



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 1615

Date Filmed 11/16/84 Camera No. --- 4

Cameraman JRL

84040490002

FEDERAL ELECTION COMMISSION

DGC MEMO RE: AUDIT REPORT; 12-DAY REPORT & COMMENT SHEETS; FINDING SLIPS;
AUDITOR'S WORKPAPERS; Pre-Brief Report; RFAT Requests; Initial Conciliation
Agreement; GC Report with Conciliation Agreement Revisions; letters from & to
counsel re: Revised Conciliation Agreement

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act; 5 U.S.C. Section 552(b):

- | | |
|--|---|
| ☐ (1) Classified Information | ☒ (6) Personal privacy |
| ☒ (2) Internal rules and practices | ☐ (7) Investigatory files |
| ☐ (3) Exempted by other statute | ☐ (8) Banking Information |
| ☐ (4) Trade secrets and commercial or financial information | ☐ (9) Well Information (geographic or geophysical) |
| ☒ (5) Internal Documents | |

Signed

date

James E. [Signature]
Nov 8, 1984

FEC 9-21-77

84040490003

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1615
Committee on Letter Carriers)
Political Education)
Florence Johnson, Treasurer)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on October 29, 1984, the Commission decided by a vote of 6-0 to take the following actions in MUR 1615:

1. Approve the agreement attached to the General Counsel's Report signed October 24, 1984.
2. Close the file.
3. Approve the letter attached to the General Counsel's Report signed October 24, 1984.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

10-30-84
Date

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

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

10-25-84, 10:20
10-25-84, 4:00

84040490004



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

November 1, 1984

Keith E. Secular
Attorney At Law
c/o COLCPE
100 Indiana Avenue, N.W.
Washington, D.C. 20001

Re: MUR 1615
Committee on Letter Carriers
Political Education
Florence Johnson, Treasurer

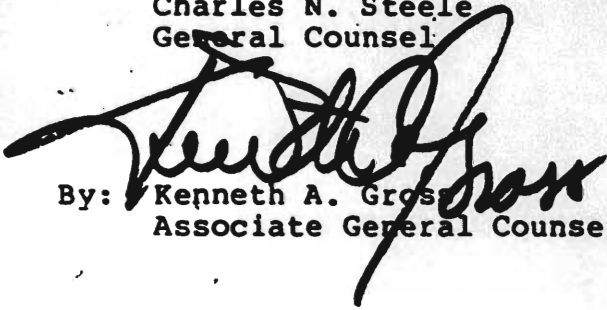
Dear Mr. Secular:

On October 29, 1984, the Commission accepted the conciliation agreement signed by you on behalf of your clients and a civil penalty in settlement of violations of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter, and it will become a part of the public record within thirty days. However, 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files.

Sincerely,

Charles N. Steele
General Counsel

By: 
Kenneth A. Gross
Associate General Counsel

Enclosure
Conciliation Agreement

8404049005

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Letter Carriers) MUR 1615
Political Education,)
Florence Johnson, Treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that the Committee on Letter Carriers Political Education ("COLCPE"), and Florence Johnson, as treasurer, (hereinafter "Respondents") violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 by commingling political committee funds with the personal funds of individuals. The Commission further found reason to believe that Respondents violated 11 C.F.R. § 102.9(a) by failing to fulfill their recordkeeping duties.

NOW, THEREFORE, the Commission and Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding.

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.

84040490006

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

1. Respondent COLCPE is a separate segregated fund established by the National Association of Letter Carriers ("NALC").
2. Respondent Florence Johnson is the treasurer of COLCPE.
3. From approximately January 1, 1981 through December 31, 1982, Respondents engaged in fundraising whereby they received contributions collected by local members at various NALC gatherings.
4. Some of these members would deposit the collections into their personal accounts and transmit the funds to COLCPE via checks drawn on those personal accounts.
5. From approximately January 1, 1981 through December 31, 1982, Respondents recorded such contributions in the name of the local group sponsoring the mass collection, in the name of the person transmitting the contributions, or without any identifying information regarding the contributions' sources.

V. Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R.

§ 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. Accepting contributions from local members who deposited group collections into their personal accounts before transmitting them to COLCPE constituted a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15.

84040490007

Pursuant to 11 C.F.R. § 102.9(a) the treasurer of a political committee must keep records that accurately reflect the source or amount of contributions. By recording group contributions in the name of the individual transmitter or without any identifying information, Respondents failed to comply with the recordkeeping duties and thereby violated 11 C.F.R. § 102.9(a).

VI. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of Five Hundred Dollars (\$500), pursuant to 2 U.S.C. § 437g(a) (5) (A).

VII. Respondents agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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

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

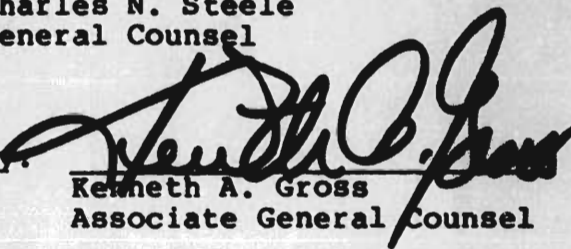
X. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and

84040490008

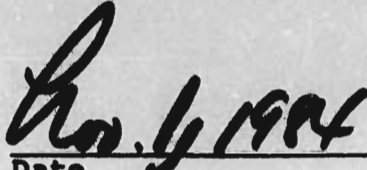
implement the requirements contained in this agreement and to so
notify the Commission.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By: 

Kenneth A. Gross
Associate General Counsel


Date

FOR THE RESPONDENT:


Keith E. Secular, Attorney

October 5, 1984
Date

84040490009

COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION

15-52-2
540

No. 2958

October 5, 1984

AY FIVE HUNDRED DOLLARS AND 00/100-----\$ 500.00

TO THE ORDER OF

Treasurer of The United States

National Savings & Trust Co.
Capitol Plaza Office
1 Indiana Avenue, N.W.
Washington, D. C. 20001

NATIONAL DIRECTOR

NATIONAL SECRETARY TREASURER OR MEMBER

⑆0540⑆0052⑆ 02⑆⑆522286⑆⑆⑆

GCC#5084

MEMORANDUM

TO: CHERYL THOMAS

TO: JOAN HARRIS

FROM: JOAN HARRIS

FROM: CHERYL THOMAS

CHECK NO. 2958 (a copy of which is attached) RELATING

TO MUR 1615 AND NAME Committee on Letter Carriers Political Education & Florence Johnson, Inc.

WAS RECEIVED ON October 11, 1984. PLEASE INDICATE THE ACCOUNT INTO WHICH IT SHOULD BE DEPOSITED:

/ ☒ BUDGET CLEARING ACCOUNT (#95F3875.16)

/ / CIVIL PENALTIES ACCOUNT (#95-1099.160)

/ / OTHER _____

SIGNATURE

Cheyl R. Thomas

DATE

10/11/84

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Committee on Letter Carriers)

Political Education)

Florence Johnson, as treasurer)

MUR 1615

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on August 31, 1984, the Commission decided by a vote of 6-0 to take the following actions in MUR 1615:

1. Approve the request from the Committee on Letter Carriers Political Education and Florence Johnson, treasurer, to enter into pre-probable cause conciliation.
2. Approve the conciliation agreement submitted with the General Counsel's Report signed August 28, 1984.
3. Approve the letter attached to the General Counsel's Report signed August 28, 1984.

Commissioners Aikens, Elliott, Harris, McDonald, McGarry and Reiche voted affirmatively in this matter.

Attest:

9-4-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

8-28-84, 3:49
8-29-84, 11:00

84040490011



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

September 6, 1984

Keith E. Secular
Committee on Letter Carriers
Political Education
100 Indiana Avenue, N.W.
Washington, D.C. 20001

RE: MUR 1615
Committee on Letter Carriers
Political Education,
Florence Johnson, Treasurer

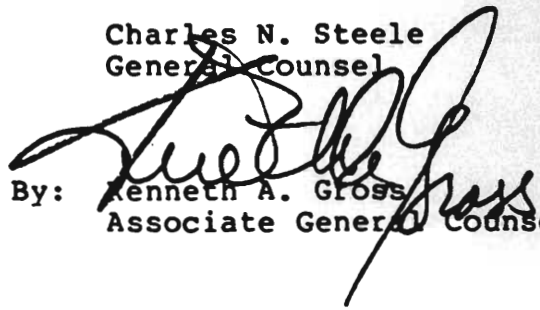
Dear Mr. Secular:

On April 4, 1984, the Commission found reason to believe that COLCPE and Florence Johnson, as treasurer, violated 2 U.S.C. §432(b)(3) and 11 C.F.R. §102.9(a), 102.15. At your request, the Commission determined on August 31, 1984, 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 in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Lisa Klein, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

By: 
Kenneth A. Gross
Associate General Counsel

Enclosures

84040490012



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *CK*
DATE: August 28, 1984
SUBJECT: MUR 1615 - General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote [X]
Sensitive [X]
Non-Sensitive []

24 Hour No Objection []
Sensitive []
Non-Sensitive []

Information []
Sensitive []
Non-Sensitive []

Other []

DISTRIBUTION

Compliance [X]

Audit Matters []

Litigation []

Closed MUR Letters []

Status Sheets []

Advisory Opinions []

Other (see distribution below) []

84040490013

BEFORE THE FEDERAL ELECTION

RECEIVED
OFFICE OF THE FEC
COMMISSION SECRETARY

In the Matter of

Committee on Letter Carriers
Political Education,
Florence Johnson, as treasurer

) 84 AUG 28 P 3:49
)
)
) MUR 1615

GENERAL COUNSEL'S REPORT

SENSITIVE

On April 4, 1984, the Commission found reason to believe that the Committee on Letter Carriers Political Education ("COLCPE") and Florence Johnson, as treasurer, violated 2 U.S.C. §432(b)(3) and 11 C.F.R. §102.15 by comingling committee and personal funds. The Commission also found reason to believe that Respondents violated 11 C.F.R. §102.9(a) by failing to properly record contributions. A letter sent to the treasurer on April 5, 1984, informing her of the the Commission's reason to believe findings produced no response. Subsequently, this Office spoke with Harold Isbell, Comptroller, regarding the Committee's failure to respond. He promised to hand deliver a response by May 2, 1984, but failed to do so. Consequently, a brief and letter notifying Respondents of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe was mailed on June 20, 1984.

