfers-in from the non-federal to the federal account was an impermissible transfer of funds.

16. The above transactions reduced the balance of Respondents' federal account to \$1,575, all non-federal funds. On November 6, 1996, Respondents' received a \$2,000 transfer-in from an affiliated committee of funds permissible under the Act, raising the balance to \$3,575. The next transaction was a disbursement of \$3,574 for joint activity on November 21, 1996. However, since the non-federal funds in the federal account had been transferred to the account on November 1, they did not comply with the 10 day time limit established at 11 C.F.R. § 106.5(g)(2)(ii)(B). Accordingly, these non-federal transfers-in were not available to Respondents to cover the non-federal portion of the joint activity.

17. In summary, Respondents made a total of \$140,676 in improper disbursements or transfers-in, consisting of \$63,501 in impermissible disbursements and \$1,575 in impermissible transfers-in for shared activity, and \$75,600 in transfers from the non-federal account to the federal account for 100% non-federal expenses.

18. On June 23, 1997, the Commission received a copy of a \$40,000 refund check from Respondents to the non-federal account. Respondents' 1997 Mid-Year Report, covering the period from January 1, 1997 through June 30, 1997, discloses the \$40,000 transfer to the non-federal account. On August 4, 1997, Respondents submitted a copy of a check written out to the non-federal account in the amount of \$3,000 "towards payment of the debt." Respondents' 1997 Year End Report, covering the period from July 1, 1997 through December 31, 1997, discloses the \$3,000 transfer to the non-federal account, as well as another

9804380747

\$12,200 transfer to the non-federal account in partial payment of the debt. Because Respondents have refunded \$55,200 from the federal account to the non-federal account, a total of \$9,876 (\$65,076 - \$55,200) impermissibly used for shared activity remains unrefunded.

19. Respondents contend that the violations in this matter were not knowing and willful.

V. In 1996, Respondents paid for the federal portion of allocable expenditures with \$63,501 in non-federal funds, transferred \$1,575 in non-federal funds for shared activity to their federal account outside of the time period established at 11 C.F.R. § 106.5(g)(2)(ii)(B), and transferred \$75,600 in non-federal funds to their federal account to pay for 100% non-federal activity, in violation of 2 U.S.C. § 441a(f) and 11 C.F.R. §§ 102.5(a)(1)(i) and 106.5(g)(1)(i).

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of twenty-four thousand dollars (\$24,000), pursuant to 2 U.S.C. § 437g(a)(5)(A), such penalty to be paid as follows:

a. One initial payment of \$6,000 to be submitted with this signed agreement;

b. Six additional payments of \$3,000 each, with each subsequent payment due on the first day of each succeeding month thereafter.

2. Respondents will refund \$9,876 from the federal account to the non-federal account impermissibly used for allocable activity, such payments to be paid as follows:

a. One initial payment of \$1,876 to be transferred at the time of this signed agreement;

b. Four additional payments of \$2,000 each, with each subsequent payment due on the first day of each succeeding month thereafter.

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3. Respondents will provide evidence of each transferred payment.

4. In the event that any installment payment is not received by the Commission by the fifth day of the month in which it becomes due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due upon ten days written notice to the respondents. Failure by the Commission to accelerate the payments with regard to any overdue installment shall not be construed as a waiver of its right to do so with regard to future overdue installments.

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.

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

FOR THE COMMISSION:
Lawrence M. Noble
General Counsel

BY: 
Lois G. Lerner
Associate General Counsel

5/6/98
Date

FOR THE RESPONDENTS:


(Name)
(Position)

3-30-98
Date

98040000750

*The Democratic County Executive Committee
of Philadelphia*

*Executive Offices: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
Chairman*

Telephone 241-7800

*Norman Loudonlager
Treasurer*

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FEDERAL BUREAU OF INVESTIGATION
OFFICE OF GENERAL INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
MAR 11 12 43 PM '98
FEDERAL BUREAU OF INVESTIGATION
OFFICE OF GENERAL INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