By letter dated June 27, 1984, counsel for Respondents requested a twenty day extension to submit a responsive brief. The extension was granted and Respondents' reply was timely received (Attachment I). In their response, Respondents set forth reasons why the Commission should take no further action in

84040490014

the matter. Alternatively, Respondents requested to enter into pre-probable cause conciliation.

Respondents assert that no further action should be taken in this matter for several reasons. First, they emphasize that the ad hoc group contributions which resulted in the comingling of personal and committee funds represent only a small portion of funds received by COLCPE. Second, Respondents contend that COLCPE never encouraged local members to use personal checks to transmit group contributions. Indeed, Respondents assert that local members act "at their own initiative" and "are not under the supervision or control of COLCPE." Finally, Respondents refer to the fact that procedures were immediately enacted to correct the problems cited by the Commission's auditors.

The Office of the General Counsel considers Respondents' assertions to be insufficient to justify taking no further action in this matter. Respondents concede that the violations were committed. Moreover, the mitigating factors cited by Respondents in their reply are contradictory. On the one hand, they claim no responsibility for local members since local members are not under COLCPE's control or supervision. On the other and, Respondents emphasize that comingling of personal and committee funds was immediately corrected because COLCPE "instructed" local members to utilize bank checks or postal money orders.*/

*/ The reply misstates the conversation between Mr. Secular and Lisa Klein. The discussion did not mention joint banking accounts of married couples. Rather, Ms. Klein merely indicated that COLCPE's practice of recording group contributions as contributions from "Mr./Mrs." did not comply with the recordkeeping requirements.

84040490015

For the foregoing reasons, the Office of the General Counsel recommends that the Commission decline Respondents' proposal to take no further action, but accept their request to enter into pre-probable cause conciliation.

Recommendations

1. ~~Approve~~ the request from the Committee on Letter Carriers Political Education, and Florence Johnson, treasurer, to enter into pre-probable cause conciliation and approve the attached agreement.
2. Approve attached letter.

Charles N. Steele
General Counsel

August 28, 1984
Date

By Kenneth A. Gross by [Signature]
Kenneth A. Gross
Associate General Counsel

Attachment
I. COLCPE's Response
II. Letter
III. Conciliation Agreement

84040490016

84 JUL 25 PM 2:35

CORREN, WEISS AND SIMON
COUNSELLORS AT LAW
330 WEST 42 STREET
NEW YORK, N.Y. 10036

(212) 968-4600

COUNSEL
SAMUEL J. CORREN

WASHINGTON, D. C. OFFICE
 4748 WISCONSIN AVENUE, N.W. 20016
 (202) 968-3778

HENRY WEISS
ROBERT S. SAVELSON

GC
#4155

HENRY WEISS
BRUCE H. SIMON
STANLEY M. BERMAN
ROBERT S. SAVELSON
EUGENE S. FRIEDMAN
STEPHEN B. MOLDOW
MICHAEL E. ABRAM
KEITH E. SECULAR

JAY P. LEVY-WARRIN
JANI K. RACHELSON
RICHARD N. GILBERG
PETER HERMAN
BARBARA S. MEHLBACH
RICHARD M. SELTZER
FRANKLIN K. MOSS
JAMES L. LINSEY
APRIL D. HARRIS
SUSAN DAVIS

July 24, 1984

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: **MUR 1615**
Committee on Letter Carriers Political
Education, Florence Johnson, Treasurer

Dear Mr. Steele:

On behalf of the Committee for Letter Carrier Political Education ("COLCPE") and Florence Johnson, I am submitting this letter, in lieu of a formal brief, in response to the General Counsel's brief in the above matter. In accordance with your letter of June 20, 1984 to Florence Johnson, 10 copies of this letter will be filed with the Secretary of the Commission. Three copies are enclosed for you.

It is the initial position of COLCPE and Ms. Johnson that the General Counsel should take no further action in this matter and that the Commission should forego a probable cause determination. In support of this position, we submit the considerations set forth below. However, if this position is rejected, we would respectfully request the opportunity to conciliate this matter.

Initial Position

The General Counsel's brief asserts that COLCPE violated 2 U.S.C. §432(b)(3) and 11 C.F.R. §102.15 "[b]y having its local members deposit COLCPE contributions into their personal accounts."

34040490017

Charles N. Steele, Esq.

Page 2

July 24, 1984

In response to this assertion, we would request that the following considerations be taken into account.

1. COLCPE is a three person committee headquartered in Washington, D.C. It receives contributions from active and retired members of the National Association of Letter Carriers, AFL-CIO ("NALC"). Since 1981, and throughout the two year period covered by the audit at issue in this matter, most of the contributions have been made in response to direct mail solicitation by COLCPE to individual NALC members. In addition, COLCPE receives ad hoc contributions which are collected at local NALC meetings. These contributions, however, represent only a small proportion of the funds received by COLCPE.

2. The isolated instances of "comingling" cited by General Counsel's brief occurred solely in connection with contributions made in the field at NALC meetings. The persons who collect these contributions and transmit the funds to COLCPE do not do so in response to any specific direction by COLCPE. These persons are NALC members acting at their own initiative. They are not under the supervision or control of COLCPE.

3. Comingling occurred typically in situations where contributions were made and collected in cash. The collector would deposit the cash funds in his personal banking account and write a personal check in the same amount which would then be forwarded to COLCPE. The persons who engaged in this practice were never instructed to do so by COLCPE. It has never been COLCPE policy to encourage NALC members to utilize personal checks to transmit contributions collected from others.

4. In this connection, we feel that the statement in General Counsel's brief that the foregoing practice was devised "because of the Committee's concern that the Hatch Act ... prohibited the use of postal union accounts for transmittal of political contributions" is inaccurate. It is NALC policy, based on Hatch Act concerns, to encourage retirees, rather than active letter carriers, to collect contributions at union meetings on behalf of NALC members. It has never been the policy of either NALC or COLCPE to encourage the use of personal checks to transmit contributions from others.

5. Finally, and most significantly, the comingling problem cited by the Commission's auditors was immediately corrected as soon as the problem was brought to the attention of COLCPE. NALC members who collect and transmit cash contributions to COLCPE have been instructed to utilize bank checks or postal

84040490013

Charles N. Steele, Esq.
Page 3
July 24, 1984

money orders. Other appropriate steps have been taken to ensure that the problem does not recur.*

Conciliation

As indicated, we feel that the foregoing considerations warrant discontinuation of any further proceedings. If General Counsel disagrees with this position, we would request conciliation of the matter at this time. The Commission should forego a probable cause determination until the conciliation process has been exhausted.

Please contact me if you require any further information and if I can be of any further assistance.

Sincerely yours,

Keith E. Secular

Keith E. Secular

KES/mf

cc: Lisa Klein, Esq.

*It was also brought to my attention, in a telephone conversation with Lisa Klein, that the auditors were also concerned with a practice of recording contributions made by checks drawn to the joint banking accounts of married couples as contributions from "Mr. and Mrs. _____" rather than identifying a specific individual. This matter is not cited in General Counsel's brief. In any event, this problem has also been corrected by COLCPE.

Not accurate



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Keith E. Secular
Committee on Letter Carriers
Political Education
100 Indiana Avenue, N.W.
Washington, D.C. 20001

RE: MUR 1615
Committee on Letter Carriers
Political Education,
Florence Johnson, Treasurer

Dear Mr. Secular:

On April 4, 1984, the Commission found reason to believe that COLCPE and Florence Johnson, as treasurer, violated 2 U.S.C. §432(b)(3) and 11 C.F.R. §102.9(a), 102.15. At your request, the Commission determined on 1984, 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 in settlement of this matter. If your clients agree with the provisions of the enclosed agreement, please sign and return it, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible. If you have any questions or suggestions for changes in the agreement, or if you wish to arrange a meeting in connection with a mutually satisfactory conciliation agreement, please contact Lisa Klein, the attorney assigned to this matter, at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

By: Kenneth A. Gross
Associate General Counsel

Enclosures

Attachment II - (1)

84040490020

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Letter Carriers) MUR 1615
Political Education,)
Florence Johnson, Treasurer)

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that the Committee on Letter Carriers Political Education ("COLCPE"), and Florence Johnson, as treasurer, (hereinafter "Respondents") violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 by commingling political committee funds with the personal funds of individuals. The Commission further found that Respondents violated 11 C.F.R. § 102.9(a) by failing to fulfill their recordkeeping duties.

NOW, THEREFORE, the Commission and Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

- I. The Commission has jurisdiction over the Respondents, and the subject matter of this proceeding.
- 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.

84040490021

6

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

1. Respondent COLCPE is a separate segregated fund established by the National Association of Letter Carriers.
2. Respondent Florence Johnson is the treasurer of COLCPE.
3. From approximately January 1, 1981 through December 31, 1982, Respondents engaged in a fundraising practice whereby it had local members collect contributions at various COLCPE gatherings.
4. These members would deposit the collections into their personal accounts and transmit the funds to COLCPE via checks drawn on those personal accounts.
5. From approximately January 1, 1981 through December 31, 1982, Respondents recorded such contributions in the name of the local chapter sponsoring the mass collection, in the name of the person transmitting the contributions, or without any identifying information regarding the contributions' sources.

V. Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R.

§ 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. Respondents' practice of having local members deposit COLCPE contributions into their personal accounts before transmitting them to COLCPE constituted a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15.

Attachment III (2)

84040490022

Pursuant to 11 C.F.R. § 102.9(a) the treasurer of a political committee must keep records that accurately reflect the source or amount of contributions. Respondents' methods of recording the sources of the contributions failed to comply with the recordkeeping duties and thereby constitute a violation of 11 C.F.R. § 102.9(a).

VI. Respondents will pay a civil penalty to the Treasurer of the United States in the amount of Five Hundred Dollars (\$500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondents agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended, 2 U.S.C. § 431, et seq.

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

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

X. Respondents shall have no more than thirty (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.

FOR THE COMMISSION:

Charles N. Steele
General Counsel

By:

Kenneth A. Gross
Associate General Counsel

Date

FOR THE RESPONDENT:

Date

84040490024

RECEIVED AT THE FEC

84 JUL 25 PM 2:36

COHEN, WEISS AND SIMON
COUNSELLORS AT LAW
330 WEST 42 STREET
NEW YORK, N. Y. 10036

(212) 563-4400

COUNSEL
SAMUEL J. COHEN

WASHINGTON, D. C. OFFICE
4746 WISCONSIN AVENUE, N. W. 20016
(202) 966-3778

HENRY WEISS
ROBERT S. SAVELSON

HENRY WEISS
BRUCE H. SIMON
STANLEY M. BERMAN
ROBERT S. SAVELSON
EUGENE S. FRIEDMAN
STEPHEN B. MOLDOP
MICHAEL E. ABRAM
KEITH E. SECULAR

JAY P. LEVY-WARREN
JANI K. RACHELSON
RICHARD N. GILBERG
PETER HERMAN
BARBARA S. MEHLBACH
RICHARD M. SELTZER
FRANKLIN K. MOSS
JAMES L. LINSKY
APRIL D. HARRIS
SUSAN DAVIS

July 24, 1984

GCC
#4155

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1615
Committee on Letter Carriers Political
Education, Florence Johnson, Treasurer

Dear Mr. Steele:

On behalf of the Committee for Letter Carrier Political Education ("COLCPE) and Florence Johnson, I am submitting this letter, in lieu of a formal brief, in response to the General Counsel's brief in the above matter. In accordance with your letter of June 20, 1984 to Florence Johnson, 10 copies of this letter will be filed with the Secretary of the Commission. Three copies are enclosed for you.

It is the initial position of COLCPE and Ms. Johnson that the General Counsel should take no further action in this matter and that the Commission should forego a probable cause determination. In support of this position, we submit the considerations set forth below. However, if this position is rejected, we would respectfully request the opportunity to conciliate this matter.

Initial Position

The General Counsel's brief asserts that COLCPE violated 2 U.S.C. §432(b)(3) and 11 C.F.R. §102.15 "[b]y having its local members deposit COLCPE contributions into their personal accounts."

34040490025

Charles N. Steele, Esq.

Page 2

July 24, 1984

In response to this assertion, we would request that the following considerations be taken into account.

1. COLCPE is a three person committee headquartered in Washington, D.C. It receives contributions from active and retired members of the National Association of Letter Carriers, AFL-CIO ("NALC"). Since 1981, and throughout the two year period covered by the audit at issue in this matter, most of the contributions have been made in response to direct mail solicitation by COLCPE to individual NALC members. In addition, COLCPE receives ad hoc contributions which are collected at local NALC meetings. These contributions, however, represent only a small proportion of the funds received by COLCPE.

2. The isolated instances of "comingling" cited by General Counsel's brief occurred solely in connection with contributions made in the field at NALC meetings. The persons who collect these contributions and transmit the funds to COLCPE do not do so in response to any specific direction by COLCPE. These persons are NALC members acting at their own initiative. They are not under the supervision or control of COLCPE.

3. Comingling occurred typically in situations where contributions were made and collected in cash. The collector would deposit the cash funds in his personal banking account and write a personal check in the same amount which would then be forwarded to COLCPE. The persons who engaged in this practice were never instructed to do so by COLCPE. It has never been COLCPE policy to encourage NALC members to utilize personal checks to transmit contributions collected from others.

4. In this connection, we feel that the statement in General Counsel's brief that the foregoing practice was devised "because of the Committee's concern that the Hatch Act ... prohibited the use of postal union accounts for transmittal of political contributions" is inaccurate. It is NALC policy, based on Hatch Act concerns, to encourage retirees, rather than active letter carriers, to collect contributions at union meetings on behalf of NALC members. It has never been the policy of either NALC or COLCPE to encourage the use of personal checks to transmit contributions from others.

5. Finally, and most significantly, the comingling problem cited by the Commission's auditors was immediately corrected as soon as the problem was brought to the attention of COLCPE. NALC members who collect and transmit cash contributions to COLCPE have been instructed to utilize bank checks or postal

84040490025



Charles N. Steele, Esq.
Page 3
July 24, 1984

money orders. Other appropriate steps have been taken to ensure that the problem does not recur.*

Conciliation

As indicated, we feel that the foregoing considerations warrant discontinuation of any further proceedings. If General Counsel disagrees with this position, we would request conciliation of the matter at this time. The Commission should forego a probable cause determination until the conciliation process has been exhausted.

Please contact me if you require any further information and if I can be of any further assistance.

Sincerely yours,

Keith E. Secular

Keith E. Secular

KES/mf

cc: Lisa Klein, Esq.

*It was also brought to my attention, in a telephone conversation with Lisa Klein, that the auditors were also concerned with a practice of recording contributions made by checks drawn to the joint banking accounts of married couples as contributions from "Mr. and Mrs. _____" rather than identifying a specific individual. This matter is not cited in General Counsel's brief. In any event, this problem has also been corrected by COLCPE.

84040490027



COHEN, WEISS AND SIMON
COUNSELLORS AT LAW
330 WEST 42 STREET
NEW YORK, N. Y. 10036

(212) 563-4100

HENRY WEISS
BRUCE H. SIMON
STANLEY M. BERMAN
ROBERT S. SAVELSON
EUGENE S. FRIEDMAN
STEPHEN B. MOLDOF
MICHAEL E. ABRAM
KEITH E. SECULAR

JAY P. LEVY-WARREN
JANI K. RACHELSON
RICHARD N. GILBERG
PETER HERMAN
BARBARA S. MEHLISACK
RICHARD M. SELTZER
FRANKLIN K. MOSS
JAMES L. LINSEY
APRIL D. HARRIS
SUSAN DAVIS

COUNSEL
SAMUEL J. COHEN

WASHINGTON, D. C. OFFICE
4748 WISCONSIN AVENUE, N. W. 20016
(202) 996-3776

HENRY WEISS
ROBERT S. SAVELSON

July 24, 1984

Charles N. Steele, Esq.
General Counsel
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1615
Committee on Letter Carriers Political
Education, Florence Johnson, Treasurer

Dear Mr. Steele:

On behalf of the Committee for Letter Carrier Political Education ("COLCPE") and Florence Johnson, I am submitting this letter, in lieu of a formal brief, in response to the General Counsel's brief in the above matter. In accordance with your letter of June 20, 1984 to Florence Johnson, 10 copies of this letter will be filed with the Secretary of the Commission. Three copies are enclosed for you.

It is the initial position of COLCPE and Ms. Johnson that the General Counsel should take no further action in this matter and that the Commission should forego a probable cause determination. In support of this position, we submit the considerations set forth below. However, if this position is rejected, we would respectfully request the opportunity to conciliate this matter.

Initial Position

The General Counsel's brief asserts that COLCPE violated 2 U.S.C. §432(b)(3) and 11 C.F.R. §102.15 "[b]y having its local members deposit COLCPE contributions into their personal accounts."

840400023

Charles N. Steele, Esq.

Page 2

July 24, 1984

In response to this assertion, we would request that the following considerations be taken into account.

1. COLCPE is a three person committee headquartered in Washington, D.C. It receives contributions from active and retired members of the National Association of Letter Carriers, AFL-CIO ("NALC"). Since 1981, and throughout the two year period covered by the audit at issue in this matter, most of the contributions have been made in response to direct mail solicitation by COLCPE to individual NALC members. In addition, COLCPE receives ad hoc contributions which are collected at local NALC meetings. These contributions, however, represent only a small proportion of the funds received by COLCPE.

2. The isolated instances of "comingling" cited by General Counsel's brief occurred solely in connection with contributions made in the field at NALC meetings. The persons who collect these contributions and transmit the funds to COLCPE do not do so in response to any specific direction by COLCPE. These persons are NALC members acting at their own initiative. They are not under the supervision or control of COLCPE.

3. Comingling occurred typically in situations where contributions were made and collected in cash. The collector would deposit the cash funds in his personal banking account and write a personal check in the same amount which would then be forwarded to COLCPE. The persons who engaged in this practice were never instructed to do so by COLCPE. It has never been COLCPE policy to encourage NALC members to utilize personal checks to transmit contributions collected from others.

4. In this connection, we feel that the statement in General Counsel's brief that the foregoing practice was devised "because of the Committee's concern that the Hatch Act ... prohibited the use of postal union accounts for transmittal of political contributions" is inaccurate. It is NALC policy, based on Hatch Act concerns, to encourage retirees, rather than active letter carriers, to collect contributions at union meetings on behalf of NALC members. It has never been the policy of either NALC or COLCPE to encourage the use of personal checks to transmit contributions from others.

5. Finally, and most significantly, the comingling problem cited by the Commission's auditors was immediately corrected as soon as the problem was brought to the attention of COLCPE. NALC members who collect and transmit cash contributions to COLCPE have been instructed to utilize bank checks or postal

84040490029



Charles N. Steele, Esq.

Page 3

July 24, 1984

money orders. Other appropriate steps have been taken to ensure that the problem does not recur.*

Conciliation

As indicated, we feel that the foregoing considerations warrant discontinuation of any further proceedings. If General Counsel disagrees with this position, we would request conciliation of the matter at this time. The Commission should forego a probable cause determination until the conciliation process has been exhausted.

Please contact me if you require any further information and if I can be of any further assistance.

Sincerely yours,

Keith E. Secular

Keith E. Secular

KES/mf

cc: Lisa Klein, Esq.

*It was also brought to my attention, in a telephone conversation with Lisa Klein, that the auditors were also concerned with a practice of recording contributions made by checks drawn to the joint banking accounts of married couples as contributions from "Mr. and Mrs. _____" rather than identifying a specific individual. This matter is not cited in General Counsel's brief. In any event, this problem has also been corrected by COLCPE.