DEMOCRATIC CAMPAIGN
COMMITTEE OF PHILADELPHIA
1421 WALNUT ST
PHILADELPHIA, PA 19102

10067

34000012

May 1, 1998

PAY
TO THE
ORDER OF Federal Election Commission

\$ 3,000.00

Three Thousand

00
100 DOLLARS

PNC BANK

PNC Bank, N.A.
Philadelphia, PA 19103

FOR MUR-4709



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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MAY 11 12 42 PM '98

May 08, 1998

TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Rosa E. Swinton *RES*
Accounting Technician
SUBJECT: Account Determination for Funds Received

We recently received a check from **Democratic Campaign Committee of Philadelphia**, check number **10067**, dated **May 01, 1998**, for the amount of **3,000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

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TO: Rosa E. Swinton Leslie D. Brown
Accounting Technician Disbursing Technician
FROM: OGC Docket
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$3000.00, the MUR/Case number is 4709 and in the name of Democratic Camp. Comm. of Philadelphia. Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: _____

Kim A. Stevens
Signature

5-11-98
Date



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF RLR # 4709

DATE FILMED 5/14/98 CAMERA NO. 1

CAMERAMAN EES

90043000751



FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

Date: 6/9/98

 Microfilm

 Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4709

90043685273

*The Democratic County Executive Committee
of Philadelphia*

*Executive Offices: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
Chairman*

Telephone 241 7800

*Norman Loudenslager
Treasurer*

RECEIVED
FEDERAL ELECTION
COMMISSION PHILADELPHIA

JUN 8 2 50 PM '58

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10224

DEMOCRATIC CAMPAIGN
COMMITTEE OF PHILADELPHIA
1421 WALNUT ST
PHILADELPHIA, PA 19102

3-5/310 612

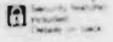
June 4, 19 98

PAY TO THE ORDER OF Federal Election Commission

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Three Thousand

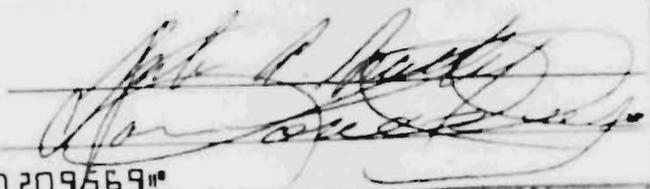
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PNC BANK

PNC Bank, N.A.
Philadelphia, PA 020

FOR MUR-4709



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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 9, 1998

86 JUN 09 1998

TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Rosa E. Swinton *RES*
Accounting Technician
SUBJECT: Account Determination for Funds Received

We recently received a check from **Democratic Campaign Committee of Philadelphia**, check number **10224**, dated **June 4, 1998**, for the amount of **3,000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton
Accounting Technician
FROM: OGC Docket
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 3000.00, the MUR/Case number is 4709 and in the name of Democratic Campaign Committee of Philadelphia. Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: _____

Kim R. Stevens

Signature

6-9-98

Date

98043000276



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 7/13/58

Microfilm

Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4709

98043624035

*The Democratic County Executive Committee
of Philadelphia*

RECEIVED
ELECTORAL
COMMISSION MAIL ROOM

*Executive Offices: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

JUL 9 1 00 PM '98

*Robert A. Brady
Chairman*

Telephone 241-7800

*Norman Loudenslager
Treasurer*

MUR 4709

98043624036

DEMOCRATIC CAMPAIGN
COMMITTEE OF PHILADELPHIA
1421 WALNUT ST
PHILADELPHIA, PA 19102

10279

3-5/310 612

PAY
TO THE
ORDER OF

Federal Election Commission

July 1st 19 98

\$ 3,000.00

Three thousand and

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DOLLARS  Security features included. Details on back.