84040490030



84040490031

COHEN, WEISS AND SIMON
280 WEST 48 STREET
NEW YORK, N.Y. 10036

FROM:

KEITH E. SECULAR, ESQ.
COHEN, WEISS and SIMON
330 West 42nd Street
New York, New York 10036

Customer Number, if any:

Mr Charles N. Steele, Esq.
General Counsel
Federal Election Commission
1325 K Street, N.W.
Washington, D.C. 20463

1. 10036-280 West 48 Street New York

EXPRESS MAIL - POST OFFICE TO ADDRESSEE

B 99345260

ORIGIN:	
Initials of Receiving Clerk	100
P.O. ZIP Code	10036
Date in	11/17/70
Time in	11:00
Federal Receipt Service (Additional fee required) ☐ To Whom & Date Del ☐ To Whom: Date & Address of Del	
Weight	
Lbs	
Postage & Fees	

DESTINATION:	
Date of Del.	11/17/70
Time of Del.	11:00
Initials of Agent	100
Signature of Agent	
DELIVERY WAS ATTEMPTED	
Date	11/17/70
Notice Left By	

EXPRESS MAIL SERVICE



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 29, 1984

Keith E. Secular, Esquire
National Association of Letter
Carriers
100 Indiana Avenue, N.W.
Washington, D.C. 20001

RE: MUR 1615

Dear Mr. Secular:

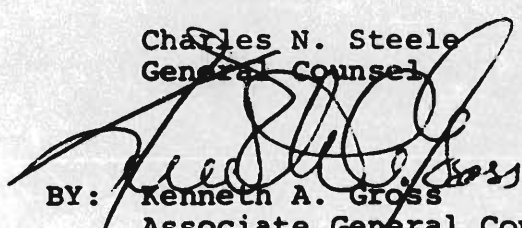
This is in response to your letter of June 27, 1984, in which you request a 20 day extension of time to submit a responsive brief in the above-captioned matter.

The Commission has considered your request and agrees to an extension of twenty days. Your brief is due, therefore, on July 25, 1984.

If you have any questions, please call Lisa Klein at (202) 523-4000.

Sincerely,

Charles N. Steele
General Counsel

BY: 
Kenneth A. Gross
Associate General Counsel

84040490032

3855
RECEIVED AT THE FEC

84 JUN 28 12:02

COHEN, WEISS AND SIMON
COUNSELLORS AT LAW
330 WEST 42 STREET
NEW YORK, N. Y. 10036

(212) 866-4100

COUNSEL
SAMUEL J. COHEN

WASHINGTON, D. C. OFFICE
1825 SUNDERLAND PLACE, N. W. 20036
(202) 785-0885

HENRY WEISS
ROBERT S. SAVELSON

10/1/84
P 1:29

HENRY WEISS
BRUCE H. SIMON
STANLEY M. BERMAN
ROBERT S. SAVELSON
EUGENE S. FRIEDMAN
STEPHEN B. MOLDOP
MICHAEL E. ABRAM
KEITH E. SECULAR

JAY P. LEVY-WARREN
JANI K. RACHENSON
RICHARD N. GILBERG
PETER HERMAN
BARBARA S. MEHLISACK
RICHARD M. SELTZER
FRANKLIN K. MOSS
JAMES L. LINSEY
APRIL D. HARRIS
SUSAN DAVIS

June 27, 1984

Ms. Lisa Klein, Esquire
Federal Election Commission
Washington, D.C. 20463

Re: MUR 1615
Committee on Letter Carriers Political
Education, Florence Johnson, Treasurer

Dear Ms. Klein:

This is to follow up on our two telephone conversations today. In accordance with Mr. Steele's letter to Florence Johnson dated June 20, 1984, I am hereby requesting an extension of time of twenty days to submit a written statement of position on behalf of the Committee on Letter Carriers Political Education (COLCPE) and Florence Johnson.

As we discussed, this matter has only this week been referred to our office. I would appreciate the extra time in order to more fully familiarize myself with the underlying facts and to formulate a position.

It is my understanding that our written response is presently due by July 5. Accordingly, I would appreciate being advised as to the outcome of this request for an extension as soon as possible.

Thank you once again for the courtesies that you have thus far extended.

Sincerely yours,

Keith E. Secular
Keith E. Secular

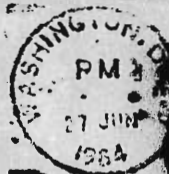


KES:brd

COHEN, WEISS AND SIMON
605 THIRD AVENUE
NEW YORK, N.Y. 10158

84040400

Ms. Lisa Klein, Esquire
Federal Election Commission
Washington, D.C. 20463



RECEIVED AT THE REC



22

STATEMENT OF DESIGNATION OF COUNSEL

RECEIVED AT THE FEC

84 JUN 27 10:45

MUR 1615

NAME OF COUNSEL: Keith Secular

ADDRESS: National Association of Letter Carriers

100 Indiana Avenue, NW

Washington, DC 20001

TELEPHONE: 393-4695

GCC# 3829

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.

** Counsel for COLCPE and Florence Johnson, Treasurer

June 26, 1984
Date

Mark Roth
Signature

National Director
COLCPE

RESPONDENT'S NAME: Florence Johnson and COLCPE

ADDRESS: 100 Indiana Avenue, NW

Washington, DC 20001

HOME PHONE: _____

BUSINESS PHONE: 393-4695

5
3
0
0
3
4
0
4
0
4
0
4
0
8

81:68 22107

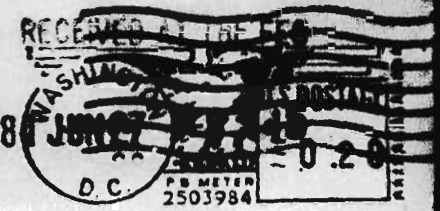
National Association
 OF LETTER
CARRIERS

8 Indiana Avenue, N.W. Washington, D.C. 20001

8 4 9 4 0 4 7 8
14 JUN 77 10:13



Federal Election Commission
Office of General Counsel
1325 K Street, NW
Washington, DC 20463





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

MEMORANDUM

TO: Office of the Commission Secretary
FROM: Office of General Counsel *Cut*
DATE: June 20, 1984
SUBJECT: MUR 1615 - Memorandum and General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____
Open Session _____
Closed Session _____

CIRCULATIONS

48 Hour Tally Vote []
Sensitive []
Non-Sensitive []
24 Hour No Objection []
Sensitive []
Non-Sensitive []
Information [X]
Sensitive [X]
Non-Sensitive []
Other []

DISTRIBUTION

Compliance [X]
Audit Matters []
Litigation []
Closed MUR Letters []
Status Sheets []
Advisory Opinions []
Other (see distribution below) []

84040490037



RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FEDERAL ELECTION COMMISSION 84 JUN 20 P 1: 03
WASHINGTON, D.C. 20463

June 20, 1984

MEMORANDUM TO: The Commission

FROM: Charles N. Steele *CNS/MS*
General Counsel

SUBJECT: MUR 1615

SENSITIVE

Attached for the Commission's review is a brief stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of this brief and a letter notifying the respondent of the General Counsel's intent to recommend to the Commission a finding of probable cause to believe was mailed on June 20, 1984. Following receipt of the Respondent's reply to this notice, this Office will make a further report to the Commission.

Attachments

1. Brief
2. Letter to Respondent

84040490033

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Committee on Letter Carriers) MUR 1615
Political Education)
Florence Johnson, Treasurer)

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

84040490039
An audit of the Committee on Letter Carriers Political Education ("COLCPE") was conducted pursuant to 2 U.S.C. § 438(b) for the period January 1, 1981 through December 31, 1982. The Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. COLCPE's records reveal several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as contributions from unidentified sources. In most instances, no lists itemizing the identity of the contributor or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts

for transmittal of political contributions.

II. LEGAL ANALYSIS

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, COLCPE violated these provisions. Therefore, upon the recommendation of the Office of the General Counsel, the Commission, on April 4, 1984, found reason to believe that COLCPE and Florence Johnson, as treasurer, violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. The Commission also found reason to believe that COLCPE and Florence Johnson, as treasurer, violated 11 C.F.R. § 102.9(a) by failing to properly record contributions.

A letter sent to the treasurer on April 5, 1984, informing her of the Commission's reason to believe findings produced no response. Subsequently, this Office spoke with Harold Isbell, Comptroller, regarding the Committee's failure to respond. He promised to hand deliver a response by May 2, 1984, but failed to do so. Consequently, the Office of the General Counsel has received no information to negate or contradict the evidence upon which the Commission based its reason to believe finding.

84040490040

III. GENERAL COUNSEL'S RECOMMENDATION

The Office of the General Counsel recommends that the Commission find probable cause that COLCPE and Florence Johnson, as treasurer, violated 2 U.S.C. § 432(b)(3); 11 C.F.R. § 102.15 and 11 C.F.R. § 102.9(a).

Date

6/20/84

Charles N. Steele (sm)
Charles N. Steele
General Counsel

84040490041



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 20, 1984

**Florence Johnson, Treasurer
Committee on Letter Carriers
Political Education
100 Indiana Avenue, N.W.
Washington, D.C. 20001**

**Re: MUR 1615
Committee of Letter Carriers
Political Education
Florence Johnson, Treasurer**

Dear Ms. Johnson:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on April 4, 1984, found reason to believe that the Committee on Letter Carriers Political Education ("COLCPE") and you, as treasurer, violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended, as well as 11 C.F.R. §§ 102.9 and 102.15, provisions of the Code of Federal Regulations, and instituted an investigation in this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies if possible) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel, if possible.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of probable cause to believe a violation has occurred.

If you are unable to file a responsive brief within 15 days, you may submit a written request to the Commission for an extension of time in which to file a brief. The Commission will not grant any extensions beyond 20 days.

84040490042

Letter to Florence Johnson
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety, days to settle this matter through a conciliation agreement.

Should you have any questions, please contact Lisa Klein, the attorney assigned to handle this matter, at (202)523-4000.

Sincerely,

Charles N. Steele (son)

Charles N. Steele
General Counsel

Enclosure
Brief

84040490043

8 4 0 4 0 4 9 0 0 4 4

POST OFFICE DEPARTMENT

DATE: May 4, 1984

Ref 1615 - Klein

REPLY TO
ATTN OF:

SUBJECT:
TO:

Address Change

Federal Election Commission
Office of General Counsel
1325 K Street, N.W.
Washington, D.C. 20463

RE: James Singer
1177 Barnett St.
Johnstown, PA 15905

14 MAY 7 PM: 17

P.O. CL

RECEIVED
GENERAL COUNSEL

According to our records James Singer's new address is as follows:

215 Ottawa St., B-17
Johnstown, PA 15904

William Baft

William Baft
Supervisor, Delivery & Collection
Johnstown, PA 15901

ELECTION COMMISSION
WASHINGTON, D.C. 20463

10
Private Use \$300

8404049004

Federal Election Commission
Office of General Counsel
1325 K Street, N.W.
Washington, D.C. 20463



Postage and Fees Paid
Federal Election Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 27, 1984

Postmaster
Main Office
Monroe, Louisiana 71211

Re: MUR 1615

Dear Sir or Madam:

Pursuant to 39 C.F.R. § 265.6(d)(1), we request that you provide us with the present address of Billy Joe Scott. According to our records, Mr. Scott's address as of March 30, 1981, was P.O. Box 7056, Monroe, Louisiana 71203.

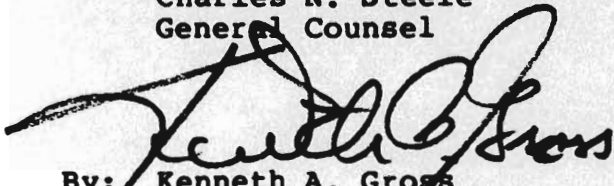
Under 39 C.F.R. § 265.8e(8)(iii), we request a waiver of fees. In this connection, I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted.

A return envelope is enclosed. Should you have any questions or require any further information, please call Lisa Klein the attorney assigned to this matter, at 202-523-4000. (The FTS telephone number is identical).

Thank you very much for your assistance.

Sincerely,

Charles N. Steele
General Counsel

By: 
Kenneth A. Gross
Associate General Counsel

DURING THIS PERIOD IN TIME BOX 7056
WAS IN THE NAME OF BRANCH BII NALC. THIS
IS A UNION.

THEY HAVE SINCE MOVED TO P.O. BOX 625
WEST MONROE LA. 71291

RECEIVED AT THE FEC
GCC #13057
84 MAY 7 13

24 MAY 7
PR2: 11

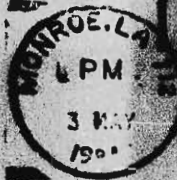
84040490046

ELECTION COMMISSION
WASHINGTON, D.C. 20463

Private Use \$300

84040490

Federal Election Commission
Office of General Counsel
1325 K Street, N.W.
Washington, D.C. 20463



Postage and Fees Paid
Federal Election Commission





FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 27, 1984

Postmaster
U.S. Postal Service
Johnstown, Pennsylvania 15901

Re: MUR 1615

Dear Sir or Madam:

Pursuant to 39 C.F.R. § 265.6(d)(1), we request that you provide us with the present address of James Singer. According to our records, Mr. Singer's last known address was 1177 Barnett Street, Johnstown, Pennsylvania 15905.

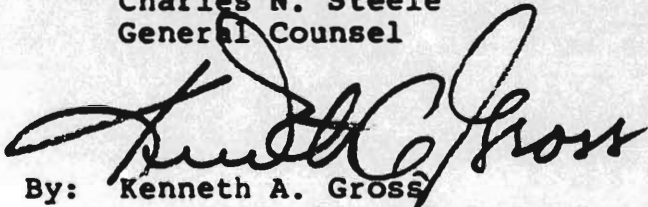
Under 39 C.F.R. § 265.8e(8)(iii), we request a waiver of fees. In this connection, I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted.

A return envelope is enclosed. Should you have any questions or require any further information, please call Lisa Klein the attorney assigned to this matter, at 202-523-4000. (The FTS telephone number is identical).

Thank you very much for your assistance.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

84040490048



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 27, 1984

Postmaster
Main Office
Monroe, Louisiana 71211

Re: MUR 1615

Dear Sir or Madam:

Pursuant to 39 C.F.R. § 265.6(d)(1), we request that you provide us with the present address of Billy Joe Scott. According to our records, Mr. Scott's address as of March 30, 1981, was P.O. Box 7056, Monroe, Louisiana 71203.

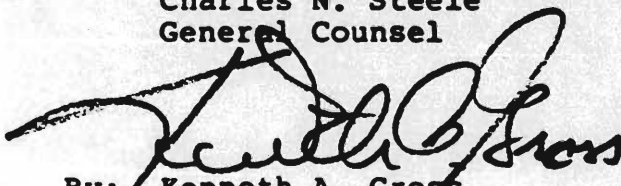
Under 39 C.F.R. § 265.8e(8)(iii), we request a waiver of fees. In this connection, I hereby certify that the Federal Election Commission, an agency of the U.S. Government, requires the information requested above in the performance of its official duties, and that all other known sources for obtaining it have been exhausted.

A return envelope is enclosed. Should you have any questions or require any further information, please call Lisa Klein the attorney assigned to this matter, at 202-523-4000. (The FTS telephone number is identical).

Thank you very much for your assistance.

Sincerely,

Charles N. Steele
General Counsel


By: Kenneth A. Gross
Associate General Counsel

84040490049

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
) MUR 1615
Committee on Letter Carriers)
Political Education, et. al.)

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on April 4, 1984, the Commission decided by a vote of 5-0 to take the following actions in MUR 1615:

1. Find reason to believe that the Committee on Letter Carriers Political Education and Florence Johnson, as treasurer, violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. §§ 102.15 and 102.9 (a).
2. Find reason to believe that Wayne White, John McElhinny, Anthony Antonellis, William J. Bannon, Harold Black, Joseph Brady, Paul Cash, John Giordano, Sally Moll, Ralph Merigliano, Robert Kovach, Martin Perlman, Clarence K. Say, James Singer, Billy Joe Scott, and Mark Shapiro violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 and take no further action.
3. Find reason to believe that Wayne White and John McElhinny violated 2 U.S.C. § 432(b)(2)(A), and 11 C.F.R. § 102.8(b)(1) and take no further action.

(Continued)

84040490050

4. Approve the letters and analyses as attached to the First General Counsel's Report dated March 30, 1984.

Commissioners Aikens, Elliott, Harris, McDonald and McGarry voted affirmatively in this matter; Commissioner Reiche did not cast a vote.

Attest:

4-4-84

Date

Marjorie W. Emmons

Marjorie W. Emmons
Secretary of the Commission

Received in Office of Commission Secretary:
Circulated on 48 hour tally basis:

3-30-84, 11:51
4- 2-84, 11:00

84040490051



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

MEMORANDUM

TO: - Office of the Commission Secretary
FROM: Office of General Counsel *WJ*
DATE: March 30, 1984
SUBJECT: MUR 1615 - First General Counsel's Report

The attached is submitted as an Agenda document
for the Commission Meeting of _____

Open Session _____

Closed Session _____

CIRCULATIONS

48 Hour Tally Vote	[x]
Sensitive	[x]
Non-Sensitive	[]
24 Hour No Objection	[]
Sensitive	[]
Non-Sensitive	[]
Information	[]
Sensitive	[]
Non-Sensitive	[]

Other []

DISTRIBUTION

Compliance	[x]
Audit Matters	[]
Litigation	[]
Closed MUR Letters	[]
Status Sheets	[]
Advisory Opinions	[]
Other (see distribution below)	[]

84040490052

FEDERAL ELECTION COMMISSION
1325 K Street, N.W.
Washington, D.C. 20463

RECEIVED
OFFICE OF THE
COMMISSION SECRETARY

FIRST GENERAL COUNSEL'S REPORT

84 MAR 30 11:51

DATE AND TIME OF TRANSMITTAL
BY OGC TO THE COMMISSION

3/30/84-11:45

MUR 1615
STAFF MEMBER
Lisa Klein

SENSITIVE

SOURCE OF MUR: INTERNALLY GENERATED

RESPONDENTS' NAMES: Committee on Letter Carriers Political Education
Florence Johnson, Treasurer
Wayne E. White, John R. McElhinny, Anthony
Antonellis, William J. Bannon, Harold Black,
Joseph Brady, Paul Cash, John Giordano, Sally
Moll, Ralph Merigliano, Robert Kovach, Martin
Perlman, Clarence K. Say, James Singer, Billy
Joe Scott, and Mark Shapiro

RELEVANT STATUTES: 2 U.S.C. § 432(b)(2), (3)
11 C.F.R. §§ 102.8(b)(1), 102.9(a) and
102.15

INTERNAL REPORTS CHECKED: Final Audit Report
Report of COLCPE and Committee Reports
Reviewed Therein

FEDERAL AGENCIES CHECKED: None

GENERATION OF MATTER

An audit of the Committee on Letter Carriers Political Education ("COLCPE") was conducted pursuant to 2 U.S.C. § 438(b) for the period January 1, 1981 through December 31, 1982. The Final Audit Report recommended that the matter be referred to the Office of General Counsel. On January 9, 1984, the Commission approved that recommendation and referred the matter to this office.

84040490053

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members (they may attend meetings, vote for officers and hold office) with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. 1/ These transmittals were recorded by

1/ The following individuals deposited contributions into their personal accounts: Anthony Antonellis, William J. Bannon, Harold Black, Joseph Brady, Paul Cash, John Giordano, Sally Moll, Ralph Merigliano, Robert Kovach, Martin Perlman, Clarence K. Say, James Singer, Billy Joe Scott, and Mark Shapiro, Wayne White, John R. McElhinny. The amounts ranged from \$100 to \$280.

COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. 2/ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

2/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

8404049005

In addition, the Committee failed to comply with the recordkeeping duties set forth at 11 C.F.R. § 102.9(a). In particular, COLCPE's records do not accurately reflect the source or amount of contributions received during the period audited. The Committee recorded group contributions in three different ways. In some instances, the Committee recorded these contributions in the name of the local chapter which sponsored the mass collection. In other instances, COLCPE recorded the total contribution collected at a mass collection in the name of the retiree who transmitted the funds, even though the Committee knew the transmittal represented a group contribution (See Attachment 1). Finally, in some instances, COLCPE merely recorded the amount of the contribution without any information to identify the contribution's source (See Attachment 2). Therefore, it does not appear that COLCPE has fulfilled the requirements of 11 C.F.R. § 102.9(a).

Moreover, every person receiving a contribution for an unauthorized committee must forward that contribution to the treasurer of the committee within 30 days of receipt for contributions of \$50 or less and within ten days for contributions in excess of \$50. 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b). Although COLCPE's recordkeeping procedures were insufficient to determine the applicability of the 10 day transmittal period, the audit revealed six instances where contributions were forwarded to the Committee after the expiration of the 30 day transmittal period.