PNC BANK

PNC Bank, N.A.
Philadelphia, PA 020

FOR

Civil penalty MVR-4709



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CLOSED



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUL 10 10 10 AM '98

July 10, 1998

TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Rosa E. Swinton *RES*
Accounting Technician
SUBJECT: Account Determination for Funds Received

We recently received a check from **Democratic Campaign Committee of Philadelphia**, check number **10279**, dated **July 1, 1998**, for the amount of **3000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

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TO: Rosa E. Swinton
Accounting Technician
FROM: OGC Docket *DD*
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 3,000.00, the MUR/Case number is 470.9 and in the name of DEM. CAMP. *note of Phil.* Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: _____

Retha L. Ryan
Signature

7-13-98
Date



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 8/11/98

 Microfilm

 Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4709

98043094691

*The Democratic County Executive Committee
of Philadelphia*

*Executive Offices: 1421 Walnut Street
Philadelphia, Pennsylvania 19102*

*Robert A. Brady
Chairman*

Telephone 241-7800

*Norman Loudenslager
Treasurer*

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DEMOCRATIC CAMPAIGN
COMMITTEE OF PHILADELPHIA
1421 WALNUT ST
PHILADELPHIA, PA 19102

10333

3-5/310 612

August 6 1998

PAY
TO THE
ORDER OF

Federal Election Commission

\$ 3000.00

Three thousand

00
100 DOLLARS

PNC BANK

PNC Bank, N.A.
Philadelphia, PA 020

FOR MUR 4709

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 11, 1998

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TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Rosa E. Swinton *RES*
Accounting Technician
SUBJECT: Account Determination for Funds Received

We recently received a check from **Democratic Campaign Committee of Philadelphia**, check number **10333**, dated **August 06, 1998**, for the amount of, **\$3,000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton
Accounting Technician
FROM: OGC Docket
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 3000.00 the MUR/Case number is 4709 and in the name of Democratic Campaign Comtee of Philadelphia. Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: _____

Rosa E. Swinton

Signature

8-11-98

Date

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 10/8/58

 Microfilm

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THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4709

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*The Democratic County Executive Committee
of Philadelphia*

FEDERAL ELECTION
COMMISSION MAIL ROOM

Executive Offices: 1421 Walnut Street Oct 7 12 20 PM '96
Philadelphia, Pennsylvania 19102

Robert A. Brady
Chairman

Telephone 241-7800

Norman Loudenslager
Treasurer

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF CENTRAL
SERVICES

Oct 8 10 28 AM '98

DEMOCRATIC CAMPAIGN
COMMITTEE OF PHILADELPHIA
1421 WALNUT ST
PHILADELPHIA, PA 19102

10432

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DATE 10-05-98

PAY
TO THE
ORDER OF

Federal Election Commission

\$ 3000.00

Three Thousand

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PNC Bank, N.A. 020
Philadelphia, PA

FOR MUR4709

[Signature]
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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

FILED
FEDERAL ELECTION
COMMISSION
OFFICE OF THE CLERK

OCT 8 10 20 AM '98

October 08, 1998

TWO WAY MEMORANDUM

TO: OGC Docket
FROM: Rosa E. Swinton
Accounting Technician
SUBJECT: Account Determination for Funds Received

We recently received a check from **Democratic Campaign Committee of Philadelphia**, check number **10432**, dated **October 5, 1998**, for the amount of **\$3,000.00**. A copy of the check and any correspondence is being forwarded. Please indicate below which account the funds should be deposited and give the MUR/Case number and name associated with the deposit.

=====

TO: Rosa E. Swinton
Accounting Technician
FROM: OGC Docket
SUBJECT: Disposition of Funds Received

In reference to the above check in the amount of \$ 3000.00, the MUR/Case number is 4709 and in the name of Democratic Campaign Comte of Philadelphia. Place this deposit in the account indicated below:

- Budget Clearing Account (OGC), 95F3875.16
- Civil Penalties Account, 95-1099.160
- Other: _____

Rosa E. Swinton
Signature

10-8-98
Date

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 2/5/99

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THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 4709

99-04-391-0342

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

FEB 2 12 14 PM '99

CLOSED

FAX TRANSMITTAL SHEET

DATE: February 2, 1999

NUMBER OF PAGES: 3

(Not including cover sheet)

TO: Thomas Anderson, Esquire FAX- (202) 2193923

LOCATION: Office of General Counsel

FROM: Ira B. Shrager, Esq.