84040490056

Four of the late transmittals totaling \$689 are attributable to Mr. Wayne White from Atlanta, Georgia. The other two transmittals amounting to \$129 were forwarded to COLCPE by Mr. John R. McElhinny. 3/ Because of the minimal amount involved and the infrequency of these late transmittals, the Office of General Counsel recommends that the Commission find reason to believe that Mr. White and Mr. McElhinny violated 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1) but take no further action with respect to this matter.

RECOMMENDATIONS

1. Find reason to believe that the Committee on Letter Carriers Political Education and Florence Johnson, as treasurer, violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. §§ 102.15 and 102.9(a).
2. Find reason to believe that Wayne White, John McElhinny, Anthony Antonellis, William J. Bannon, Harold Black, Joseph Brady, Paul Cash, John Giordano, Sally Moll, Ralph Merigliano, Robert Kovach, Martin Perlman, Clarence K. Say, James Singer, Billy Joe Scott, and Mark Shapiro violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 and take no further action.

3/ Both individuals collected contributions at several monthly meetings before forwarding the collections to COLCPE. The figures above were arrived at by dividing the total amount transmitted by each collector by the number of monthly collections included in the lump sum transmittals. Monthly collections that exceeded the 30 day transmittal period were then added to reach the totals cited.

84040490057

3. Find reason to believe that Wayne White and John McElhinny violated 2 U.S.C. § 432(b)(2)(A), and 11 C.F.R. § 102.8(b)(1) and take no further action.
4. Approve the attached letters and analyses.

Charles N. Steele
General Counsel

March 29, 1984
Date

By: Kenneth A. Gross

Kenneth A. Gross
Associate General Counsel

Attachments

1. List of group collections recorded under transmitter's name.
2. List of contributions recorded without identification of source.
3. Proposed letters.
4. General Counsel's Factual and Legal Analyses.

84040490058



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1984

Florence Johnson, Treasurer
Committee on Letter Carriers
Political Education
100 Indiana Avenue, N.W.
Washington, D.C. 20001

RE: MUR 1615

Dear Ms. Johnson:

On April 4, 1984, the Federal Election Commission determined that there is reason to believe that the Committee on Letter Carriers Political Education ("COLCPE") and you, as treasurer, violated 2 U.S.C. § 432(b)(3) a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. §§ 102.9(a) and 102.15, provisions of the Code of Federal Regulations (the "Regulations"), by commingling political committee funds with personal funds and by failing to keep proper records of contributions transmitted to COLCPE. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten days.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

84040490059

Letter to Florence Johnson
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be 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 Lisa Klein, the attorney assigned to this matter, at (202)523-4529.

Sincerely,



Lee Ann Elliott
Chairman

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

84040490060

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENTS Committee on Letter Carriers **MUR 1615**
Political Education,
Florence Johnson, Treasurer

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by

84040490061

COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. 1/ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

1/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490062

8
4
0
4
0
4
9
0
0
6
3

In addition, the Committee failed to comply with the recordkeeping duties set forth at 11 C.F.R. § 102.9(a). In particular, COLCPE's records do not accurately reflect the source or amount of contributions received during the period audited. The Committee recorded group contributions in three different ways. In some instances, the Committee recorded these contributions in the name of the local chapter which sponsored the mass collection. In other instances, COLCPE recorded the total contribution collected at a mass collection in the name of the retiree who transmitted the funds, even though the Committee knew the transmittal represented a group contribution. Finally, in some instances, COLCPE merely recorded the amount of the contribution without any information to identify the contribution's source. Therefore, it does not appear that COLCPE has fulfilled the requirements of 11 C.F.R. § 102.9(a).

Moreover, every person receiving a contribution for an unauthorized committee must forward that contribution to the treasurer of the committee within 30 days of receipt for contributions of \$50 or less and within ten days for contributions in excess of \$50. 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b). Although COLCPE's recordkeeping procedures were insufficient to determine the applicability of the 10 day transmittal period, the audit revealed six instances where contributions were forwarded to the Committee after the expiration of the 30 day transmittal period.

Four of the late transmittals totaling \$689 are attributable to Mr. Wayne White from Atlanta, Georgia. The other two transmittals amounting to \$129 were forwarded to COLCPE by Mr. John R. McElhinny. 2/ Because of the minimal amount involved and the infrequency of these late transmittals, the Office of General Counsel recommends that the Commission find reason to believe that Mr. White and Mr. McElhinny violated 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1) but take no further action with respect to this matter.

2/ The exact amount involved in the late transmittals can not be determined. Apparently, both individuals collected contributions at several monthly meetings before forwarding the collections in a lump sum. The figures above represent the total amount transmitted divided by the number of monthly collections included in the transmittals. Monthly collections that exceeded the 30 day transmittal period were then added to arrive at these totals.

84040490064



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1984

Wayne E. White
P.O. Drawer 18057
Atlanta, Georgia 30316

Re: MUR 1615
Wayne E. White

Dear Mr. White:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(2)(A), (3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. §§ 102.8(b) and 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that commingling of political committee funds with personal funds and the belated transmittal of collected contributions appear to be violations of 2 U.S.C. § 432(b)(2), (3) and 11 C.F.R. §§ 102.8(b) and 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".

Lee Ann Elliott
Chairman

84040490065

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENTS Wayne E. White

MUR 1615

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by

84040490066

COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. 1/ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

1/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490067

8 4 0 4 0 4 9 0 0 6 8

In addition, the Committee failed to comply with the recordkeeping duties set forth at 11 C.F.R. § 102.9(a). In particular, COLCPE's records do not accurately reflect the source or amount of contributions received during the period audited. The Committee recorded group contributions in three different ways. In some instances, the Committee recorded these contributions in the name of the local chapter which sponsored the mass collection. In other instances, COLCPE recorded the total contribution collected at a mass collection in the name of the retiree who transmitted the funds, even though the Committee knew the transmittal represented a group contribution. Finally, in some instances, COLCPE merely recorded the amount of the contribution without any information to identify the contribution's source. Therefore, it does not appear that COLCPE has fulfilled the requirements of 11 C.F.R. § 102.9(a).

Moreover, every person receiving a contribution for an unauthorized committee must forward that contribution to the treasurer of the committee within 30 days of receipt for contributions of \$50 or less and within ten days for contributions in excess of \$50. 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b). Although COLCPE's recordkeeping procedures were insufficient to determine the applicability of the 10 day transmittal period, the audit revealed six instances where contributions were forwarded to the Committee after the expiration of the 30 day transmittal period.

Four of the late transmittals totaling \$689 are attributable to Mr. Wayne White from Atlanta, Georgia. 2/ Because of the minimal amount involved and the infrequency of these late transmittals, the Office of General Counsel recommends that the Commission find reason to believe that Mr. White violated 2 U.S.C. § 432(b) (2) (A) and 11 C.F.R. § 102.8(b) (1) but take no further action with respect to this matter.

2/ The exact amount involved in the late transmittals can not be determined. Apparently, Mr. White collected contributions at several monthly meetings before forwarding the collections in a lump sum. The figures above represent the total amount transmitted divided by the number of monthly collections included in the transmittals. Monthly collections that exceeded the 30 day transmittal period were then added to arrive at these totals.

84040490069



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

John R. McElhinny
Retiree's Branch 1-A
Nalcrest, Florida 33856

Re: MUR 1615
John R. McElhinny

Dear Mr. McElhinny:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(2)(A), (3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. §§ 102.8(b) and 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that commingling of political committee funds with personal funds and the belated transmittal of collected contributions appear to be violations of 2 U.S.C. § 432(b)(2), (3) and 11 C.F.R. §§ 102.8(b) and 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Chairman

84040490070

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS John R. McElhinny

MUR 1615

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by

84040490071

COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. 1/ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

1/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490072

In addition, the Committee failed to comply with the recordkeeping duties set forth at 11 C.F.R. § 102.9(a). In particular, COLCPE's records do not accurately reflect the source or amount of contributions received during the period audited. The Committee recorded group contributions in three different ways. In some instances, the Committee recorded these contributions in the name of the local chapter which sponsored the mass collection. In other instances, COLCPE recorded the total contribution collected at a mass collection in the name of the retiree who transmitted the funds, even though the Committee knew the transmittal represented a group contribution. Finally, in some instances, COLCPE merely recorded the amount of the contribution without any information to identify the contribution's source. Therefore, it does not appear that COLCPE has fulfilled the requirements of 11 C.F.R. § 102.9(a).

Moreover, every person receiving a contribution for an unauthorized committee must forward that contribution to the treasurer of the committee within 30 days of receipt for contributions of \$50 or less and within ten days for contributions in excess of \$50. 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b). Although COLCPE's recordkeeping procedures were insufficient to determine the applicability of the 10 day transmittal period, the audit revealed six instances where contributions were forwarded to the Committee after the expiration of the 30 day transmittal period.

84040490073

Two of the transmittals amounting to \$129 were forwarded to COLCPE by Mr. John R. McElhinny. 2/ Because of the minimal amount involved and the infrequency of these late transmittals, the Office of General Counsel recommends that the Commission find reason to believe that Mr. McElhinny violated 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1) but take no further action with respect to this matter.

2/ The exact amount involved in the late transmittals can not be determined. Apparently, Mr. McElhinny collected contributions at several monthly meetings before forwarding the collections in a lump sum. The figures above represent the total amount transmitted divided by the number of monthly collections included in the transmittals. Monthly collections that exceeded the 30 day transmittal period were then added to arrive at these totals.

84040490074



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

Anthony Antonellis
1121 Day Road
Schenectady, New York 12303

Re: MUR 1615

Dear Mr. Antonellis:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script that reads "Lee Ann Elliott".

Lee Ann Elliott
Chairman

84040490075

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Anthony Antonellis

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490076

84040490077

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1984

William J. Bannon
3029 Hale Street
Philadelphia, Pennsylvania 19149

Re: MUR 1615

Dear Mr. Bannon:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over the typed name.

Lee Ann Elliott
Chairman

84040490078

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: William J. Bannon

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490079

84040490080

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1984

Harold Black
2236 S.E. 70th Street
Portland, Oregon 97215

Re: MUR 1615

Dear Mr. Black:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Lee Ann Elliott
Chairman

84040490081

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Harold Black

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490082

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490083



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

Paul Cash
655 Center Street
Jamaica Plain, Massachusetts

Re: MUR 1615

Dear Mr. Cash:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over the typed name.

Lee Ann Elliott
Chairman

84040490084

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Paul Cash

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490085

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

Joseph Brady
c/o Local 1776 - NALC
Atlantic Highlands, New Jersey 07716

Re: MUR 1615

Dear Mr. Brady:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Lee Ann Elliott
Chairman

84040490037

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Joseph Brady

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490038

8 4 0 4 0 4 9 0 0 3 9

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

John Giordano
740 NE 25th Street
Pompano Beach, Florida 33064

Re: MUR 1615

Dear Mr. Giordano:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Chairman

84040490090

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: John Giordano

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490091

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490092



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1984

Sally Moll
228 W. Chicago Avenue
Westmont, Illinois 60559

Re: MUR 1615

Dear Ms. Moll:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over the typed name.

Lee Ann Elliott
Chairman

84040490093

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Sally Moll

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490094

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490095



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1984

Ralph Merigliano
655 Francis Street
Pelham, New York 10803

Re: MUR 1615

Dear Mr. Merigliano:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Lee Ann Elliott
Chairman

84040490096

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Ralph Merigliano

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490097

8
9
0
0
4
0
4
0
4
0
8

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

Robert Kovach
P.O. Box 17
Scranton, Pennsylvania 18501

Re: MUR 1615

Dear Mr. Kovach:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over the typed name.

Lee Ann Elliott
Chairman

84040490099

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Robert Kovach

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490100

84040490101
accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

Martin Perlman
1813 So. Decatur Street
Denver, Colorado 80219

Re: MUR 1615

Dear Mr. Perlman:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over the typed name.

Lee Ann Elliott
Chairman

84040490102

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Martin Perlman

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490103

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490104



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

Clarence K. Say
2097 Ala Mahamoe Street
Honolulu, Hawaii 96819

Re: MUR 1615

Dear Mr. Say:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Lee Ann Elliott
Chairman

84040490105

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Clarence K. Say

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490106

84040490107
accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

James Singer
1177 Barnett Street
Johnstown, Pennsylvania 15905

Re: MUR 1615

Dear Mr. Singer:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

A handwritten signature in cursive script, reading "Lee Ann Elliott", is written over the typed name.

Lee Ann Elliott
Chairman

84040490108

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: James Singer

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490109

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490110



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

April 5, 1984

Billy Joe Scott
P.O. Box 7056
Monroe, Louisiana 71203

Re: MUR 1615

Dear Mr. Scott:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Lee Ann Elliott
Chairman

84040490111

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Billy Joe Scott

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490112

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b) (3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b) (3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

3
1
1
3
4
0
4
0
4
0
4
0
3



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

April 5, 1984

Mark Shapiro
Route 1, Box 185
Ijamsville, Maryland 21754

Re: MUR 1615

Dear Mr. Shapiro:

On April 4, 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Lee Ann Elliott
Chairman

84040490114

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Mark Shapiro

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490113

84040490116
accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Florence Johnson, Treasurer
Committee on Letter Carriers
Political Education
100 Indiana Avenue, N.W.
Washington, D.C. 20001

RE: MUR 1615

Dear Ms. Johnson:

On , 1984, the Federal Election Commission determined that there is reason to believe that the Committee on Letter Carriers Political Education ("COLCPE") and you, as treasurer, violated 2 U.S.C. § 432(b)(3) a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. §§ 102.9(a) and 102.15, provisions of the Code of Federal Regulations (the "Regulations"), by commingling political committee funds with personal funds and by failing to keep proper records of contributions transmitted to COLCPE. The General Counsel's factual and legal analysis, which formed a basis for the Commission's finding, is attached for your information.

Under the Act, you have an opportunity to demonstrate that no action should be taken against you and the committee. Please submit any factual or legal materials which you believe are relevant to the Commission's consideration of this matter within ten days.

In the absence of any additional information which demonstrates that no further action should be taken against your committee and you, as treasurer, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation. Of course, this does not preclude the settlement of this matter through conciliation prior to a finding of probable cause to believe if so desired. See 11 C.F.R. § 111.18(d).

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form

Attachment III (1)

84040490117

Letter to Florence Johnson
Page 2

stating the name, address and telephone number of such counsel, and a statement authorizing such counsel to receive any notifications and other communications from the Commission.

The investigation now being conducted will be 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 Lisa Klein, the attorney assigned to this matter, at (202)523-4529.

Sincerely,

Enclosures

General Counsel's Factual and Legal Analysis
Procedures
Designation of Counsel Statement

84040490118

Attachment III - (2)



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

John R. McElhinny
Retiree's Branch 1-A
Nalcrest, Florida 33856

Re: MUR 1615
John R. McElhinny

Dear Mr. McElhinny:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(2)(A), (3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. §§ 102.8(b) and 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that commingling of political committee funds with personal funds and the belated transmittal of collected contributions appear to be violations of 2 U.S.C. § 432(b)(2), (3) and 11 C.F.R. §§ 102.8(b) and 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III -(3)

84040490119



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Wayne E. White
P.O. Drawer 18057
Atlanta, Georgia 30316

Re: MUR 1615
Wayne E. White

Dear Mr. White:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(2)(A), (3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. §§ 102.8(b) and 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

This matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that commingling of political committee funds with personal funds and the belated transmittal of collected contributions appear to be violations of 2 U.S.C. § 432(b)(2), (3) and 11 C.F.R. §§ 102.8(b) and 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (4)

84040490120



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Clarence K. Say
2097 Ala Mahamoe Street
Honolulu, Hawaii 96819

Re: MUR 1615

Dear Mr. Say:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (5)

84040490121



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

James Singer
1177 Barnett Street
Johnstown, Pennsylvania 15905

Re: MUR 1615

Dear Mr. Singer:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (6)

84040490122



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Paul Cash
655 Center Street
Jamaica Plain, Massachusetts

Re: MUR 1615

Dear Mr. Cash:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III -(7)

84040490123



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Billy Joe Scott
P.O. Box 7056
Monroe, Louisiana 71203

Re: MUR 1615

Dear Mr. Scott:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (8)

84040490124



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

John Giordano
740 NE 25th Street
Pompano Beach, Florida 33064

Re: MUR 1615

Dear Mr. Giordano:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III (A)

84040490125



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Ralph Merigliano
655 Francis Street
Pelham, New York 10803

Re: MUR 1615

Dear Mr. Merigliano:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III (10)

84040490126



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

William J. Bannon
3029 Hale Street
Philadelphia, Pennsylvania 19149

Re: MUR 1615

Dear Mr. Bannon:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (11)

84040490127



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Anthony Antonellis
1121 Day Road
Schenectady, New York 12303

Re: MUR 1615

Dear Mr. Antonellis:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (12)

84040490128



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Joseph Brady
c/o Local 1776 - NALC
Atlantic Highlands, New Jersey 07716

Re: MUR 1615

Dear Mr. Brady:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (13)

84040490129



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Harold Black
2236 S.E. 70th Street
Portland, Oregon 97215

Re: MUR 1615

Dear Mr. Black:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (14)

84040490130



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Sally Moll
228 W. Chicago Avenue
Westmont, Illinois 60559

Re: MUR 1615

Dear Ms. Moll:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III / 15

84040490131



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Mark Shapiro
Route 1, Box 185
Ijamsville, Maryland 21754

Re: MUR 1615

Dear Mr. Shapiro:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (16)

84040490132



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Martin Perlman
1813 So. Decatur Street
Denver, Colorado 80219

Re: MUR 1615

Dear Mr. Perlman:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III - (17)

84040490133



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

Robert Kovach
P.O. Box 17
Scranton, Pennsylvania 18501

Re: MUR 1615

Dear Mr. Kovach:

On , 1984, the Commission found reason to believe that you violated 2 U.S.C. § 432(b)(3), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act") and 11 C.F.R. § 102.15, a provision of the Code of Federal Regulations ("the Regulations") in connection with the above referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action and close its file in this matter as it pertains to you. The General Counsel's Factual and Legal Analysis which formed a basis for the Commission's finding is attached for your information.

The matter will become a part of the public record within 30 days after the file has been closed with respect to all respondents. The Commission reminds you that the confidentiality provisions of 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) remain in effect until the entire matter is closed. The Commission will notify you when the entire file has been closed. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that the commingling of political committee funds with personal funds appears to be a violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. You should take immediate steps to insure that this activity does not occur in the future.

If you have any questions, please direct them to Lisa Klein, the attorney assigned to this matter, at (202) 523-4529.

Sincerely,

Attachment III (18)

84040490134

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

RESPONDENTS Committee on Letter Carriers **MUR 1615**
Political Education,
Florence Johnson, Treasurer

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by

ATTACHMENT IV - (1)

84040490135

COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. 1/ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

1/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

In addition, the Committee failed to comply with the recordkeeping duties set forth at 11 C.F.R. § 102.9(a). In particular, COLCPE's records do not accurately reflect the source or amount of contributions received during the period audited. The Committee recorded group contributions in three different ways. In some instances, the Committee recorded these contributions in the name of the local chapter which sponsored the mass collection. In other instances, COLCPE recorded the total contribution collected at a mass collection in the name of the retiree who transmitted the funds, even though the Committee knew the transmittal represented a group contribution.

Finally, in some instances, COLCPE merely recorded the amount of the contribution without any information to identify the contribution's source. Therefore, it does not appear that COLCPE has fulfilled the requirements of 11 C.F.R. § 102.9(a).

Moreover, every person receiving a contribution for an unauthorized committee must forward that contribution to the treasurer of the committee within 30 days of receipt for contributions of \$50 or less and within ten days for contributions in excess of \$50. 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b). Although COLCPE's recordkeeping procedures were insufficient to determine the applicability of the 10 day transmittal period, the audit revealed six instances where contributions were forwarded to the Committee after the expiration of the 30 day transmittal period.