LOCATION: see anove

TELEPHONE: (215) 686-7570

SPECIAL INSTRUCTIONS:

RE: MUR - 4709

Thanks.

FAX NUMBER 686-9503

99.04.391.0343

01/29/1999 12:32 2155675943

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PAGE 03

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

FEB 2 12 14 PM '99



FEDERAL ELECTION COMMISSION
WASHINGTON, DC 20543

RQ-2

Norman Loudenslager, Treasurer
Democratic County Executive Committee
of Philadelphia
1421 Walnut Street
Philadelphia, PA 19102

JAN 27 1999

Identification Number: C00324459

Reference: July Quarterly Report (4/1/98-6/30/98)

Dear Mr. Loudenslager:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portion(s) attached) discloses a contribution(s) which appears to exceed the limits set forth in the Act. 2 U.S.C. §441a(f) and 11 CFR §110.1(d) preclude a committee and its affiliates from receiving contributions from another political committee or person in excess of \$5,000 per calendar year.

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your original report with the clarifying information. If the contribution(s) you received exceeded the limits, you must seek reattribution of the contribution pursuant to 11 CFR §110.1(k), transfer-out the amount in excess of \$5,000 to an account not used to influence federal elections or refund the excessive amount to the donor(s) in accordance with 11 CFR §103.3(b). In the best interest of your committee, all reattributions, transfers-out, and refunds should be made within sixty days of the treasurer's receipt of the contribution(s). In order to protect the donor's interests, the Commission recommends that you inform the contributor(s) in writing to provide the donor(s) with the option of granting written authorization for a reattribution or transfer-out to another account or receiving a refund.

99.04.391.0344

01/29/1999 12:32 2155675943

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PAGE 04

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any reattributions should be reported as memo entries on Schedule A of the report covering the period during which the authorization for the reattribution is received. Any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report during which the transaction was made.

Although the Commission may take further legal action regarding the acceptance of an excessive contribution(s), prompt action by your committee to seek reattribution, transfer-out or refund the excessive amount will be taken into consideration.

Please provide the Column B totals for the Detailed Summary Page. Note that changes in your figures may affect your Column B totals on this report and/or on subsequent reports.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,



Scott Francis
Reports Analyst
Reports Analysis Division

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5430-163-40-66

990241716

SCHEDULE A

ITEMIZED RECEIPTS

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

PAGE 2 OF 4 FOR LINE NUMBER 11E

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

NAME OF COMMITTEE (in Full)

Democratic Campaign Comm. of Phila - Fed

A. Full Name, Mailing Address and ZIP Code

Borski for Congress Comm.
P.O. Box 26846
Phila PA 19134

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

4-2-98

9,000.00

Receipt For: Primary General Other (specify):

Aggregate Year-to-Date > 6

B. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For: Primary General Other (specify):

Aggregate Year-to-Date > 6

C. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For: Primary General Other (specify):

Aggregate Year-to-Date > 6

D. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For: Primary General Other (specify):

Aggregate Year-to-Date > 6

E. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For: Primary General Other (specify):

Aggregate Year-to-Date > 6

F. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For: Primary General Other (specify):

Aggregate Year-to-Date > 6

G. Full Name, Mailing Address and ZIP Code

Name of Employer

Date (month, day, year)

Amount of Each Receipt this Period

Occupation

Receipt For: Primary General Other (specify):

Aggregate Year-to-Date > 6

GRAND TOTAL of Receipts This Page (optional)

TOTAL This Period (last page this line number only)

9000.00

9450-165-40-66