Four of the late transmittals totaling \$689 are attributable to Mr. Wayne White from Atlanta, Georgia. The other two transmittals amounting to \$129 were forwarded to COLCPE by Mr. John R. McElhinny. 2/ Because of the minimal amount involved and the infrequency of these late transmittals, the Office of General Counsel recommends that the Commission find reason to believe that Mr. White and Mr. McElhinny violated 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1) but take no further action with respect to this matter.

2/ The exact amount involved in the late transmittals can not be determined. Apparently, both individuals collected contributions at several monthly meetings before forwarding the collections in a lump sum. The figures above represent the total amount transmitted divided by the number of monthly collections included in the transmittals. Monthly collections that exceeded the 30 day transmittal period were then added to arrive at these totals.

84040490138

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS John R. McElhinny MUR 1615

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by

Attachment IV - (5)

84040490139

COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. 1/ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

1/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

In addition, the Committee failed to comply with the recordkeeping duties set forth at 11 C.F.R. § 102.9(a). In particular, COLCPE's records do not accurately reflect the source or amount of contributions received during the period audited. The Committee recorded group contributions in three different ways. In some instances, the Committee recorded these contributions in the name of the local chapter which sponsored the mass collection. In other instances, COLCPE recorded the total contribution collected at a mass collection in the name of the retiree who transmitted the funds, even though the Committee knew the transmittal represented a group contribution.

Finally, in some instances, COLCPE merely recorded the amount of the contribution without any information to identify the contribution's source. Therefore, it does not appear that COLCPE has fulfilled the requirements of 11 C.F.R. § 102.9(a).

Moreover, every person receiving a contribution for an unauthorized committee must forward that contribution to the treasurer of the committee within 30 days of receipt for contributions of \$50 or less and within ten days for contributions in excess of \$50. 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b). Although COLCPE's recordkeeping procedures were insufficient to determine the applicability of the 10 day transmittal period, the audit revealed six instances where contributions were forwarded to the Committee after the expiration of the 30 day transmittal period.

Two of the transmittals amounting to \$129 were forwarded to COLCPE by Mr. John R. McElhinny. 2/ Because of the minimal amount involved and the infrequency of these late transmittals, the Office of General Counsel recommends that the Commission find reason to believe that Mr. McElhinny violated 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1) but take no further action with respect to this matter.

2/ The exact amount involved in the late transmittals can not be determined. Apparently, Mr. McElhinny collected contributions at several monthly meetings before forwarding the collections in a lump sum. The figures above represent the total amount transmitted divided by the number of monthly collections included in the transmittals. Monthly collections that exceeded the 30 day transmittal period were then added to arrive at these totals.

84040490142

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

RESPONDENTS Wayne E. White

MUR 1615

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by

Attachment IV - (9)

84040490143

COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

8 4 0 4 0 4 9 0 1 4 4
Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. 1/ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

1/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

In addition, the Committee failed to comply with the recordkeeping duties set forth at 11 C.F.R. § 102.9(a). In particular, COLCPE's records do not accurately reflect the source or amount of contributions received during the period audited. The Committee recorded group contributions in three different ways. In some instances, the Committee recorded these contributions in the name of the local chapter which sponsored the mass collection. In other instances, COLCPE recorded the total contribution collected at a mass collection in the name of the retiree who transmitted the funds, even though the Committee knew the transmittal represented a group contribution.

Finally, in some instances, COLCPE merely recorded the amount of the contribution without any information to identify the contribution's source. Therefore, it does not appear that COLCPE has fulfilled the requirements of 11 C.F.R. § 102.9(a).

Moreover, every person receiving a contribution for an unauthorized committee must forward that contribution to the treasurer of the committee within 30 days of receipt for contributions of \$50 or less and within ten days for contributions in excess of \$50. 2 U.S.C. § 432(b)(2) and 11 C.F.R. § 102.8(b). Although COLCPE's recordkeeping procedures were insufficient to determine the applicability of the 10 day transmittal period, the audit revealed six instances where contributions were forwarded to the Committee after the expiration of the 30 day transmittal period.

Four of the late transmittals totaling \$689 are attributable to Mr. Wayne White from Atlanta, Georgia. 2/ Because of the minimal amount involved and the infrequency of these late transmittals, the Office of General Counsel recommends that the Commission find reason to believe that Mr. White violated 2 U.S.C. § 432(b)(2)(A) and 11 C.F.R. § 102.8(b)(1) but take no further action with respect to this matter.

2/ The exact amount involved in the late transmittals can not be determined. Apparently, Mr. White collected contributions at several monthly meetings before forwarding the collections in a lump sum. The figures above represent the total amount transmitted divided by the number of monthly collections included in the transmittals. Monthly collections that exceeded the 30 day transmittal period were then added to arrive at these totals.

84040490146

Attachment IV(12)

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Clarence K. Say

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

Attachment-IV (13)

84040490147

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: James Singer

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490149

84040490150
accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Paul Cash

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

Attachment IV (17)

84040490151

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490152

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Billy Joe Scott

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

Attachment IV - (19)

84040490153

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: John Giordano

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

Attachment IV - (21)

84040490155

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Ralph Merigliano

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: William J. Bannon

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490160

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Anthony Antonellis

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

Attachment IV - (27)

84040490161

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Joseph Brady

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Harold Black

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490165

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

**FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS**

MUR 1615

RESPONDENT'S NAME: Sally Moll

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

Attachment IV - (53)

84040490167

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b) (3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b) (3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION

GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Mark Shapiro

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

Attachment IV -(35)

84040490169

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Martin Perlman

SOURCE OF MUR: **I N T E R N A L L Y G E N E R A T E D**

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b) (3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b) (2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

84040490171

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.

84040490172

FEDERAL ELECTION COMMISSION
GENERAL COUNSEL'S FACTUAL AND LEGAL ANALYSIS

MUR 1615

RESPONDENT'S NAME: Robert Kovach

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

SUMMARY OF ALLEGATIONS

The allegations are that COLCPE's fundraising practices resulted in the commingling of political committee funds with the personal funds of various individuals in violation of 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. In addition, COLCPE's procedures may have resulted in violations of the transmittal and recordkeeping requirements set forth at 2 U.S.C. § 432(b)(2) and at 11 C.F.R. §§ 102.8(b), 102.9(a).

FACTUAL AND LEGAL ANALYSIS

COLCPE is a separate segregated fund established by the National Association of Letter Carriers. Florence Johnson is the treasurer of COLCPE. Its membership consists of approximately 250,000 active letter carriers and retired carriers who enjoy all the rights of active members with the exception that retirees cannot vote on the ratification of the contract. During the audit of COLCPE, the Audit staff found that COLCPE regularly engaged in a fundraising practice whereby retired members collected contributions from members attending local meetings, seminars and training sessions. The auditors found records of several instances where the local retired members who oversaw the collections deposited the contributions into their personal

8 4 0 4 0 4 9 0 1 7 4

accounts and transmitted the funds to COLCPE via checks drawn on those personal accounts. These transmittals were recorded by COLCPE either as group contributions in the name of the locals, as contributions in the names of the individual members receiving and transmitting the contributions, or merely as unidentified contributions. In most instances, no lists itemizing the identity of the contributors or the dates of receipt accompanied these transmittals. According to COLCPE this system was devised because of the Committee's concern that the Hatch Act limited political involvement by actively employed postal workers and prohibited the use of postal union accounts for transmittal of political contributions.

Pursuant to 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15 all funds of a political committee must be segregated from and may not be commingled with any individual's personal funds. By having its local members deposit COLCPE contributions into their personal accounts, both COLCPE and the collecting members have violated these provisions. */ Therefore, the Office of General Counsel recommends that the Commission find reason to believe that COLCPE and the individual collectors involved violated 2 U.S.C. § 432(b)(3) and 11 C.F.R. § 102.15. However, the collecting members merely followed the transmittal procedures established by COLCPE. Consequently, this Office recommends that the Commission take no further action with respect to the individual collecting members.

*/ It is noted that COLCPE subsequently changed its transmittal procedures based upon the Audit Division's recommendations.



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

cc: [unclear]

A83-49

December 19, 1983

MEMORANDUM

TO: FRED EILAND
PRESS OFFICER

FROM: BOB COSTA *AC*

SUBJECT: PUBLIC ISSUANCE OF FINAL AUDIT REPORT -
COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION

Attached is a copy of the final audit report of the Committee on Letter Carriers Political Education which was approved by the Commission on December 13, 1983.

Informational copies of the report have been received by all parties involved and the report may be released to the public.

Attachment as stated

cc: FEC Library
RAD
Public Record
✓ Office of General Counsel

84040490175



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

A83-49

REPORT OF THE AUDIT DIVISION
ON THE
COMMITTEE ON LETTER CARRIERS POLITICAL EDUCATION

I. Background

A. Overview

This report is based on an audit of the Committee on Letter Carriers Political Education ("COLCPE") undertaken by the Audit Division of the Federal Election Commission in accordance with the Commission's audit policy to determine whether there has been compliance with the provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The audit was conducted pursuant to Section 438(b) of Title 2 of the United States Code which states, in part, that the Commission may conduct audits and field investigations of any political committee required to file a report under section 434 of this title. Prior to conducting any audit under this subsection, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act.

The Committee registered with the Office of the Clerk of the United States House of Representatives on July 10, 1975, and maintains its headquarters in Washington, D.C.

The audit covered the period January 1, 1981 through December 31, 1982. The Committee reported an opening cash balance on January 1, 1981 of \$6,676.65; total receipts for the period of \$933,210.88; total disbursements for the period of \$481,962.94, and a closing cash balance on December 31, 1982 of \$457,924.59.

This audit report is based on documents and working papers supporting each of its factual statements. They form part of the record upon which the Commission based its decisions on the matters in this report and were available to the Commissioners and appropriate staff for review.

84040490176

B. Key Personnel

The Treasurer of the Committee during the period of audit was Ms. Florence M. Johnson.

C. Scope

The audit included such tests as verification of total reported receipts, disbursements and individual transactions; review of required supporting documentation; analysis of COLCPE debts and obligations; and such other audit procedures as deemed necessary under the circumstances.

II. Audit Finding and Recommendation

A. A matter noted during the Audit was referred to the Commission's Office of General Counsel on December 13, 1983.

84040490177

84040490178



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1615

Date Filmed 11/16/84 Camera No. --- 4

Cameraman JRL